

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, March 16, 2017**  
**9:00 a.m.**

***Meeting held via teleconferencing with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield).***

***This meeting was webcast.***

1. CALL MEETING TO ORDER – The Chair, Councilmember Baines, called the meeting to order at 9:08 a.m.
2. ROLL CALL – was taken and a quorum was present.

*Present:*

David Ayers, Mayor	City of Hanford
Oliver L. Baines III, Councilmember, <b>Chair</b>	City of Fresno
John Capitman, Ph.D.	Appointed by Governor
David Couch, Supervisor**	Kern County
Bob Elliott, Supervisor*	San Joaquin County
Buddy Mendes, Supervisor, <b>Vice Chair</b>	Fresno County
Kristin Olsen, Supervisor*	Stanislaus County
Craig Pedersen, Supervisor	Kings County
Dr. Alexander Sherriffs	Appointed by Governor
Tom Wheeler, Supervisor	Madera County
J. Steven Worthley, Supervisor	Tulare County

\* Attended meeting in Northern Region Office

\*\*Attended meeting in the Southern Region Office

*Absent:*

Lloyd Pareira, Supervisor	Merced County
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3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 14 – 18): *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.*

14. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN

VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, FEBRUARY 16, 2017

15. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2017
16. RECEIVE AND FILE OPERATION STATISTICS SUMMARIES FOR FEBRUARY 2017
17. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF FEBRUARY 28, 2017
18. NO COST AMENDMENT TO AGREEMENT WITH ARCHER AND HOUND ADVERTISING TO ACCOMMODATE THE SHIFT IN THE ONSET OF THE DISTRICT'S SUMMER HEALTHY AIR LIVING OUTREACH

Public Comment: None

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

***Motion unanimously carried to approve Consent Calendar Items 14 – 18***

4. PUBLIC COMMENT – *The following persons provided public comment during this item:*
  - Thomas Manz, Resident

The Chair announced that past Governing Board member, Dennis Brazil, former Mayor of Gustine, was in attendance at the meeting. He thanked Mr. Brazil for his service to the Governing Board and said he did a great job during his time on the Board and would be missed. He presented a plaque of appreciation to Mr. Brazil for his service.

5. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE – Manuel Cunha, Chair of the Citizens Advisory Committee (CAC) reported on their meeting held on March 7, 2017, including the following key items:
  - CAC members received a detailed presentation by Mr. Sadredin on development of ARB's Mobile Source Strategy and its relationship to the ongoing planning process to address multiple PM2.5 standards. CAC expressed unanimous concern with ARB adopting the strategy in March without including the emissions reductions necessary for the Valley's attainment efforts. CAC members took action to send a letter from the

CAC to ARB requesting that action on the Mobile Source Strategy be tabled until sufficient Valley-specific measures are included.

- CAC Chair formed an ad-hoc subcommittee to assist in providing input to the Executive Director/APCO in the evaluation of the effectiveness of EJAG under the new reporting structure and the propriety of continuing with the new structure. This evaluation is being performed pursuant to Board direction provided at the time the EJAG reporting structure was changed to report directly to the Governing Board.

Public Comments: None

6. RECEIVE A VISUAL DEMONSTRATION OF THE PROTOTYPE REAL-TIME ELECTRONIC AIR QUALITY DISPLAY AND AUTHORIZE EXPENDITURE OF UP TO \$20,000 FOR A PILOT PROJECT TO RECRUIT UP TO 20 SCHOOLS THROUGHOUT THE VALLEY TO HELP WITH FINAL DESIGN AND DEPLOYMENT ISSUES – Jaime Holt, Chief Communication Officer, gave Board members a visual demonstration of the prototype Real-time Electronic Air-Quality Display (READ). She said the prototype READ is an electronic sign that uses powerful and versatile LED panels to display real time air quality data from the RAAN system. The messages can be displayed on one side, such as may be mounted on a wall or behind a window, or can be two-sided for viewing from either side for alternative mounting options such as on a pole. Each READ unit has a unique identification code that allows it to connect to the District's RAAN. The READ unit connects via a wired or wireless (Wi-Fi) network to the internet and then to RAAN. The unit displays updated real-time air quality data for the neighborhood in which it is located. A READ unit gathers updated data from the RAAN system every 30-60 seconds.

In addition, Ms. Holt described the proposed pilot program designed to gather information and answer questions to aid the development of the program. Under this pilot program, the District will work with up to 20 schools throughout the Valley which are already using RAAN and are willing to utilize a READ unit at their site. Schools will be asked to provide feedback to the District to evaluate the display and communicate potential improvements. The District will coordinate all activities under this pilot project with a key focus on working with schools, parents, and sign manufacturers to answer the questions listed above and develop strategies for significant display expansion to schools throughout the Valley in the future.

Schools in all eight counties of the District will be selected to participate in the pilot program based on their current use and understanding of RAAN and their willingness to participate in the pilot program. Under the pilot program, all reasonable costs associated with deploying the display at school sites will be covered by the District.

The pilot program will be conducted during the 2017-2018 school year and

schools will be required to provide feedback to the District by June 2018.

Supervisor Worthley asked if any thought had been given to using this technology with the existing electronic billboards that most schools have in place already. Mr. Sadredin responded that was staff's first choice. He said there currently are obstacles to implementing that but hoped that the pilot program would help identify potential solutions.

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

- Janet Diets Camay, Resident
- Thomas Manz, Resident

*Moved:* Mendes

*Seconded:* Wheeler

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

*Nays:* None

***Motion unanimously carried to authorize expenditure of up to \$20,000 for a pilot project to recruit up to 20 schools throughout the Valley to help with final design and deployment issues of the Real-Time Electronic Air Quality Display (READ)***

7. RECEIVE AND FILE DISTRICT'S ANNUAL AIR TOXICS REPORT FOR THE YEAR 2016 AND AUTHORIZE EXECUTIVE DIRECTOR/APCO TO BEGIN RULEMAKING PROCESS TO REDUCE FEES FOR AFFECTED FACILITIES – Dave Warner, Deputy APCO, presented the District's Annual Air Toxics Report for the Year 2016 and asked the Board to authorize District staff to distribute the report to county boards of supervisors, city councils, and local health officers.

Mr. Sadredin added that in adherence with the District's core values calling for continuous improvement and striving for efficient use of all resources, and to minimize costs associated with District functions, the District has identified a number of streamlining and efficiency measures that reduce costs. These improvements came about as the District worked to develop strategies to implement changes resulting from the new risk assessment methodologies developed by the state. Under these new methodologies more facilities became subject to annual Air Toxics Hot Spots plan and report requirements. Using the District's zero-based budgeting approach, this presented opportunities for better utilization of economies of scale and significant streamlining and efficiency improvements, including:

- Toxic Emissions Inventory Plan Templates
- Toxic Emissions Inventory Report Streamlining
- In-House Assessments Utilizing Information on File
- Applicability Survey for Phase III Facilities

- Web-based Automated Hot Spots Applicability Screening Tool for Phase III Facilities
- District Presentations and Site Visits
- Small Business Assistance
- Outreach Letters
- Website Resources

Supervisor Worthley thanked Mr. Warner for a great report and said it was a great outcome. He asked if new software would need to be created to provide these efficiencies. Mr. Warner responded there are a variety of databases and software that will be used during this process. In the entrepreneurial spirit and citing the amount of time and effort that went into developing this process, Supervisor Worthley asked if the District could develop and trademark the software package as a way to generate additional revenue and reducing costs. Mr. Sadredin responded that the District's approach, for the good of everyone, is to make their tools available to everyone free of charge.

Dr. Sherriffs voiced appreciation for the report, saying as a business person himself, he appreciates an agency that is going to help him deal with the myriad of paperwork. He asked what kind of monitoring would be done to ensure compliance. Mr. Sadredin responded the District is able to do these streamlined processes because of its integrated program with both permitting and enforcement tools and verifies the information sent to businesses through its source testing, inspections, and other methods of obtaining data. He said nothing in this proposed process takes away from the District's quality control and enforcement. Dr. Sherriffs said it was great that the District found ways to reduce costs of the permitting process and passing the savings along to businesses. He said the District needs to be especially careful when passing the savings along and ensure that they are not giving back resources that could be utilized in another arena. Mr. Sadredin responded that there are restrictions in the law as to what these funds could be used for.

Supervisor Elliott thanked staff for this great report, saying it is always a good thing when the District can streamline processes and make it easier for businesses to comply and reduce costs to them. He noted the important thing to remember is that the actual risk didn't increase but the calculated risk was bigger due to uncertainty factors inserted into the formula. He said it was very important for the District to implement these measures to try to reduce the effects to local businesses. He applauded District staff's efforts to reduce fees as often as they can. Dr. Capitman said this is a great story of how regulatory burden can be reduced over time by improving the efficiency with which the regulations are implemented. He asked how many of the proposals reviewed in 2016 were rejected by the District. Mr. Warner responded the District has not denied any permits as a result of the risk management reviews. Mr. Sadredin said staff does a lot of pre-application work with businesses to ensure any needed design changes for the project are made before the formal evaluation takes place. He said staff works closely with the applicant to help ensure they meet the requirements.

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

- John Haley, AERA
- Roger Isom, Western Agricultural Producers Association
- Thomas Manz, Resident

Moved: Wheeler

Seconded: Mendes

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

Nays: None

***Motion unanimously carried to receive and file District's annual Air Toxics Report for the Year 2016 and authorize Executive Director/APCO to begin rulemaking process to reduce fees for affected facilities***

8. REVIEW PRELIMINARY COST AND INCENTIVE FUNDING ESTIMATES FOR MEASURES AIMED AT REDUCING EMISSIONS FOR DISTRICT'S PM2.5 ATTAINMENT STRATEGY – Samir Sheikh, Deputy APCO, reviewed the District's preliminary cost estimates for measures aimed at reducing directly emitted PM2.5 and NOx emissions in pursuit of the District's attainment strategy for the federal PM2.5 standards. In addition, he reviewed the District's preliminary estimates for funding for incentive-based measures necessary to achieve and expedite reductions in pursuit of the District's attainment strategy for federal PM2.5 standards.

Dr. Capitman asked if the chart that assesses an impact of under-fired charbroilers on PM assumed only an incentives-based strategy or was the calculation based on proposed incentives as well as imposing a regulation. Mr. Sadredin responded that the District's projected reductions and impact on attainment is not only taking account for reductions that are coming through incentives but the total benefit of all measures including regulations. Regarding agricultural engines, Mayor Ayers asked if there were incentives to convert from natural gas to electricity. Mr. Sadredin responded through this process, staff is trying to bring as many partners as possible to the table and are currently working with the utility companies on a rate reduction for owners of agricultural engines that choose to electrify, such as PG&E's Agricultural Internal Combustion Engine Conversion Incentive Program (AG-ICE). He said incentive amounts are driven by what is necessary to motivate someone to do something they might not normally do.

Supervisor Pedersen said there are also disincentives such as the cost to the grower, such as the electricity demand charge. Supervisor Mendes clarified when the AG-ICE program ran out, then other rates for electricity kicked in which include demand charges. Supervisor Wheeler asked who would be installing the natural gas fueling stations. Mr. Sheikh said there are a number of companies working with utilities who are looking at installing the CNG and LNG stations.

Supervisor Mendes commented that there is great technology out there still in development. Mr. Sadredin said when referring to transformative changes it is important to envision the future stations where drivers can charge their electric vehicle, or get compressed natural gas (CNG). Supervisor Worthley asked how much the District has spent on incentive funding to date. Mr. Sadredin responded about \$1.6 billion in the last 10 years, consisting of public and private investment. Supervisor Worthley commented that even if all of these measures are implemented and the District spent all of this money, the Valley would still fall short. Mr. Sadredin responded that based on the latest estimate, the Valley would still fall short but it was premature to quantify an exact amount as the District and ARB are still finalizing the modeling.

Dr. Sherriffs commented that this is very daunting information but there are 1,000 premature deaths every year in the Valley and the District needs to do everything it can as every little bit makes a difference. He said there are many partnerships possible and the District needs to work hard to establish them, such as the AG-ICE program. Supervisor Pedersen asked if the projected numbers take population growth into consideration. Mr. Sadredin responded affirmatively. Regarding comments made by Dr. Sherriffs about South Coast AQMD's plan, which calls for \$1 billion per year which is less than the estimated need for the Valley, Mr. Sadredin said the District is at a disadvantage because the Clean Air Act does not allow a "black box" option for PM2.5 plans as it does for the South Coast ozone plan.

Supervisor Elliott agreed with Supervisor Worthley that the Valley would fall considerably short in reductions, even if they adopted every single one of the extremely aggressive and futuristic proposed measures. He said if the District were to require some of these extremely aggressive and expensive measures, they would encourage more business owners to move out of state. He said this whole report outlines the magnitude of the problem and highlights the need to be cognizant of the effects on the economy and businesses for every measure adopted by the District. Dr. Capitman commented this document is a good negotiation document and serves as an argument for the need for ARB to make more dramatic reductions and provide the District with greater tools to address mobile sources.

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

- Colby Morrow, So Cal Gas
- Janet Diets Camay
- Dennis Tristao, Citizens Advisory Committee
- Roger Isom, Western Ag Processors Association and Western Growers Association
- Genevieve Gale, Coalition for Clean Air
- Manuel Cunha, Nisei Farmers League
- Thomas Manz

9. REVIEW AND REAFFIRM THE DISTRICT'S EXISTING POSITION THAT DRACONIAN MEASURES THAT IMPOSE NO DRIVING DAYS AND SEVERE RESTRICTIONS ON COMMERCE ARE NOT FEASIBLE – Mr. Sadredin said staff put this item on the Agenda as the District is in the process of putting together a PM2.5 plan which is due by August of 2017. He said the Board's previous direction to staff has been that they are not willing to put draconian measures such as the ones addressed in this item in the District's plans, not only because they do not pass the feasibility test and have enormous economic impacts, but also because of legal issues concerning enforceability, the equal protection clause, and the lack of authority of local government to interfere with interstate commerce.

The Board adopted this position in 2007, when the District was in the process of putting together an extreme ozone plan, and the environmental organizations with funding from the Hewlett Foundation hired a consultant from Los Angeles who developed an alternate State Implementation Plan (SIP). The alternate SIP said the District must impose these draconian measures, which the Board took action to respond that they were not the types of measures that the Valley can include in their plans.

Recently, he said some have suggested that the District is not doing all it can to leave no stone unturned, and Dr. Capitman has said there needs to be a "full throated discussion" about incorporating such measures after evaluating economic costs versus health benefits. Mr. Sadredin said he does not believe that these measures can pass the tests previously laid out by the Board. He reviewed the District's existing position that the imposition of the following draconian measures is not permissible under federal law, are unenforceable, and would cripple the Valley's economy and, therefore, should not be incorporated in the District's attainment strategy:

1. No drive days for passenger vehicles in the San Joaquin Valley
2. Close Interstate 5 to heavy duty truck traffic in the Valley
3. Close Highway 99 to heavy duty truck traffic in the Valley
4. Close both Interstate 5 and Highway 99 to heavy duty truck traffic in the valley
5. No farming days in the San Joaquin Valley
6. No construction days in the San Joaquin Valley

Dr. Capitman said the District's contingency plans are one area that needs to be discussed further. In addition, he said given the overwhelming evidence presented that it's going to be very tough for the Valley to meet the air quality standards, an evaluation of what the transformation would look like to eliminate more air pollution in the Valley by getting people out of their cars and reducing emissions by industries is needed.



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

- Janet Diets Camay
- Thomas Manz
- Tom Frantz, Association of Irrigated Residents

*Moved:* Wheeler

*Seconded:* Elliott

*Ayes:* Ayers, Couch, Elliott, Mendes, Pedersen,  
Sherriffs, Wheeler, Worthley, Baines

*Nays:* Capitman

***Motion carried 9-1 to review and reaffirm the District's existing position that draconian measures that impose no driving days and severe restrictions on commerce are not feasible.***

10. ADOPT LEGISLATIVE POSITION RELATING TO AIR QUALITY PROVISIONS OF SB 49 (DE LEON) – Mr. Sadredin reviewed provisions of state Senate Bill 49 relating to air quality that, consistent with the District's existing policy position, ensure no rollback of the District's existing health-protective rules and regulations and asked Board members to support and authorize staff to work with the authors to incorporate language that will ensure that the Valley's disadvantaged communities will not become subject to economically devastating sanctions due to air pollution from sources under the sole legal authority of the state and federal governments. In addition, Mr. Sadredin asked the Board to authorize staff to work with the author to incorporate language to establish safeguards aimed at avoiding unintended adverse consequences. He said the experience that the District has had in the past with implementing the Clean Air Act is that some of the well-intended provisions have led to adverse consequences, including a multitude of plans with redundant milestones and requirements and artificial and arbitrary deadlines. He said the District's position on changes needed at the federal level are not to change the requirements themselves but to streamline their implementation without penalizing Valley residents for pollution from sources outside the District's legal jurisdiction.

Supervisor Wheeler asked if Board members should write individual letters of support from their cities and counties. Mr. Sadredin said the bill addresses other areas as well and suggested members who are interested in doing so should consult with other agency departments to evaluate if broader support is warranted. He said it would be helpful to draft the letters as backup in support of the District. Supervisor Elliott said it is important for the Board to adopt the position to work with the authors on language in the air quality provisions to ensure that the District is not subject to sanctions due to air pollution sources that are solely under the jurisdiction of federal agencies.

Supervisor Pedersen asked if the District were able to get some sort of language or accommodation in this legislation is staff asking the Board to support this

legislation. Mr. Sadredin responded that this bill is very broad in its scope, and therefore, does not suggest the Board support the bill in its entirety. He suggested the Board support just the air quality portion with regard to no rollbacks to existing regulations. Supervisor Worthley said he does not have a problem with the non-rollback position but said there must be language that explicitly says there will also be no penalties imposed on the Valley. He said without the explicit provision of no penalties, he could not support the legislation. Mr. Sadredin said his recommendation today was to narrow the District's support as to what is consistent with what is already the Board's health protective policy, while preventing imposition of unfair penalties on Valley residents and businesses.

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

- Tom Frantz, AIR
- Roger Isom, California Cotton Ginners and Growers
- Manuel Cunha, Nisei Farmers League

Supervisor Worthley made a motion to support the non-rollback provision and nothing else. Supervisor Elliott clarified that Supervisor Worthley's motion included removing the words "support provisions of SB 49". Supervisor Worthley said his motion is reaffirming the Board's position with regards to the non-rollback provision of the District's existing policies. He said his motion is to respond to the bill that has been created but not to support the bill in its entirety. Councilmember Baines said he understood the intention of staff was not to support the entire bill, but just the provisions that relate to the District.

*Moved:* Worthley  
*Seconded:* Elliott  
*Ayes:* Ayers, Couch, Elliott, Mendes, Pedersen,  
Sherriffs, Wheeler, Worthley, Baines  
*Nays:* Capitman

***Motion carried 9-1 to support the non-rollback provision of SB49 (De Leon)***

11. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs gave highlights of the ARB Board meeting on February 16, 2017, including:

- The Board heard an informational report from staff on the proposed Scoping Plan as part of the second of three Board meetings to provide opportunities for public discussion. In response to Board member and stakeholder comments at the January Board meeting, ARB staff is revising the January draft of the Scoping Plan. The final plan will provide additional detail on the Scoping Plan's impacts on the economy and human health.

12. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin asked for the Board’s direction about a potential conflict with the May 18, 2017, Governing Board meeting. Several Board members had suggested the scheduled date conflicts with the 2017 California State Association of Counties Legislative Conference. He said the May Board meeting is crucial as that is the District’s Budget Hearing, but said the meeting date could be rescheduled to eliminate the conflict. By consensus, Board members agreed that staff should find an alternate date for the May Board meeting. Mr. Sadredin said staff would poll the Board members to find an alternate date.
  
13. GOVERNING BOARD MEMBER COMMENTS – None

**ADJOURN**

The Chair adjourned the meeting at 1:00 p.m.

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