

Action Summary Minutes

San Joaquin Valley Unified Air Pollution Control District

GOVERNING BOARD STUDY SESSION

The Pines Resort
54449 Road 432, Bass Lake, CA 93604

**Wednesday, September 20 and
Thursday, September 21, 2017
11:00 a.m.**

1. CALL MEETING TO ORDER – The Chair, Councilmember Baines, called the meeting to order at 11:04 a.m.
2. ROLL CALL – was taken and a quorum was present.

Present:

David Ayers, Mayor*	City of Hanford
Oliver L. Baines III, Councilmember, Chair	City of Fresno
John Capitman, Ph.D.**	Appointed by Governor
David Couch, Supervisor*****	Kern County
Bob Elliott, Supervisor*	San Joaquin County
Christina Fugazi, Councilmember	City of Stockton
Buddy Mendes, Supervisor, Vice Chair	Fresno County
Kristin Olsen, Supervisor	Stanislaus County
Lloyd Pareira, Supervisor	Merced County
Craig Pedersen, Supervisor***	Kings County
Monte Reyes, Councilmember	City of Porterville
Dr. Alexander Sherriffs****	Appointed by Governor
Chris Vierra, Mayor	City of Ceres
Tom Wheeler, Supervisor	Madera County
J. Steven Worthley, Supervisor	Tulare County

*Arrived at 11:04 a.m.

**Arrived at 11:12 a.m.

***Arrived at 11:20 a.m.

****Arrived at 1:27 p.m.

*****Arrived at 1:42 p.m.

3. HOUSEKEEPING AND LOGISTICS – Seyed Sadredin, Executive Director/APCO, welcomed and thanked Board members for their attendance, adding that this would be the first time that all 15 Governing Board members would be able to participate in a Study Session. He said staff was looking forward to a very fruitful meeting. He reminded all that this was a Brown Act-compliant public meeting that would be conducted in a less-formal, round table

setting. He expressed his gratitude to District staff, including Jaime Holt, Chief Communications Officer, Imtiaz Haq, Information Technology Services Director, and Michelle Franco, Deputy Clerk of the Boards, along with other staff for their hard work to plan and execute this meeting.

4. REMARKS BY SUPERVISOR WHEELER – WELCOME TO BASS LAKE AND MADERA COUNTY – Supervisor Wheeler thanked Board members for coming to the best, biggest little county in the state. He commented on the beautiful weather and location. He thanked the owners of the Pines Resort for their help and support with this meeting. He thanked District staff for the preparations for this meeting.
5. FEDERAL CLEAN AIR ACT REFRESHER – Jessi Fierro, Assistant Counsel, presented a detailed description of the Clean Air Act mandates including the process for setting new standards and the resulting requirements for states and local agencies.

Councilmember Baines thanked Ms. Fierro for her great and informative presentation. He asked if there was any explanation behind the rationale of EPA not allowing a black box for PM2.5. Mr. Sadredin responded that when the Clean Air Act was enacted, Congress envisioned particulate matter to be simply dust which could be watered down so new control technology, and the time necessary to develop and deploy it, would not be needed. However, he said Congress understood that reducing ozone would require technology that may not exist when the attainment plan is developed, and therefore they allowed for a black box to give time to develop and deploy the technology. He said Congress had no idea at the time that the same technology necessary for ozone control would also be needed for PM2.5. Supervisor Mendes commented that is why for the past year, the Board has focused on a fine tuning of the Clean Air Act, based on lessons learned. He said there are too many variables that need to be cleaned up to make it possible to meet standards.

Supervisor Elliott asked how PM2.5 came into play, if in the early days, Congress was only worried about larger particles. Mr. Sadredin responded that Congress at the time, with good intentions laid out the path that as science evolves and identifies other pollutants that are detrimental to public health, they would be addressed. He said eventually EPA identified that larger particles are not as harmful to human health as finer particles, that penetrate respiratory systems and cause long term damage. He said EPA, based on the latest science, determined that PM2.5 should be a greater target for public health protection. The problem is that as science evolved, the administrative provisions of the Clean Air Act did not evolve and now the District must use an outdated implementation approach not initially envisioned for the complexities of controlling PM2.5. He said the question is not whether EPA is justified in regulating PM2.5, but whether the well-intentioned provisions in the Clean Air Act which did not foresee the complexities

of bringing regions like the Valley into attainment with PM2.5 standards have unintended consequences and do not provide the proper tools to address PM2.5. He said the Board has never gone back to Washington and said EPA should not set health-based standards that are based on sound science. Rather, the Board has said there are lessons that have been learned on the implementation side over the last 25 years. Annette Ballatore-Williamson, District Counsel, added that when EPA adopted the PM2.5 standard, they recognized it as a different pollutant and not the same as PM10, so when they began implementation it was under Subpart 1 of the Clean Air Act which allowed more flexibility and longer attainment timelines. She said EPA's implementation decision was challenged and ultimately EPA was unable to convince the court that PM2.5 was an entirely different pollutant than PM10, and as a result it forced implementation of the PM2.5 standards under the framework of PM10, when the two pollutants should be treated separately.

Supervisor Worthley voiced appreciation for Ms. Fierro's interesting and informative presentation. He commented there is a lot of misunderstanding with the concept of jurisdiction and people say the District needs to clean up the air but do not realize that the District has no jurisdiction over mobile sources which cause 85% of the Valley's air pollution problem. He said to hold the District to standards and then impose sanctions on the Valley for something over which they have no control is unconstitutional. He said the District has done everything they can, and can come into attainment with their standards, but for the areas over which they have no control. He said he feels ultimately the District will end up in litigation over this matter. At the end of the day, the District cannot be held responsible for something over which they have no legal jurisdiction to control.

6. FEDERAL UPDATE BY EPA ASSOCIATE DIRECTOR, MEREDITH KURPIAS – Ms. Kurpias thanked Ms. Fierro for laying the groundwork well and said there are a lot of things that are challenging about the Clean Air Act. She said the Clean Air Act lays out a lot of challenges for EPA and the District and over the years they have managed to work through most of them and was confident they would continue to work through the new challenges that are presented. She voiced appreciation for the patience and dedication that the Board has shown. For context, she said the Valley is a fairly unique place with its own set of meteorology, topography, and sources. She said EPA sees nothing else like it anywhere in the country and when Region IX administrators speak to headquarters, they explain that this is a different situation and help is needed in a different way in the Valley. She said she wanted to impart that they carry that message and acknowledged that District staff also carries this message and said she was committed to continue to educate the new administration and to work with the District. She noted for the 2006 PM2.5 Standard, there were 30 something areas nationwide that were designated non-attainment and all but just a few are now meeting the standard. The perspective in Washington is that the Act it is working in other places and Region IX's answer is that now you have to give extra attention to the areas that are not meeting the standard. She

confirmed the District and Region IX have been strong partners and not without disagreement, but thanked the Board for the tremendous progress. She then gave several updates from EPA Administration and Region IX.

Supervisor Pedersen thanked Ms. Kurpias for attending and presenting at the meeting. He said the Board is very proud of the accomplishments made in improving air quality in the Valley. From the level of communication from EPA last year, the messaging was that the District had an approvable plan which they submitted and followed all applicable requirements. He asked if EPA had implemented a thought process and a system of checks and balances for how information flows freely through Region IX to the folks who have to answer the tough questions. Ms. Kurpias voiced appreciation for that sentiment. She said working with Mr. Sadredin, they agreed that EPA should communicate in writing where possible, to avoid misunderstanding and said there have been some process changes to that effect.

Dr. Capitman asked about contingency measures. Ms. Kurpias said there is a very plain reading of the Clean Air Act that indicates that contingency measures have to be triggered upon failing to meet a milestone or attainment deadline. She said she agrees that it is frustrating that anything that is implemented early, despite it being better for public health, takes it out of the running as a contingency measure. She said there was some dissension among the judges but at the end of the day, the majority agreed that if it is not something that is waiting to be triggered, it is not a contingency measure. Mr. Sadredin said the District has historically satisfied contingency in a way that is not detrimental to public health by doing things that go beyond what is necessary and then ask to use the extra benefit as contingency. He said the court has now said that any reductions that happen before they are needed cannot be taken as a contingency.

Supervisor Worthley asked if there were any additional scientific work being done to look at speciation, saying it would be helpful if the agency were focusing on scientific research that affects public health. Ms. Kurpias said she knows that EPA is funding research into speciation from some southern California learning institutions but believes they may be focusing on diesel particulate matter. She said winters in the Valley, with its sources and inversion layer, create a situation where there is a high level of ammonium nitrates and as far as she is aware the research has not focused on that pollutant. She said she would be happy to look into it further.

Supervisor Olsen asked about Ms. Kurpias' comments on the 5% plan and what the state's plan is for mobile sources. Ms. Kurpias said that, while she cannot represent ARB, they have a very active mobile source program that has NOx reductions occurring every year, in the order of 4.8 or 5.2% per year. She said the expectation is that fleet turnover and parts of the Truck and Bus Rule still coming online will cover most of the reduction that is required in the 5% plan. Supervisor Olsen asked if EPA will hold the state responsible or the District for

meeting the 5% plan. Ms. Kurpias responded that the plan ultimately comes from the state but is a result of collaboration with the District and the outcome comes back to the District. Mr. Sadredin added that the District would be the one sanctioned and not the state. Supervisor Elliott urged EPA to try a little common sense once in a while on these things as it makes sense to use incentives to reach these goals, along with creative thinking. Ms. Kurpias said EPA received a State Implementation Plan from ARB for an area in Northern California that is the first one in the nation that contains primarily incentive-based measures to demonstrate attainment.

Mr. Sadredin thanked Ms. Kurpias for her very informative presentation. He said the District has always enjoyed a great relationship with EPA while realizing that there is always a healthy tension with between the District and its oversight agencies. He said the Board can count on EPA to be a great partner in improving public health in the Valley, and in a way that Administrator Pruitt has suggested through cooperative federalism as opposed to coercive federalism. Chairman Baines echoed the sentiments of his colleagues on the Board, and noted that the Board appreciates the relationship they have enjoyed since January. He voiced appreciation for Ms. Kurpias' attendance and presentation at the meeting.

The Board took a brief lunch recess at 12:38 p.m.

The Board reconvened at 1:08 p.m.

7. REVIEW, REAFFIRM AND/OR FINE-TUNE THE DISTRICT'S MISSION STATEMENT, VISION STATEMENT AND CORE VALUES – Mr. Sadredin reviewed the District's Mission Statement, Vision Statement and Core Values with the Governing Board and asked if the Board feels these items need to be fine-tuned or amended at this time.

Councilmember Baines commented that he does not see anything that needs to be changed when it comes to the District's Mission Statement, Vision Statement and Core Values. He said the Board had a very robust discussion about 2 or 3 years ago, which resulted in a few changes related to common sense and he did not foresee any additional changes needed.

Public Comment: None

Moved: Worthley

Seconded: Wheeler

Ayes: Ayers, Capitman, Elliott, Fugazi, Mendes, Olsen,
Pareira, Pedersen, Reyes, Vierra, Wheeler, Worthley, Baines

Nays: None

Motion unanimously carried to reaffirm the District's Mission Statement, Vision Statement and Core Values.

8. PROVIDE DIRECTION ON PURSUING TARGETED STRATEGIES FOCUSED ON REGIONAL HOT-SPOTS TO EXPEDITE ATTAINMENT OF FEDERAL PM2.5 STANDARDS IN A MORE COST-EFFECTIVE FASHION – Sheraz Gill, Director of Strategies and Incentives, gave the presentation on this item which asked the Board to provide direction on pursuing regulatory and incentive-based strategies focused on regional hot-spots to expedite attainment of federal PM2.5 standards in a more cost-effective and expeditious fashion. Mr. Gill said staff proposed to target a portion or the bulk of the District’s regulatory and incentive-based measures for certain source categories, such as residential wood burning and under-fired charbroiling, in hot-spot areas like the Fresno and Bakersfield urban areas.

Supervisor Worthley said he has been an advocate for such an approach for some time. He said the potential for a hot-spots based approach was brought to his attention years ago when the District put together a map that showed over time how the Valley was coming into compliance. He said the map demonstrated the North came into attainment sooner while it took additional time and measures to bring the South into attainment. He said he thought it prudent to direct resources into the areas with the worst air quality as the Valley was ultimately being judged by those areas.

Supervisor Wheeler asked if cities could be asked to adopt an ordinance preventing the installation of new wood burning devices. Mr. Sadredin responded that the District already has a rule that new homes, with only a few exceptions, cannot have wood burning devices. He said cities could go beyond that, but typically the District rule addresses it.

Supervisor Olsen said the incentives piece makes sense but said she is concerned about diminished economic growth opportunities with proposed increases in regulatory measures for the people in those areas and asked if an analysis had been conducted. Mr. Sadredin responded that staff prepares a full socioeconomic analysis for each proposed rule that is presented to the Board. Supervisor Olsen asked if an analysis would be conducted on the effects of moving incentive funds away from the northern region. Mr. Sadredin responded affirmatively and said that analysis would also include the savings realized from less regulations as a result of the Valley attaining the standards. Supervisor Olsen said AB 617 requires a new level of state reporting for areas identified as hot spots. She asked if that would relate to this program or if it was separate. Mr. Sadredin said there could be some overlap but AB 617 ties back to so called “Cap and Trade” facilities, of which the Valley has about 100. Mr. Sadredin said the District’s proposed Community Level Targeted Strategies that will be discussed later on the agenda is closer in relation to the AB 617 requirements and will give the District a head start in this area. For example, he said replacing hundreds of almond harvesters at great expense Valley wide is not beneficial in advancing attainment of PM2.5 standards, but may be beneficial in addressing localized impacts in certain areas such as near residential developments and freeways adjacent to almond harvesting activities.

Supervisor Elliott asked if residents had already taken advantage of the District's Burn Cleaner incentive program in a hot spot area, would they still be required to change to natural gas. Mr. Sadredin responded the District will not require residents to change out to natural gas, they would only be required to do so to get access to the District's incentive funding in hot spots areas. Supervisor Elliott noted under the existing rule, residents with clean burning devices are allowed to burn at higher levels particulate concentrations than those without these devices. He asked if that would change under the new program. Mr. Sadredin responded that nothing would change in the non-hot spot areas, residents with registered clean burning devices would continue to enjoy the benefits of additional burn days. He said in the hot spot areas, such as the urban areas in Kern County, Visalia, Fresno and Clovis, the threshold for burning would change from 20 micrograms to 12, and 65 to 35 for those with a clean burning device. He said there still will be an advantage for residents investing in cleaner units, but it will be a little more restrictive because of the huge benefits that it brings, equivalent to billions of dollars of regulations on businesses.

Supervisor Elliott asked how the increased incentive funding in hot spot areas would reduce the regulatory burden on businesses in non-hot-spot areas. Mr. Sadredin said the regulatory burden would be less on the non-hot spot areas as the new regulations targeted in the hot-spot areas would not be put into place in non-hot-spot areas if the Valley is able to reach attainment.

Supervisor Worthley made a motion to approve staff recommendations. Dr. Sherriffs seconded the motion. Mayor Vierra asked for an analysis to be brought back to the Board a year or two after implementation, to ensure that the Valley sees the benefits of this strategy. Mr. Sadredin responded that it was a great suggestion and said it could take 3 to 5 years to fully see the benefit of this strategy. Councilmember Baines suggested Supervisor Worthley could include direction that staff report back to the Board in his motion. Supervisor Worthley agreed.

Supervisor Pedersen said the under-fired charbroiler adaptations will be costly for restaurants, and asked what recourses would be available to a restaurant that has received incentive funding to install emission controls which then cause shutdowns of the business if not operating properly. Mr. Sadredin said this is a very difficult area to regulate and said staff is hoping it will get there with the District's funding and support and noted there is a big maintenance cost and a higher level of expertise needed to manage the technology. Councilmember Baines said that the District is again setting the bar higher and commended staff for their ingenuity, thinking outside of the box and pushing the envelope, certainly within the state and probably the entire country, with this strategy.

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

- Genevieve Gale, Coalition for Clean Air

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

Motion unanimously carried to direct staff to continue pursuing regulatory and incentive-based strategies focused on regional hot-spots to expedite attainment of federal PM2.5 standards, and report back to the Board on the benefits to the Valley.

9. UPDATE FROM SJVAPCD EMPLOYEE'S ASSOCIATION – Mr. Sadredin said he hoped that the newer Board members realized that the District is not like a typical government agency, as this item will illustrate. He said he was happy to report that District management enjoys a great relationship with their employees, who just a few years ago voted to decertify SEIU and form their own employee association. The management has been working hand in hand with the employee association to ensure that employees' welfare and wellbeing is addressed. He introduced Anna Myers, President of the SJVAPCD Employees' Association, who gave a brief update to the Board on the Association's very positive and proactive relationship with the District.

On behalf of the Board, Chairman Baines thanked Ms. Myers for her update and said it is very rare indeed to see such a positive relationship within a public agency. He said the Board thinks the world of Mr. Sadredin and his leadership and said they know that staff play a huge role in that relationship and making it fruitful. He thanked the entire Employees' Association for working with the District's management team.

10. EXPLORE BEST APPROACHES TO REDUCE AIR POLLUTION FROM UNDERFIRED CHARBROILERS IN THE VALLEY – Chay Thao, Program Manager, gave an update on current technologies and partnerships for underfired charbroilers in the Valley and asked the Board to consider next steps in the development of a regulatory control measure for this category, including a proposal aimed at securing funding from other regulated entities as a revenue source to help fund accelerated deployment of charbroiler emission control technologies.

Councilmember Fugazi asked how the District is engaging the restaurant owners to educate them about the pollution from charbroilers. Mr. Sadredin the Board has already approved a technology research project for the District to work with restaurants in the Valley to advance and demonstrate emission reduction technologies. The District is working with the Restaurant Association but this is also another area where it is critical to bring them in and build a trusting relationship with them as opposed to seeing the District as an agency who is out

there to shut them down. He acknowledged that these restaurants are very busy, rely on a large volume of business with very small margins to survive, and have little time to learn about the technologies. Councilmember Fugazi voiced concern about the number of grocery stores with outdoor barbecues in her area that generate large amounts of smoke, along with many food trucks with outdoor barbecues. She said that while the food is tasty, she is concerned with the large number of her students with asthma and respiratory illness. She said education across the board and in multiple languages is necessary.

Supervisor Wheeler commented on the high cost of initial installation and maintenance and asked who would be responsible for ongoing maintenance costs. Mr. Sadredin said it was his hope that once staff has the opportunity to engage with the business community and they are faced with potential costs of up to \$14 billion to meet proposed regulations versus an investment of \$35 million in charbroilers, they could build an ongoing, sustainable funding mechanism to pay for that cost. He also voiced hope that through technology advancement, those costs could someday be reduced.

Dr. Capitman voiced appreciation for the careful discussion of what to do about this problem. He asked how much information was known about the size of operations that could be affected and what it would entail to regulate them. He said his gut reaction is that the District should severely curtail this activity source. Mr. Sadredin asked Dr. Capitman if he said the District should shut down these operations. Dr. Capitman responded to shut them down if they cannot meet a standard and said he was not necessarily proposing it but asking what would be involved. Mr. Sadredin responded that the District is in the process of putting the plan together and if it is adopted, then the rulemaking process would begin through a very public process. He said he understands the Board's direction at this point to be that shutting down these restaurants is not something that we should pursue. Staff is trying to find a workable, largely incentive-driven program with a regulatory backstop to encourage businesses to participate.

Supervisor Elliott said it is a great idea to incentivize these restaurants to install better technology and asked what kind of facilities would be asked to fund incentive projects. Mr. Sadredin responded the Board has put this approach in place previously under Rule 4320 (Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBTU/HR) or AERO. Mr. Sadredin added that the businesses that would potentially pay into this program would not be restaurants, but would be from other well controlled sectors (oil and gas industry, food processors, etc.) that may opt to pay for more cost-effective reductions at these charbroilers.

Supervisor Olsen commented that the average restaurant makes 5 cents on the dollar and is not a chain restaurant. She said the reason she knows this is that 15 plus years ago she was the Director of the California Restaurant Association (CRA). She said it concerned her that CRA was not at the meeting and asked how responsive they were being. She said she would be happy to engage with

them as this is the type of thing they would work actively on 2 decades ago. Samir Sheikh, Deputy APCO, responded that staff has had some interaction with CRA in the past and have tried to ramp that up in the last couple of months to get their assistance with outreach and demographic data for Valley restaurants. He said talking about this today and taking action on these issues will serve as good motivator for getting that relationship going to help the District understand how these concepts may affect restaurants.

Supervisor Mendes said the District is going down the right track and needs to engage with restaurant owners to get more information. He said what does not need to happen is for the District to tell operators they will be put out of business. He said the Board needs to be very careful of that and at this point needs to continue to gather more information.

Dr. Sherriffs commented this is a very important area to be working on and said he believes the District can succeed as there are many examples of the District leading the way when taking on new issues and thinking about creative options in terms of funding. He said this is too important to the work of the District in terms of meeting the standards, incredibly cost effective and reminded the Board that this directly emitted PM2.5 is the least healthful and most damaging in terms of health impact. He said it has much greater impact than dealing with NOx and the secondary PM2.5 that is created from NOx. He said it is very important work that is not going to be easy but needs to be done to reach attainment.

Dr. Capitman asked for clarification on today's action. Mr. Sadredin said that approving this item today would authorize staff to begin further work to refine this approach to the point of it being adequate for incorporation in the attainment strategy which will be presented to the Board as part of the new attainment plan. He said staff also needs to engage with ARB some more because these pollutants are also black carbon, which ARB says it wants to control for climate change in pursuit of additional funding for this approach. He also said there is a lot more work that remains to be done on technology development. He said the additional issues will be resolved through the rulemaking process after the plan is adopted by the Board.

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

- Jenifer Pitcher, Western States Petroleum Association
- John Haley, Aera Energy LLC

Supervisor Couch asked staff to include business closures and effect on employment in the restaurant industry in their analysis. Mr. Sadredin responded affirmatively, saying that information is required by law in the District's socioeconomic analysis. He said this rule would only be brought to the Board if the conclusion were that this has a less costly impact to Valley businesses as a whole. Councilmember Baines clarified the Board is being asked to give staff the ability to march down the path to bring back more information.

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

Motion unanimously carried to direct staff to pursue the best approaches to reduce air pollution from underfired charbroilers in the Valley

*The Board took a brief recess at 3:30 p.m.
The Board reconvened at 3:45 p.m.*

11. THE DISTRICT'S S.T.A.R. (SERVICE, TEAMWORK, ATTITUDE AND RESPECT) WORK CULTURE – Mr. Sadredin said one of the greatest sources of pride at the District is when the businesses that are subject to some of the toughest regulations and enforcement come to the District to commend staff for what they are doing to improve air pollution and offer their support. He said it is the Board's direction and guidance to do things in a common sense and effective fashion with a focus on customer service. A big part of what has enabled our agency to have a high level of service and efficiency is the work culture that has been implemented under the Board's guidance. For this to work, it requires continued support and guidance from the Board. He introduced Samir Sheikh, Morgan Lambert, and Dave Warner, Deputy APCOs, who gave the Board an overview of the District's S.T.A.R. (Service, Teamwork, Attitude and Respect) work culture, including how it has been successfully implemented at the District.

Chenecua Dixon, Personnel Director, introduced District employees: Valarie Ballard, Jan Rothenfluh, Robert Gilles, Stephanie Pellegrini, Jake Felton, James Le, and Suzanne Medina who each provided testimony on how the District's S.T.A.R. work culture has enriched their work experience and positively impacted their lives.

Kevin Abernathy (Milk Producers' Council and Dairy Cares), Colby Morrow (Southern California Gas Company), Chris McGlothlin (California Cotton Ginners and Growers Association and Western Agricultural Processors' Association), and Manuel Cunha (Nisei Farmers League) presented several examples of excellent customer service they have received from District staff, and commended District staff for great work ethics and efficiency.

Chairman Baines thanked Mr. Sadredin, and the staff and stakeholders who provided testimony. He said he is appreciative that the Board took the time to gain an in depth understanding of what S.T.A.R. really is. He said on behalf of the Board, most of whom work for other public agencies, he is reminded that there is something magical that happens here at the District. He said this presentation was very important to him and the Board has some difficult decisions to make in the coming months and in many ways hearing this, for him

at least shed a lot of light on how the Board should approach the foreseeable changes. From a stakeholder's perspective, he said this program needs to be implemented across the board with other agencies.

12. CLOSED SESSION – Chairman Baines announced the Board would adjourn to Closed Session and asked for public comment. Hearing none, Ms. Ballatore-Williamson announced that the Board would discuss the following:
1. Conference with Legal Counsel – Existing Litigation (Government Code Section 54956.9(d)): Pending Litigation, Kern County Superior Court Case No. BCV-17-101797
 2. Public Employee Performance Evaluation pursuant to Government Code Sections 54957 and 54957.6 for the following:
 - a. Executive Director/APCO

The Board adjourned to Closed Session at 5:19 p.m.

The Board reconvened on Thursday, September 21, 2017, and the Chair, Councilmember Baines, called the meeting to order at 8:12 a.m.

ROLL CALL – was taken and a quorum was present.

Present:

David Ayers, Mayor	City of Hanford
Oliver L. Baines III, Councilmember, Chair	City of Fresno
John Capitman, Ph.D.	Appointed by Governor
David Couch, Supervisor	Kern County
Bob Elliott, Supervisor	San Joaquin County
Christina Fugazi, Councilmember	City of Stockton
Buddy Mendes, Supervisor, Vice Chair	Fresno County
Kristin Olsen, Supervisor	Stanislaus County
Lloyd Pareira, Supervisor	Merced County
Craig Pedersen, Supervisor	Kings County
Monte Reyes, Councilmember	City of Porterville
Dr. Alexander Sherriffs	Appointed by Governor
Tom Wheeler, Supervisor	Madera County
J. Steven Worthley, Supervisor	Tulare County

Absent:

Chris Vierra, Mayor	City of Ceres
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This item was taken out of order

16. DISTRICT RESEARCH PRIORITIES FOR 2017-18 – Jessica Olsen, Air Quality Analysis and Research Supervisor, presented this item which asked the Board to approve the District's scientific research priorities and related projects for FY 2017-18. Proposed research priorities included:

- Improved Understanding of Source Impacts: As air quality continues to improve across the Valley, understanding the distribution of peak pollutant concentrations and what sources inside and outside of the Valley are contributing to everyday ozone and PM2.5 levels will become more important. Additionally, as the District addresses the strict federal standards, understanding how PM2.5 and ozone precursor emissions are transported throughout the Valley, and what processes are influencing peak pollutant concentrations, are critical components in developing an effective and successful attainment strategy.
- Improved Emission Inventories: Accurate emission inventories are the foundation for ultimately attaining the federal standards. Air pollution models cannot make accurate predictions about the relative impacts of control measures if they are built on faulty emission inventories. Historically, the Air Resources Board (ARB) has assumed responsibility for much of the area source emission inventories. However, there is evidence that ARB's emission estimates from some sources may not accurately reflect actual activity levels in the Valley. In the case of source categories critical to attaining the stringent federal standards, investing in additional research on Valley activity levels can have a substantial payoff in assisting the District in developing sound and accurate attainment strategies.
- Improved Modeling: In the past, the District has relied on ARB ozone and particulate models that allocate the fractional contribution of different source categories to either observed or modeled concentrations at District ambient monitors. With support from your Board, the District has recently deployed our own modeling center with the main objective of bringing the District's modeling in-house and have autonomy when developing the District's attainment strategy. In investigating the current model's inputs and assumptions, the District has identified areas of concern that need to be addressed in order to develop an accurate attainment strategy.

Mr. Sadredin added that if the Board approves this item it would not authorize any individual projects, but would give staff direction in terms of priorities and projects to pursue. He said staff would return to the Board with comprehensive information on each project individually for approval. Supervisor Elliott said some of the information presented validated a comment he made some time ago about the need for the District to have its own research capabilities and do its own models. He said if air quality models are not updated to reflect what is actually happening, then the model is worthless. He said all of these projects are certainly worth the District's funding and attention. He cited another example that

ARB's models or emission inventories discounted any cars that were more than 45 years old, saying there were none of those on the road in the Valley. Evidence from the District's Tune in Tune Up program show those cars are on the road in the Valley. He said the District needs to fund its own research, create its own models, and at least conduct research that verifies the inputs that are going in to the models the District is relying on to make its plan. He said he definitely supports all aspects of this plan, and made a motion to approve staff recommendations. Supervisor Wheeler seconded this motion.

Public Comment: None

Moved: Elliott

Seconded: Wheeler

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

Nays: None

Motion unanimously carried to approve District research priorities for 2017-18

13. EVALUATION OF DISTRICT'S ENVIRONMENTAL JUSTICE ADVISORY GROUP (EJAG) REPORTING STRUCTURE – Mr. Sadredin said under state law, the District is required to have a Citizens Advisory Committee which has members representing cities, environmental organizations, and industry and agricultural groups. That group serves as an advisory group to the Board and provides input on many items before they come to the Board. He said over the years, the District has received great benefit from this process. A few years ago, the Board expressed concern with the needs of disadvantaged communities in the Valley that are made up of low income populations of various ethnic groups and formed a new Environmental Justice Advisory Group (EJAG) to help bring into the mix some unique perspectives that the Board may not get from a typical environmental organization, cities or industrial and agricultural groups. He said EJAG was formed about 10 years ago and at the time, although everyone agreed with the concept, there was a lack of trust among the various groups. As a safeguard, the Board directed that EJAG should report to the Citizens Advisory Committee. He explained at the 2015 Governing Board Study Session, the Board voted to change the reporting structure of the EJAG to allow direct reporting relationship to the Governing Board while maintaining ongoing communication with the Citizen's Advisory Committee. He said this change was approved as a pilot and the Executive Director/APCO was directed to return with an evaluation and potential recommendations for any necessary changes or enhancements to the EJAG reporting structure moving forward. He reported to the Board that the new infrastructure has actually worked well. The goals and objectives they have laid out every year have been consistent with the goals and objectives of the Board and they were in particular, very helpful in getting support to bring Cap and Trade resources to the Valley. Mr. Sadredin did say that

moving forward he would like to see EJAG advocate for more reductions from mobile sources at the state and federal level to help bring the Valley into attainment.

Supervisor Olsen asked if EJAG's role would be to advocate for resources or policy, as her concern is that the environmental justice advisory community at large was opposed to the Cap and Trade deal and said that makes her very nervous. Mr. Sadredin responded that the District's EJAG supported bringing Cap and Trade dollars to the Valley. He said they do not get to send policy or funding recommendations on their own, they must be approved by the Board.

Supervisor Elliott left at 8:38 a.m.

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

- Marvin Dean, EJAG member

Dr. Sherriffs said he agreed that on many levels it has been a very successful experiment and good to formalize what has been done. He commented that what led to the whole reexamination of the District's PM2.5 Plan was driven by the environmental justice community pushing much harder on ARB to step up now rather than later, including what could be done for mobile sources. He said that while there is great wisdom in separating mobile and stationary sources, it also sets up an ongoing tension as far as working together and collaborating as partners, while dividing up who is responsible for what. He said this model has worked very well and the District has made incredible progress over the past 20 years.

Moved: Wheeler

Seconded: Couch

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

Nays: None

Motion unanimously carried to approve staff recommendations for District's Environmental Justice Advisory Group (EJAG) reporting structure

14. COMMUNITY-LEVEL TARGETED STRATEGY – Jon Klassen, Program Manager, presented this item which asked the Board to consider pursuing a different path, outside of the planning attainment strategy, in developing community-level targeted strategies to pursue regulatory or incentive-based control measures focused on pollution sources that do not advance attainment of the federal standards, but would improve localized air quality.

Supervisor Worthley commented on almond harvesting, saying the Board wants to support the agricultural industry. He said when thinking about almond dust he

also considers the District's requirements regarding spraying and not creating a nuisance. In a sense, this is the same type of issue as the District is dealing with a public safety issue and public health aspect and should be working closely with the agricultural commissioners in each county on this issue as there are strategies that can be put into place to alleviate this problem. He said one of the things he has noticed is that because almonds have become so valuable, they are being planted in places that are in close proximity to cities, communities and highways making it much more obvious to those who are driving down highways. He said this is a growing issue and it is good for the District to be engaged in it as it impacts local residents. Councilmember Baines voiced agreement with Supervisor Worthley's comments, and said he lives across the street from a large almond operation and it is quite a nuisance when they are harvesting. He said he agrees with moving in the direction recommended by staff to figure out how to help people in those communities.

Supervisor Olsen commented that while she doesn't disagree, she wanted to stand up for the almond industry as it is the number one economic output in her community. She said there are a lot of measures that they are already implementing through the agricultural commissioner's office and asked for examples of the District's proposed measures. She said she wasn't sure a whole lot more could be done without putting them out of business. Mr. Sheikh responded that the District works closely with the Almond Board, and said one of the new cutting edge areas deals with the harvesters themselves and noted the Study Agency approved a project recently that is going to involve looking at the latest harvesting technologies and setting side by side comparisons which could provide some opportunities to have lower emitting harvesting operations. He said the District is also working with USDA/NRCS, which has already set up an incentive program but there are some limitations to the program which make it difficult for some growers to participate. He said the District wants to set up an incentive program that is more responsive to the growers' needs and would make it easier for growers who wish to participate in trying out the new technologies. He acknowledged there is a lot of work going on with the Almond Board to develop new practices in addition to technology that could also help as well. Mr. Sadredin added it was important to point out that this discussion began from the perspective of residents seeing these isolated situations and saying we need to impose a regulation on all almond harvesting Valley wide. He said the District examined potential impact from almond harvesting and found that such controls would have no significant benefits in advancing the Valley's efforts to attain PM2.5 standards.

Supervisor Mendes concurred and said as an almond grower, he believes the nuisance factor is a result of sweeping. He said the Board should continue to follow staff recommendations and keep their eye on the ball with research and working with the industry to come up with better ways to do it. He said the most important thing is to continue to work with the Agricultural Commissioners.

Dr. Capitman commented on the element of health risk assessments, and said this approach was a great opportunity to draw some stronger linkages with public health departments around the Valley.

Supervisor Elliott agreed with Supervisor Mendes' comments saying the Board has to be careful with draconian measures that would be applied across the board. He said at least in his county, there is also a Right to Farm Ordinance, which states because agriculture is such a key industry in their county residents will have to accept the fact that there will be some inconveniences like dust. He said he agrees with the approach that the District is taking and cautioned against an across the board approach.

Councilmember Baines said this is what happens when residential neighborhoods coexist with longstanding agriculture communities and land use policies start coming against these issues.

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

- Roger Isom, California Cotton Ginners Association, Western Ag Processors Association
- Genevieve Gale, CVAQ

Moved: Worthley

Second: Wheeler

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

Nays: None

Motion passed unanimously passed to approve staff recommendations for the District's Community-Level Targeted Strategy

15. PARTICIPATION IN THE DISTRICT'S INCENTIVE PROGRAMS IN KERN COUNTY – Mr. Sheikh said ensuring optimum participation in the District's incentive programs by Valley residents, businesses, and public institutions in Kern County is vital to the District attainment strategy given the proposed hot spots strategy. He reviewed the proposed action plan with the Board and asked for their direction.

Supervisor Pedersen said in some ways the trends presented could indicate a mature program or reflect the rising high cost of equipment. Thinking outside the box, he said that as much as people from the agricultural community are concerned about air quality, there's also end of the year purchases that are managing tax scenarios as well. He said the District might try legislatively to pursue tax credits or other benefits that could be coupled with District incentives to make new equipment purchases more attractive. Supervisor Couch commented that a more in-depth search for projects in Kern County suitable for

District incentive funding is necessary taking into consideration of the reduced universe of available projects at current cost-effectiveness thresholds. Mr. Sheikh agreed moving forward the District should continue to tailor programs to increase the types of projects that can qualify for grant funding. Supervisor Couch offered his assistance with those efforts. Mr. Sadredin voiced agreement with Supervisor Couch's comments, saying this is a proposed two-part approach first making sure there are no missed opportunities for people who may not know about the District's programs then exploring program changes in terms of our spending plan and cost-effectiveness thresholds.

Supervisor Wheeler asked about the percentage of homes in Kern County with fireplaces. Mr. Sadredin said the District would get that information through the wood burning survey. Supervisor Wheeler said Madera County has increased participation in this program through community outreach. Supervisor Couch said there has been a huge amount of new residential growth in Kern County and they all have gas fireplaces. Mr. Sadredin said staff is open to the fact that through the District's public education efforts, residents may have decided not to use their wood burning devices. Supervisor Worthley said in addition to the other resources that need to be made available in each county, outreach efforts are huge factor to moving residents who may not even be thinking about replacing their wood burning devices. He said public engagement and advertising is every bit, if not more important than actually providing the funds.

Councilmember Fugazi suggested conducting outreach at Home and Garden Shows as well. Supervisor Wheeler agreed.

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

- Roger Isom, California Cotton Ginners Association, Western Ag Processors Association
- Marvin Dean, EJAG
- Jenifer Pitcher, WSPA

Moved: Couch

Seconded: Worthley

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

Nays: None

Motion unanimously passed to accept staff recommendations for the District's incentive programs in Kern County

17. PROGRESS REPORT ON DISTRICT'S EXPANDED PASSENGER VEHICLE REPLACEMENT PROGRAM – Todd DeYoung, Program Manager, Mehri Barati, Director of Administrative Services, and Jaime Holt, Chief Communications Officer, reviewed a progress report on the District's expanded passenger vehicle

replacement program and asked the Board to provide input and direction on the following program enhancements to accommodate significantly increased program funding:

1. Implement method of direct application by Valley residents into the vehicle replacement program through an online portal as a companion to participation by residents at weekend Tune in Tune Up repair events.
2. Implement enhanced marketing strategy for the expanded vehicle replacement program, including new program name and targeted program outreach.
3. Maintain strict program accountability with new and enhanced measures.

Councilmember Fugazi said the Tune in Tune Up and EFMP programs are the reasons why she applied to be appointed to the Governing Board because she knows what an impact it has made in her community and specifically in her district. She said she has been there from the start of being on the City Council and she has assisted with every aspect of the cycle with a person who was going through the program. She said there have been some issues regarding repairs, where the repair shop saying that the vehicle did not qualify through the program. She said her fear is that residents in disadvantaged communities may be discouraged if the repair shop says they do not qualify. With the EFMP program, she told the story of an amazing participant named Jerome, who lives in her district and has encouraged more participants in the program. She said he even testified at the state capitol about how getting into an all-electric vehicle has changed his life. She said she even approached PG&E about bringing more charging resources to disadvantaged communities. She said outreach needs to be more bilingual, at least in her area as this is a real program that is positively impacting residents' lives. She said there are many in her community who are afraid to participate in any government program due to immigration concerns and said outreach needs to be transparent to reassure them that is not what the District is about. She suggested that electric vehicles be made available at events for potential participants to test drive. She offered to help in any way possible, including being the spokesperson for the program in many different languages.

Supervisor Worthley suggested conducting outreach at public schools as this is a big part of the demographic the District is looking for, noting the kids are computer literate when the parents may not be and there is a trust factor involved with public schools as well. Mayor Ayers said he listened to testimony from a participant who said he got an incentive through his utility company to lower his utility rate. He said this would be a huge incentive to encourage participation. Supervisor Wheeler suggested holding similar events in smaller communities in the Valley. Mr. Sheikh agreed and voiced appreciation for Supervisor Worthley's

comments, saying this outreach could be incorporated as part of the District's Healthy Air Schools program. Dr. Sherriffs voiced appreciation for Councilmember Fugazi's passion and eloquence on this topic. He said looking at the vehicles purchased, it is astonishing that there is so much interested in plug in hybrids and battery/electric as the conventional wisdom is that is difficult to get adoption of these types of vehicles in environmental justice communities. He said clearly there is a huge interest when a program is organized to address potential hurdles that may exist. He asked how there has been so much success. Ms. Barati said the higher incentive level has helped.

Councilmember Fugazi suggested there is a great interest in plug in hybrid trucks in the Valley. Supervisor Pareira asked if the District has looked into partnering with non-profits to bring electric chargers to the Valley. He said his county has a high number of disadvantaged communities and asked staff to contact him regarding the program. Councilmember Baines commented that some of the best carriers of this message are people who have benefited from the program and said it would be a great idea to include testimonials from past program participants in District outreach. Supervisor Olsen asked if the District has funding available for cities or counties to deploy electric vehicle charging stations. Mr. Sheikh responded affirmatively and said there is funding available for charging stations and vehicles as well. Dr. Sherriffs suggested every incorporated city in every county should have freestanding solar electric vehicle charging stations like Fresno County does. Councilmember Reyes said the City of Porterville has 3 electric vehicle charging stations and said he can see some great benefits, especially with tourism.

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

- Marvin Dean, EJAG member

Supervisor Couch asked if there are car dealers present at each event. Mr. DeYoung said representatives from car dealerships are present as well as vehicles.

Councilmember Fugazi made a motion to accept staff recommendations. Supervisor Pareira seconded the motion.

Moved: Fugazi

Seconded: Pareira

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

Nays: None

Motion unanimously carried to accept staff recommendations and progress report on District's expanded vehicle replacement program.

18. REVIEW DISTRICT PERMIT ADMINISTRATION SYSTEM PORTAL AND PROVIDE GUIDANCE ON USING IT TO MAKE PUBLIC RECORDS AVAILABLE ONLINE – Arnaud Marjollet, Director of Permit Services, Ryan Hayashi, Director of Compliance, and Dave Warner, Deputy APCO, reviewed the District's Permit Administration System Portal (PASPort) and asked the Board to provide guidance on the potential for using PASPort to make public records available to the public online.

Acknowledging the concerns with diminished customer services and difficulties with securing confidential trade secrets and network security, Dr. Sherriffs suggested the District should revisit the issue in the future as technology advances.

Public Comment: None

19. PUBLIC COMMENT: None

ADJOURN

Meeting adjourned at 11:03 a.m.