

Action Summary Minutes

San Joaquin Valley Unified Air Pollution Control District

GOVERNING BOARD MEETING

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA

Thursday, March 15, 2018
9:00 a.m.

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

This meeting was webcast.

1. CALL MEETING TO ORDER – The Chair, Supervisor Mendes, called the meeting to order at 9:02 a.m.
2. ROLL CALL – was taken and a quorum was present.

Present:

David Ayers, Mayor***	City of Hanford
Drew M. Bessinger, Councilmember	City of Clovis
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, Chair	Fresno County
Craig Pedersen, Supervisor	Kings County
Monte Reyes, Councilmember	City of Porterville
Chris Vierra, Mayor**	City of Ceres
Tom Wheeler, Supervisor	Madera County
J. Steven Worthley, Supervisor, Vice Chair	Tulare County

Absent:

Kristin Olsen, Supervisor	Stanislaus County
Lloyd Pareira, Supervisor	Merced County
Dr. Alexander Sherriffs	Appointed by Governor

**attended in Southern Region Office*

***attended in Northern Region Office*

****arrived at 9:45 a.m.*

3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF CONSENT CALENDAR – Item Numbers (14 – 19): *These matters are routine in nature and are usually approved by a single vote. Prior to any 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 15, 2018
 15. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2018
 16. RECEIVE AND FILE OPERATIONS STATISTICS SUMMARY FOR FEBRUARY 2018
 17. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF FEBRUARY 28, 2018
 18. APPROVE AMENDMENTS TO SECTION 12 – FISCAL POLICY AND PROCEDURE
 19. RECEIVE AND FILE KERN COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION COMPREHENSIVE ANNUAL FINANCIAL REPORT AND ACTUARIAL VALUATION FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Public Comment: None

Moved: Wheeler
Seconded: Bessinger
Ayes: Bessinger, Capitman, Couch, Elliott, Fugazi, Pedersen, Reyes, Vierra, Wheeler, Worthley, Mendes
Nays: None

Motion unanimously carried approve Consent Calendar Item Numbers 14 - 19

5. PUBLIC COMMENT – None
6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Seyed Sadredin, Executive Director/APCO, said that the Citizens Advisory Committee representatives were unable to attend and referred Board members to the written report included in their agenda packets.

7. RECEIVE AND FILE DISTRICT'S ANNUAL AIR TOXICS REPORT FOR THE YEAR 2017 – Dave Warner, Deputy APCO, presented the District's Annual Air Toxics Report for the Year 2017. He said the Annual Air Toxics Report continues a very positive story about a tremendous reduction in the quantity of air toxics in the Valley's air. He reviewed the report which includes details on the District's efforts and progress in the District's integrated air toxics program aimed at reducing Valley residents' exposure to toxic air contaminants.

Public Comment: None

Moved: Worthley

Seconded: Wheeler

Ayes: Bessinger, Capitman, Couch, Elliott, Fugazi, Pedersen,
Reyes, Vierra, Wheeler, Worthley, Mendes

Nays: None

Motion unanimously carried to receive and file District's Annual Air Toxics Report for the Year 2017

8. APPROVE VOLUNTARY EMISSION REDUCTION AGREEMENT WITH WESTERN AREA POWER ADMINISTRATION TO FUND MITIGATION OF AIR QUALITY IMPACTS FROM THE SAN LUIS TRANSMISSION PROJECT – Mr. Warner said since 2005, the District has entered into Voluntary Emission Reduction Agreements (VERAs) with project proponents to mitigate the air quality impacts of their projects. These agreements benefit air quality by achieving additional reductions in emissions. The District has entered into 33 VERAs and to date has received over \$42 million through the VERA process to invest in local emission reduction projects. Projects funded by the District have achieved total emission reductions of over 2,700 tons of Nitrogen Oxides (NOx), 200 tons Volatile Organic Compounds (VOC), and 400 tons of Particulate Matter 10 microns or less in size (PM10).

Mr. Warner explained that Western Area Power Administration (WAPA), a power marketing administration within the U.S. Department of Energy, has proposed the construction of the San Luis Transmission Project, which consists of approximately 95 miles of new electrical transmission. The Project will be located in San Joaquin, Stanislaus, and Merced Counties, along the foothills of the western San Joaquin Valley Air Basin. He said WAPA served as Federal Lead Agency for the Project under the National Environmental Policy Act (NEPA) and San Luis & Delta-Mendota Water Authority (Water Authority) served as State Lead Agency for the Project under California Environmental Quality Act (CEQA). These agencies prepared and certified a joint Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the purposes of satisfying NEPA and CEQA requirements. Under the EIS/EIR, WAPA and the Water Authority committed to fully mitigate the project's construction emissions through a VERA.

Public Comment: None

Moved: Pedersen

Seconded: Bessinger

Ayes: Bessinger, Capitman, Couch, Elliott, Fugazi, Pedersen,
Reyes, Vierra, Wheeler, Worthley, Mendes

Nays: None

Motion unanimously carried to approve Voluntary Emission Reduction Agreement with Western Area Power Administration to fund mitigation of air quality impacts from the San Luis Transmission Project

9. APPROVE VOLUNTARY EMISSION REDUCTION AGREEMENT WITH RICHMOND AMERICAN HOMES OF MARYLAND, INC. TO FUND MITIGATION OF OPERATIONAL AIR QUALITY IMPACTS FROM THE DEJONG ESTATES PROJECT – Mr. Warner explained that Richmond American Homes of Maryland, Inc. (Developer) has proposed the construction of DeJong Estates in the City of Manteca as part of the South of Woodward Avenue Project. He noted that the entire South of Woodward Avenue Project provides for the construction of up to 706 single family residential dwelling units. DeJong Estates involves the construction of up to 130 single-family residential dwelling units, while the remaining 576 units will be subject to mitigation requirements under a separate agreement to be brought to the Board for review in the future. He said the City of Manteca served as Lead Agency for the Project under the California Environmental Quality Act (CEQA), and prepared and certified the South of Woodward Avenue (SOWA) Environmental Impact Report (EIR) for the purposes of satisfying CEQA requirements. The SOWA EIR requires the developer to mitigate their proportional share of the project's emissions through a VERA.

Supervisor Worthley suggested staff should draft a proposal to authorize the Executive Director/APCO to approve future VERAs under a certain dollar amount, as it takes a lot of time and effort to bring each VERA before the Board for approval. Mr. Sadredin responded that the Board has previously granted the Executive Director/APCO authority to sign grant contracts in amounts up to \$100 thousand without Board Chair's signature. He said that authority is not transferable in this case, but at the Board's direction an item can be placed on a future agenda for the Board to formally grant that authority to the Executive Director/APCO. Board members expressed consensus on bringing Supervisor Worthley's recommendation before the Board for consideration.

Supervisor Elliott said he had no objection to the action requested for this item and asked about the CEQA threshold for emissions. Mr. Warner responded that the Board has established thresholds of significance for CEQA purposes which was applied at the full project level. For this 130 household portion of the project, he said they only had to mitigate 2 tons to get down to their proportional share of that 10 ton significance threshold.

Public Comment: None

Moved: Worthley

Seconded: Bessinger

Ayes: Bessinger, Capitman, Couch, Elliott, Fugazi, Pedersen,
Reyes, Vierra, Wheeler, Worthley, Mendes

Nays: None

Motion unanimously carried to approve Voluntary Emission Reduction Agreement with Richmond American Homes of Maryland, Inc. to fund mitigation of operational air quality impacts from the DeJong Estates project.

Mayor Ayers arrived at 9:45 a.m.

10. CONSIDER ENHANCEMENTS TO DISTRICT'S HEAVY-DUTY TRUCK INCENTIVE PROGRAMS – Todd DeYoung, Strategies and Incentives Program Manager, gave the presentation on this item which asked the Board to consider the following enhancements to the District's truck incentive programs to encourage Valley truck fleets to purchase the cleanest available technology, harmonize District programs with state guidelines and take full advantage of recent expanded incentive funding:
1. Establish a new grant incentive option for the replacement of existing trucks with new zero-emission trucks for up to \$200,000 funding per truck replacement.
 2. Establish a new grant incentive option for the replacement of existing trucks with new near-zero emission battery-electric hybrid trucks for up to \$150,000 funding per truck replacement.
 3. Establish a new grant incentive option for the replacement of existing trucks with new, low NOx trucks certified to 0.02 grams per brake horsepower hour (g/bhp-hr) or cleaner for up to \$100,000 funding per truck replacement.
 4. For all replacement options where the replacement truck is zero emission, near zero emission, or certified to 0.02 g/bhp-hr or cleaner, allow local grants for the replacement of 2010 model year and newer vehicles. In lieu of destroying replaced 2010 model year or newer trucks, the District will offer to trade up those trucks primarily to small Valley fleets and agricultural operators, which would in turn destroy an older, higher-polluting pre-2010 model year truck.
 5. Offer up to \$20,000 in local grants per truck for the purchase of new, zero-emission trucks or trucks with near-zero emission hybrid and low NOx engines for fleet expansion when no existing vehicle is being retired to

defray the added cost for selecting advanced low emission vehicles that surpass the emissions standards in applicable regulations.

6. Rebrand the District's existing truck incentive programs under one name simply as "Truck Replacement Program" to be more inclusive and to incorporate new funding opportunities associated with recent state funding.
7. Authorize the Executive Director/Air Pollution Control Officer (APCO) to make administrative changes to the programs as necessary to ensure programs incorporate any future changes to funding criteria.

Supervisor Wheeler asked how funding levels for each truck were decided. Mr. Sadredin responded that the purpose of this change was to cover the differential cost between a compliant, older truck and one with newer and cleaner technology. Supervisor Pedersen asked if staff have set parameters as to how much funding will be spent on each category, as funding may go quickly at the higher levels and may not get the best bang for the buck. Mr. Sadredin responded upon approval of this item, the Board is creating opportunities for potential target areas. He said ultimately what determines where the District spends its dollars, with direction from the Board in the adopted Incentives Spending Plan, is prioritizing the most cost-effective projects while also making sure the District has the ability to spend these funds prior to the deadlines attached to them.

Supervisor Worthley commented that program participants will also enjoy savings on fuel costs by converting to the new trucks and asked how that would be taken into consideration with funding parameters. Mr. Sadredin stated that the staff recommendation at this point is based on past practice with emerging technology, which is to allow a higher incentive at the early stages to get more participation which builds a track record and increased confidence by program participants. He said this would certainly be reevaluated in the future as participation increases.

Supervisor Elliott commented that these are excellent and much needed adjustments to the District's program and make common sense. He asked how much nearer to zero was the near-zero hybrid truck than 0.02 grams per brake horsepower hour. Samir Sheikh, Deputy APCO, responded that the near-zero hybrid was about half of the emissions from the near-zero, non-hybrid vehicle. Councilmember Reyes said the enhancements were a great idea. He said the City of Porterville has learned through its electric bus program that drivers must be retrained in their driving habits to make the vehicles run as efficiently as possible for the new technology, and he suggested developing guidelines or setting aside funding for training purposes. Mr. Sheikh responded that the District has successfully partnered, for a number of years, with organizations that do exactly what Councilmember Reyes suggested.

Supervisor Wheeler asked if it were possible to control the emissions from the number of older trucks that are on the roads. Mr. Sheikh responded that staff is working on a pilot program, which they are planning to bring before the Board at a later date, to work with dealers and small fleet owners to assist them with emissions-related repairs to ensure they are operating properly and reduce emissions to the extent feasible. Supervisor Mendes said the program enhancements are great in that the current program does not address 2010 compliant trucks and how to get an owner operator out of their old trucks and into trucks with newer technology. He said these enhancements make a lot of sense.

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

- Anthony Tarabini, Biorem Energy
- Patrick Smith, Harris Ranch

Moved: Worthley

Seconded: Mendes

Ayes: Ayers, Bessinger, Capitman, Couch, Elliott, Fugazi,
Pedersen, Reyes, Vierra, Wheeler, Worthley, Mendes

Nays: None

Motion unanimously carried to approve staff recommendations on enhancements to the District's Heavy-Duty Truck Incentive Programs

11. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Mr. Sadredin referred Board members to the written report included in the agenda packet, as Dr. Sherriffs was not present at the meeting.
12. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin said the incoming Executive Director/APCO, Samir Sheikh, is planning to hold the Governing Board Study Session on September 19th and 20th at Bass Lake and confirmed Board members' availability on those dates. He also gave Board members some additional air quality progress information, noting there has been some lingering debate in the public among some groups as to what the air quality was last year considering the many California wildfires and a couple of stagnation episodes. He said he was happy to report that despite all of those extraordinary conditions, in 2017, the Valley had the highest number of days with good air quality and recorded its lowest design value for the 8-Hour Ozone Standard. Despite the smoke and stagnation, he reported the Valley is also still in attainment of the 65 microgram per cubic meter standard for PM2.5. He added that there is tendency within certain groups in the public domain to say that reducing NOx is not an important factor for PM2.5. He said it is important to remember that NOx not only leads to the formation of ozone, but also to the formation of PM2.5. He said mobile sources are still a huge part of the problem and noted other misinformation is that agricultural burning is a big part of the problem. Mr. Sadredin reiterated that the District's Smoke Management System only allows burning when smoke would not cause any detriment to the Valley's air quality.

He said agricultural burning conducted under the District's Smoke Management System is not responsible at all for any of the Valley's PM2.5 exceedances. He said there may be some local nuisance issues from illegal agricultural burning but it is not a major player in reducing Valley-wide PM2.5 concentrations. Lastly, he said there are a lot of people who dislike dairies and want to use ammonia as the reason to get rid of dairies in the Valley. He said EPA, ARB and the District have all concluded with science, that ammonia is not considered a significant contributor to PM2.5 as well. He said Supervisor Worthley did a great job of addressing many of these comments when he participated in a recent panel discussion on air quality.

13. GOVERNING BOARD MEMBER COMMENTS – Supervisor Worthley thanked Mr. Sheikh for his assistance with preparations for the recent panel discussion on which he participated. He said there is sometimes a concept that the District has done so much to improve air quality that it has hit a plateau and it is important to point out that if District does nothing else but implement the Attainment Plans it currently has today, the Valley will continue to see improved air quality. He said it is important to note that the Valley is getting closer and closer to the attainment target every day.

Councilmember Reyes said as he mentioned recently, Porterville has received 2 of the 10 electric busses that it is expecting and said the technology is very impressive and extremely quiet. She suggested promoting many of the District's programs, including Drive Clean, Burn Cleaner, and Clean Green Yard Machine programs at Stockton's upcoming Tune in Tune Up event. She mentioned Faith in the Valley, a large Valley-wide organization, which is interested in partnering with the District to get information out to Valley residents. Regarding grant outreach, Mr. Sheikh confirmed the District is ramping up outreach on the various programs that she mentioned and confirmed that District uses Tune in Tune Up events to make residents aware of these programs. He said staff would follow up with representatives of Faith in the Valley.

ADJOURN

The Chair adjourned the meeting at 10:52 a.m.

The next scheduled meeting of the Governing Board is: Thursday, April 19, 2018. 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.