

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, February 21, 2019

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 9:10 a.m.
2. ROLL CALL – was taken and a quorum was present.

Present:

Drew M. Bessinger, Councilmember	City of Clovis
David Couch, Supervisor*	Kern County
Kuyler Crocker, Supervisor	Tulare County
Bob Elliott, Supervisor**	San Joaquin County
Christina Fugazi, Councilmember**	City of Stockton
Buddy Mendes, Supervisor, Chair	Fresno County
Lloyd Pareira, Supervisor	Merced County
Monte Reyes, Councilmember	City of Porterville
Dr. Alexander Sherriffs	Appointed by Governor
Tom Wheeler, Supervisor	Madera County
Chris Vierra, Mayor**	City of Ceres

Absent:

John Capitman, Ph.D	Appointed by Governor
Kristin Olsen, Supervisor	Stanislaus County
Craig Pedersen, Supervisor	Kings County

**attended in Southern Region Office*

***attended in Northern Region Office*

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF CONSENT CALENDAR – Item Numbers (16 – 22): *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.*

16. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, JANUARY 17, 2019

17. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2019

18. RECEIVE AND FILE OPERATIONS STATISTICS SUMMARIES FOR JANUARY 2019

19. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF JANUARY 31, 2019

20. APPOINTMENTS TO THE DISTRICT'S ENVIRONMENTAL JUSTICE ADVISORY GROUP

21. RECEIVE AND FILE KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION COMPREHENSIVE ANNUAL FINANCIAL REPORT AND ACTUARIAL VALUATION FOR THE FISCAL YEAR ENDED JUNE 30, 2019

22. APPROVE REAPPOINTMENTS OF HEARING BOARD ATTORNEY AND ENGINEER MEMBERS GROUP

Public Comment: None

Moved: Wheeler

Seconded: Pareira

Ayes: Bessinger, Couch, Crocker, Elliott, Fugazi, Pareira, Reyes, Sherriffs, Vierra, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve Consent Calendar Item Numbers 16 – 22

5. PUBLIC COMMENT – *The following persons provided comment during this item:*

- Ken Baker
- Connie Young, Citizens Climate Lobby

6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Fresno County Industry/Agricultural member reported on highlights from the Citizens Advisory Committee meeting of February 5, 2019.

7. APPROVE FUNDING FOR STUDY ON FEASIBILITY OF NEW INLAND PORT SYSTEM IN SAN JOAQUIN VALLEY – Tom Jordan, Senior Policy Advisor, presented that the Central Valley Community Foundation has proposed a study on the feasibility of new freight infrastructure, to include an inland port located at the former Castle Air Force Base in Merced County and other related logistics components. An inland port system has the potential to reduce Valley air pollution associated with heavy-duty trucking, as well as road congestion and goods movement efficiency limitations related to current transportation practices. He said such reductions from mobile sources are critical to attaining federal air quality standards in the San Joaquin Valley as over 85% of NOx emissions in the Valley come from mobile sources and over 50% come from heavy-duty diesel trucks. The San Joaquin Valley is home to two major transportation corridors connecting Northern and Southern California, and a majority of all truck traffic within California occurs within the San Joaquin Valley.

Mr. Jordan said through this proposed feasibility study, the project partners would work closely with Valley stakeholders, local municipalities, the District, and other agencies to evaluate the viability of developing an inland port system in the San Joaquin Valley and asked the Board to approve up to \$47,500 to fund this feasibility study. He added that District staff will provide technical support for this project as needed, including emission reduction evaluations. He noted there is significant support in this concept of inland ports, including the Governor's Office, as representative Frank Ramirez was in attendance at the meeting. Also, local municipalities, the Port of Los Angeles, the South Coast Air Quality Management District, and other stakeholders are very interested in this project. Several agencies have committed to providing additional funding for this project. He mentioned there were representatives from the economic development community across the Valley in attendance, as well as Ashley Swearingen, Executive Director of the Central Valley Community Foundation and former Mayor of Fresno, Lois Yates and Adam Wasserman with GLD Partners, and Chris Cannon, Chief Sustainability Officer for the Port of Los Angeles.

Samir Sheikh, Executive Director/APCO, said for many years the Board has taken a position of not only directly reducing emissions from trucks through the District's incentives programs but also taking many positions over the years of trying to be more creative with the way goods are moved. He added this project is just the latest reflection of some potential thinking in this area and this is not the first time that inland ports have been discussed in the Valley. In the past, the District has always been supportive of the concept. He said often the question is whether it is the right time, economically speaking, to complete such a project. There is no public subsidy that would push a significant project like this forward, this project will provide some information that can be used to see what kind of system would make sense, moving forward.

Supervisor Elliott suggested also looking Interstate 580 in the scope of the study, as it is an extremely congested route with traffic heading to the Valley from the Bay area, and ensuring the study incorporates that corridor in terms of its potential for reducing extremely heavy truck traffic.

Supervisor Wheeler asked Mr. Wasserman if he knew the percentage of containers arriving in the Port of Los Angeles that are destined for the San Joaquin Valley. Mr. Wasserman said one of the main dilemmas has been the lack of available data in this area. He said one of the first priorities is to make sure there is a clear understanding from all parties of what moves in and what moves out of the Valley, and then clear decisions can be made from that point. Mr. Cannon agreed and said it was important to point out there is an opportunity here for a better flow of goods to and from the Valley. He added one of the reasons the Port of Los Angeles wants to work with the Valley is to establish a faster and more efficient movement of goods from this economic center to other areas and there is no doubt this could lead to a lot of growth and be beneficial for all. Supervisor Wheeler voiced agreement for Supervisor Elliott's suggestion to include Interstate 580 in the scope of this study.

Supervisor Couch briefly left the meeting at 9:33 a.m.

Councilmember Bessinger said this was an exciting concept, as not only does it reduce air pollution but could also help our agriculture business get products to the ports more quickly.

Supervisor Pareira commented that generally when an economic development project comes before the Board, the question is how would the emissions be mitigated. He said this project is exactly the opposite, as it would result in economic development for the San Joaquin Valley, and also reduces emissions. He said he was thankful that the District is interested in helping put this project together.

Dr. Sherriffs said he loved the forward thinking on this project and how this could make freight sustainable, provide economic benefits to the Valley, and decrease the negative air pollution and health impacts that are often associated with goods movement in the Valley. He said it was great to hear other partners stepping up and voiced appreciation for the other counties in the Valley who are interested as this affects everyone in terms of health, pollution, and economic impact. He asked about the potential air quality impacts from this project. Mr. Sheikh responded there is not quantitative information yet, but a qualitative response is that a system like this would handle hundreds and hundreds of containers each day, which would translate to a significant number of trucks that would be taken off the road. Mr. Cannon added that one mile long train would take 250 trucks off the road and said the Port of Los Angeles has always encouraged rail over trucks because of the economies of scale are such that there will be an improvement in emissions depending on the length of travel.

Councilmember Reyes voiced support for the project and said he is very interested in the results. Supervisor Crocker added outside of air quality benefits, if this system were to be established there would be a huge benefit for our road systems and highways which is badly needed. Mayor Vierra asked if this study would include any improvements that might be needed to make a project like this work. Mr. Jordan clarified the goal of this study is to quantify the economics and feasibility of the project. Mayor Vierra asked if this study would ultimately lead to an Environmental Impact Report (EIR). Mr. Sheikh responded that if the results of the study came back positive in terms of economic potential and there was desire to move forward with development of the project, ultimately such a project would have to go through the necessary CEQA steps.

Chairman Mendes agreed it is a complex problem because there are a lot of unknowns at this time. He said hopefully this study would clear up some of the unknowns to be able to move to the next level.

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

- Manuel Cunha, Nisei Farmers League

Moved: Pareira

Seconded: Wheeler

Ayes: Bessinger, Crocker, Elliott, Fugazi, Pareira, Reyes,
Sherriffs, Vierra, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve funding for study on feasibility of new inland port system in San Joaquin Valley

8. UPDATE ON IMPLEMENTATION OF DISTRICT'S ZERO-EMISSION AGRICULTURAL UTILITY TERRAIN VEHICLE PROGRAM – Todd DeYoung, Program Manager, provide the Board with an update on the implementation of the District's Zero-Emission Agricultural Utility Terrain Vehicle Program, which was funded by California Air Resources Board (CARB) under the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) program.

In the District's 2018-19 Incentive Spending Plan, the Board initially allocated \$5,000,000 out of the District's \$108,000,000 FARMER Program funding to the new Zero-Emission Agricultural UTV program. Since launching the program in October 2018, the Zero-Emission Agricultural UTV Program has seen an extremely high volume of applications from growers in the San Joaquin Valley desiring to replace their old, higher-polluting UTVs used in agricultural operations with new, advanced technology zero-emission models. In just over three months, the District has received over \$6.8 million in program applications with a significant volume of additional applications being received on a daily basis. To date, the District has funded more than 459 UTV replacement projects for more

than \$4.9 million and forecasts to expend the remaining allocation in the coming days.

Mr. DeYoung reviewed staff's recommendation for the Board to increase the funding allocation for the District's Zero-Emission Agricultural Utility Terrain Vehicle Program up to an additional \$4,000,000 for the continued implementation of this program for the remainder of the 2018-19 fiscal year.

Supervisor Wheeler asked about outreach efforts for this program, as he was concerned about the low participation numbers in Madera County. Mr. DeYoung said staff has been working with all of the agricultural groups, various farm bureaus, and has had extensive contact with them.

Dr. Sherriffs said this was a great program and it was great to see the high level of interest. He added it is very important in terms of exploring the question of whether electrification of agricultural equipment works. He asked about shifting the funding out of the agricultural irrigation pump replacement program into this program rather than using the funding for the electrification of pumps. Mr. Sheikh responded that while the District will continue to work on replacing agricultural irrigation pumps through this long running program, the demand is not a high in this program as it had been in the past. Additional electrical infrastructure and lower electric rate for these units would be needed to reach the remaining equipment. Chairman Mendes agreed and said these programs are very mature as they have been in place over 20 years. Dr. Sherriffs agreed it has been a very successful and cost effective program.

Dr. Sherriffs commented on the success of the UTV program and wondered if the equipment should be prioritized according to age. He also suggested providing incentives to farmers who are looking to purchase a brand new Agricultural UTV and not replace one to ensure they are getting the cleanest technology available. Mr. Sheikh said in launching a new program such as this, the important factors include generating interest in the community, having growers take the risk to invest in the new technology, and getting the technology out in the field to demonstrate it. At this point, he said he does not recommend adding factors such as the age of the equipment being replaced. He added because of the high level of interest in the community for this program, he recommends continuing to fund as much of this equipment as possible to make sure that within the agricultural community there are many examples of the benefit of these technologies. He suggested waiting until the next time the Board reviews this program to make any major changes.

Councilmember Reyes said it was great to see so many folks taking advantage of this program and said appeared like funding was distributed pretty equally in the Valley. He said there appears to be a slight competitive element with the first come, first served approach. He asked if there was a preferred method to engage this program, or any common pitfalls such as incomplete applications that may disqualify or delay participants. Mr. DeYoung responded staff has

designed this program from the ground up to be as streamlined as possible. The process used by CARB in an earlier state program was much more cumbersome and difficult to administer. He added staff is not seeing a high volume of incomplete applications as dealers are playing a large role in helping complete the applications.

Mayor Vierra said he spoke to one of the largest dealers of the Polaris UTVs in the Valley who said they were having trouble getting the units because there weren't enough manufactured. He asked if applications would be honored even if equipment was not available. Mr. DeYoung said the turnaround time for voucher approval is very quick and the District will work with anyone who has received an approved voucher to ensure it will still be valid when the equipment becomes available. Mayor Vierra said this was a great program and he anticipated there would be even more demand if the additional funds were allocated. Chairman Mendes commended staff for the great work on this program.

Supervisor Couch returned at 10:25 a.m.

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

- Kevin Abernathy, Milk Producers Council
- Chris McGlothlin, Western Ag Producers Association, CA Cotton Ginners and Growers Association
- Manuel Cunha, Nisei Farmers League
- Lori Apodaca, CA Citrus Mutual

Moved: Crocker

Seconded: Wheeler

Ayes: Bessinger, Couch, Crocker, Elliott, Fugazi, Pareira, Reyes, Sherriffs, Vierra, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve staff recommendation to increase the funding allocation for the District's Zero-Emission Agricultural Utility Terrain Vehicle Program

9. AUTHORIZE UP TO \$161,700 IN DISTRICT FUNDING TO IMPLEMENT DUST MITIGATION STRATEGY IN PARTNERSHIP WITH THE CORCORAN UNIFIED SCHOOL DISTRICT – Jon Klassen, Strategies and Incentives Director, said concerns have been expressed that particulate matter concentrations measured at the Corcoran air monitoring site, located in a bus yard at the Corcoran Unified School District office next to John Muir Middle School, are disproportionately impacted by fugitive dust from the unpaved bus parking lot surrounding the monitoring site and may not be representative of general air quality in the surrounding community. He said if approved by the Board, this item would establish a partnership with the Corcoran Unified School District to provide

funding to reduce dust and associated particulate matter concentrations at John Muir Middle School by paving the gravel lot used in daily school bus operations. He explained under this partnership, District funding would be provided to Corcoran Unified School District for the materials and labor costs associated with paving the bus yard.

Councilmember Bessinger asked if Corcoran Unified School District would be providing matching funds for this project. Mr. Sheikh responded there would be no monetary match at this point due to budgetary constraints but they are providing work in kind to put the project together. Councilmember Bessinger asked if the District has funded similar projects. Mr. Sheikh responded this was a very unique situation as the only similar project was the work at the Bakersfield Planz site which was approved by the Board in 2016.

Public Comment: None

Councilmember Bessinger made a motion to approve the project and funding with the condition that Corcoran Unified School District put in a 20% match or in equivalent in-kind support and submit a school bus replacement plan. Mr. Sheikh suggested it may be hard for Corcoran Unified School District to comply with such conditions and said he did not want to end up in a situation where Corcoran could not meet the school bus plan requirement because they do not have the infrastructure in place. Councilmember Bessinger agreed there was some room to negotiate but reiterated that it was important to have some other benefit for the District.

Councilmember Reyes asked if there was information available on the staff resources spent on the issues at the Bakersfield Planz site. Mr. Sheikh said Planz is one of the most important monitoring sites for PM and there has been a lot of work done to not only deal with the analysis of the site and the impact of that site on the District's PM plans as well as the impact on the attainment strategy as a whole. For example, he said there was a big wind event in Kern County a couple of weeks ago, and there is video evidence that there was a lot of benefit from the work done on the Planz site. He said this situation is more minor but the Board expressed interest in taking on this project.

Supervisor Crocker said the reason the Board would approve this project is to get the most accurate data so the District is monitoring air quality as a whole from a regional perspective. He asked if staff reached out to Corcoran Unified to discuss options and found this was the best resolution for the issue. Mr. Sheikh responded affirmatively and said there is really no regulatory incentive for them to do this project. He voiced appreciation for Councilmember Bessinger's suggestion to obtain mutual benefit by requiring a school bus replacement plan and added that staff could try to obtain it. Supervisor Crocker clarified that the District is asking them to do something that is much more beneficial to the District from the standpoint of getting the best data possible to implement policies that reflect what is actually helping out the Valley. He said he does not want to hinder

staff's ability complete this program and said he supports moving forward with staff's recommendation as is. Councilmember Bessinger said he would amend his motion to encourage Corcoran Unified School District to use self-help to reduce the amount of funds needed and to help them participate in the electrification of their fleet to the satisfaction of staff.

Moved: Bessinger

Seconded: Crocker

Ayes: Bessinger, Couch, Crocker, Elliott, Fugazi, Pareira,
Reyes, Sherriffs, Vierra, Wheeler, Mendes

Nays:

Motion unanimously carried to authorize up to \$161,700 in District funding to implement a dust mitigation strategy in partnership with Corcoran Unified School District and to encourage Corcoran Unified School District to use in-kind support to reduce the amount of District funds needed for the project. District staff to help Corcoran Unified School District participate in the school bus electrification program of their fleet.

10. APPOINT AD-HOC BUDGET SUBCOMMITTEE – Mr. Sheikh said part of the Board's process for putting together the annual budget is to have a subcommittee appointed to review and provide direction on the District's draft budget ahead the budget's consideration by the full Governing Board. Chairman Mendes agreed to serve on the committee and appointed Councilmember Bessinger, Supervisor Wheeler, Mayor Vierra, and Supervisor Pedersen to serve this year.
11. APPOINT AD-HOC SUBCOMMITTEE TO EVALUATE AND PROVIDE RECOMMENDATIONS FOR POTENTIAL FRESNO OFFICE ENHANCEMENTS – Mr. Sheikh asked the Chair to appoint an Ad-Hoc Subcommittee of the Governing Board to evaluate potential options for expansion of the Fresno office and make appropriate recommendations to the Governing Board. Chairman Mendes appointed himself, Councilmember Bessinger, Supervisor Wheeler, Mayor Vierra, and Councilmember Reyes to the Ad-Hoc Subcommittee

This item was taken out of turn
13. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES - Dr. Sherriffs reviewed highlights from the Air Resources Board meeting of January 24, 2019. He said the Board met in Fresno and approved the 2018 PM2.5 State Implementation Plan for the San Joaquin Valley that the District, CARB and stakeholders have been working on for the past two years. He said the Board recognized the collaboration and effort to craft this plan and there was a strong sense that this was indeed a plan which was feasible and charted a path to attainment. He said there was a real sense of accomplishment and achievement for District and CARB staff, for stakeholders including businesses and agriculture, and for community representatives and advocates pulling together on this plan. He added the commitments in the Plan from the District further reduce

stationary sources, particularly with regards to wood burning and charbroiling, and the state has made commitments for mobile source reductions. The Plan relies heavily on incentives, which on one hand is very good and on the other hand requires all parties to continue to work together both at the state and federal level to ensure the funding is there to support this plan. He said Board approval included an expectation of annual updates from staff on progress and particularly the status of funding to be sure we meet the commitments.

Mr. Sheikh added it was a very positive, well attended hearing in downtown Fresno. He said there was unanimous support by the CARB Board. He said he very much appreciated Dr. Sherriffs' positive comments during the meeting and there was strong support for the plan with recognition there is still a lot of work to be done.

Dr. Sherriffs left at 11:30 a.m.

12. REPORT ON DISTRICT IMPLEMENTATION OF AB 617 – Dave Warner, Deputy APCO, provided the Board with an update on the District's efforts to implement AB 617 in the Valley. He explained the District has held three Steering Committee meetings in the selected communities, the City of Shafter and South Central Fresno. He reported that the Steering Committees have discussed clean air resources for community-focused efforts, have established committee charters and discussed community boundaries, and provided input on emissions sources of concern and air quality monitoring needs.

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

- Kevin Abernathy, Milk Producers Council
- Nyamin Martinez, Central CA Environmental Justice Advisory Network
- Lisa Flores
- Ivanka Saunders, Leadership Council for Justice and Accountability
- Genevieve Gale, Central Valley Air Quality Coalition
- Grecia Elenes, Leadership Council for Justice and Accountability
- Larry Westerlund, City of Fresno

Mr. Sheikh thanked members of the South Central Fresno Steering Committee for attending and providing comments at the meeting. He also acknowledged and thanked them for their investment of time and energy into this process. Regarding the boundary issue, he said there is a recommendation on the table in the South Central Fresno Steering Committee process to increase the size of the community boundary. He reminded everyone that CARB was responsible for selecting the AB 617 communities and ultimately a decision must be made as to whether the suggested boundary changes fall within the community that was originally selected. He noted the newly proposed boundary would more than double the area of the community and add tens of thousands more residents into that boundary. He said staff has not yet made a final determination on where they will go with that recommendation. He said he wanted to make it clear that

where the line is drawn potentially brings in numbers of communities with unique issues, obvious resource constraints in terms of increasing the size of the committee and there are tight timeframes involved. He reiterated that staff is open to the recommendation on the table and will be looking at all of those issues to make the final decision. He also clarified that the Steering Committee is an advisory body. He said staff is taking the recommendations very seriously but the ultimate decision is at the District level, as there are a number of ramifications in terms of the monitoring that needs to be done, business implications, and reporting requirements.

Supervisor Mendes reiterated that the Board respects the Steering Committees and their participants and said they are thankful for the time that they put into the process.

14. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sheikh said staff is in process of organizing and scheduling the 2019 Governing Board Study Session at Bass Lake. The meeting is tentatively scheduled for October 16 and 17, 2019, and would take the place of the regularly scheduled October Governing Board meeting. Lastly, he recognized Mike Oldershaw, the Compliance Manager in Bakersfield, who will be retiring after 25 years of service. He said he has been a big part of setting the tone and providing a lot of service and value to the District's programs, not only in the Bakersfield and Kern County area, but in the Valley as a whole as a key part of the Compliance Department.
15. GOVERNING BOARD MEMBER COMMENTS – Councilmember Fugazi thanked the Board and District staff for programs such as the Zero-Emission Agriculture Utility Terrain Vehicles and Drive Clean in the San Joaquin. She said she has received numerous messages from Stockton residents who have successfully participated in the Drive Clean program and are very grateful. She noted the Tune in Tune Up program held in Stockton in February had such high participation that it had to be shut down an hour early. She mentioned the outreach was conducted in Spanish, Chinese, Punjabi, and English. She noted in Stockton, the individual average income is just under \$22,000 with family income of \$48,000 and if it wasn't for programs like these their residents would simply have no option but to drive high polluting vehicles and increase emissions in the Valley.

Councilmember Bessinger commented on the District's new incentive program for the replacement of emergency vehicles, which was approved by the Board at their January 17, 2019, meeting. He said he recently became aware that Ford has manufactured a hybrid, pursuit-rated, police packaged vehicle. He said he has served as Chief of Police in four small Valley towns and all budgets that were severely constrained and an aging police fleet. He asked staff to look into a pilot program to provide incentives for Valley law enforcement agencies as it would be a good thing to get older police cars off the roads, especially in disadvantaged communities. Mr. Sheikh responded there are two things on the table for staff consideration that they will likely bring back to the Board under the District's

Public Benefits Grants Program. He said these vehicles are likely eligible, however there are two caps on the program, including per vehicle and per agency cap on funding that would make it difficult to have a broader deployment. He said staff could look into the possibility of modifying these requirements at the Board's direction.

ADJOURN

The Chair adjourned the meeting at 11:51 a.m.

The next scheduled meeting of the Governing Board is: March 21, 2019 at 9:00 a.m. 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 videoteleconference (VTC) with the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating via VTC.