

**Action Summary Minutes
San Joaquin Valley Unified Air Pollution Control District
Governing Board Meeting, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA.**

**Friday, October 8, 2004
9:00 a.m.**

<p>The Meeting was held in the Central Region Office (Fresno) with the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating via VTC.</p>
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1. **CALL TO ORDER** – The Chair, Supervisor Barbara Patrick, called the meeting to order at 9:05 a.m.

2. **ROLL CALL was taken and a quorum was present.**

Mike Maggard, Councilmember (*) (***)	City of Bakersfield
J. Steven Worthley, Supervisor	Tulare County
Tony Barba, Supervisor	Kings County
Susan B. Anderson, Supervisor	Fresno County
Ronn Dominici, Supervisor	Madera County
Sam Armentrout, Councilmember	City of Madera
Michael G. Nelson, Supervisor (**)	Merced County
Dan Prince, Councilmember (**)	City of Ripon
Jack A. Sieglock, Supervisor (absent)	San Joaquin County
Thomas W. Mayfield, Supervisor, Vice Chair (absent)	Stanislaus County
Barbara Patrick, Supervisor, Chair	Kern County

(*) **Attended Meeting in Southern Region Office (Bakersfield)**

(**) **Attended Meeting in Northern Region Office (Modesto)**

(***) **Arrived after Roll Call**

3. **APPROVAL OF CONSENT CALENDAR** – Item Numbers **(12-16)**. (These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to comment on any consent item).

12. Approve Action Summary Minutes for the San Joaquin Valley Unified Air Pollution Control District Governing Board Meeting of Thursday, September 16, 2004.

13. Receive and file List of Scheduled Meetings for 2004 and 2005.

14. Approve and authorize the Chair to execute agreement with American Farmland Trust to perform tasks for the Transportation and Community and System Preservation (TCSP) project tasks in the amount of \$30,000.

15. Approve Amendment No. 1 to the agreement with Kern County which provides for additional space and a one-year extension of the building lease for the District's Bakersfield office.
16. Accept funds in the amount of \$198,800 from the United States Environmental Protection Agency (EPA) for the Operation Clean Air (OCA) Voluntary Action to Air Quality public education program.

Board Member Worthley asked for clarification on Item 16. regarding the oversight requirements of the funds. Board Member Worthley stated that, as he understands it, there will be no administrative portion of this grant that goes to the District, and that it is 100% pass through money.

Tom Jordan, Planning Manager, and Roger McCoy, Director of Administrative Services, stated that all of the money is proposed to be passed through to Operation Clean Air (OCA). Mr. Jordan noted that the District's oversight requirements will require the District to do quarterly reports to the EPA.

Mr. McCoy explained that the District expects the administering of this program to be almost miniscule.

APPROVED AS RECOMMENDED – Board Member Armentrout made the motion to approve the Consent Calendar as submitted. Seconded by Board Member Worthley and carried unanimously with the following Roll Call Vote:

Ayes: Nelson, Dominici, Worthley, Armentrout, Anderson, Barba, Maggard, Prince and Patrick.

Absent: Sieglock and Mayfield.

Action: The Board approved the Consent Calendar Items 12, 13, 14, 15, and 16 as submitted.

4. **PUBLIC COMMENT** – Ed Yates, California League of Food Processors, stated that he was representing the California League of Food Processors and the Manufacturers Council of the Central Valley. Mr. Yates spoke to the Board in respect to Rule 4306 adopted about one year ago. Mr. Yates explained that during that intervening time industry has run into some challenges related to the cost of implementing those requirements. Mr. Yates stated that the industry has commenced with discussions with the District staff to appraise them of the dilemma of the challenges of costs. Mr. Yates stated that staff was very responsive after being made aware of this difficulty, and a series of meetings have been held to explore what might be done to more economically achieve these reductions in emissions. Mr. Yates noted that those discussions have been fruitful and the Manufactures Council and the California League of Food

Processors presented a proposal to District staff which is being considered. Mr. Yates noted that the proposal may allow some additional time as a tradeoff for achieving some lower emission reductions in the future.

The Board commented that they applaud Mr. Yates for coming forward with this issue.

David L. Crow, Executive Director/APCO, commented that he applauds industry for bringing the specific details forward. Mr. Crow explained that staff has been engaged with them in working towards finding better solutions. Mr. Crow noted that Mr. Yates mentioned Selective Catalytic Reduction, Alternative Compliance and all of those things are on the table as a means to accomplish what we need to accomplish. Mr. Crow indicated that it will require an amendment to Rule 4306. Mr. Crow announced that he has received a formal request to start that process and staff has started that process.

Mr. Yates thanked the Board for hearing his concerns and stated the Board should be proud of their professional staff.

The Chair stated that the Board is proud of staff and stated that it is nice that Mr. Yates and industry will be working with us on this rule.

5. **REPORT FROM CITIZENS ADVISORY COMMITTEE (CAC)** – Christine Foster, Environmental Primary Member, Tulare County, made the CAC Report.
6. **PUBLIC HEARING: ADOPT THE PROPOSED EXTREME OZONE ATTAINMENT DEMONSTRATION PLAN** - Presentation made by David L. Crow, Executive Director/APCO, Dave Jones, Director of Planning and Don Hunsaker, Planning Manager.

Staff provided the Board with two handouts:

- Revised Chapter 7, Rate of Progress (ROP), Demonstration
- Summary of Comments and Responses submitted after September 24, 2004 on the Proposed Extreme Ozone Attainment Demonstration Plan for the San Joaquin Valley Air Basin

The Board discussed/commented on the following issues:

- The function of the model used to develop the plan
- Noted that the public should be made aware of the issue of natural sources of ozone precursors
- Biogenic emissions: requested a list be developed in respect to planting environmental friendly trees and provide that list to the public
- Suggested adding a statement to the Executive Summary noting the key roll biogenics play to ozone formation in the San Joaquin Valley

- Did the District receive comments and responses criticizing the plan, and how did staff respond
- Asked questions regarding Dr. Thomas Cahill's theory regarding Bay Area Refinery emissions transported into the Valley's Air Basin,
- Will the District's plan tighten up on VOCs
- How stringent are rules under development compared to other air districts
- Did the District communicate with other air districts in the development stages of this plan
- Asked what the requirements are in respect to locomotives emissions
- The possibility of the District hosting a conference for all Valley city leaders
- Suggested the Chair send a letter of support in respect to Senators Barbara Boxer and Dianne Feinstein's co-sponsored legislation regarding NAFTA and the trucks entering the U.S. required to comply with EPA standards
- Suggested the Board work with CARB to talk about the possibility of adopting joint strategies so that the Board and CARB will be mutually accountable and aligned with the same strategies with a joint resolution.

The following persons provided comments during the public comment portion of this item:

Cynthia Marvin, ARB staff, commented that ARB supports the Board adoption of the proposed Plan. Ms. Marvin stated ARB considers this Plan as a leader in the degree of coordination used by the District in preparing the Plan.

Kerry Drake, US EPA staff, commented that EPA supports the Board adoption of the proposed Plan. Mr. Drake thanked Don Hunsaker, Evan Shipp and Jim Sweet and of course all of the San Joaquin Valley staff that have been working on this Plan. Mr. Drake noted that the District staff and EPA coordinated a lot during the development of the Plan.

Christine Foster, Tulare County Asthma Coalition, stated she thinks this Plan is making progress in protecting the health of all the people in the Valley.

Manuel Cunha, Nisei Farmers League, commended District staff on preparing the Plan. Mr. Cunha suggested language be incorporated into the Plan regarding the \$58 million that has been spent on various studies that have been conducted in the Valley through the San Joaquin Valleywide Air Pollution Study Agency. Mr. Cunha noted the Plan needs more information on the total funding spent on studying the Valley Air Basin, and the results and benefits from those studies.

Mr. Cunha mentioned an Ag Advisory Committee chaired by Dr. Alan Lloyd and the White Paper that was put together by the Ag Advisory Committee regarding

biogenics. Mr. Cunha noted that the White Paper should be included in the Plan that is transmitted to EPA.

Mr. Cunha made comments regarding the EPA Diesel Western Forum, which includes EPA Regions IX and X and is working to provide funding to reduce emissions from diesel engines. Mr. Cunha suggested the District and Stakeholders need to look outside the box at the big picture of how to take advantage of this forum to improve air quality.

Mr. Cunha made comments regarding the Supreme Court decision earlier this year that allows NAFTA diesel trucks into the U.S. that are not required to meet U.S. air quality standards. Mr. Cunha noted that the District, ARB, nor EPA has the authority to regulate these trucks.

Mr. Cunha suggested that if the District is going to develop urban forest planting guidelines it should work with the landscapers and nurserymen early on in the process of developing the guidelines.

Mr. Cunha spoke in support of the Board adopting the Plan.

The Chair stated she would be very interested in seeing the Biogenics White Paper that Mr. Cunha mentioned. The Chair requested that the Board be briefed after the first part of the year about what we do know about biogenics.

The Chair requested staff prepare an agenda item for a future Board Meeting on locomotives.

The Chair asked if it would be possible, at this point and time, to amend the Plan, but not the substance of the rules. The Chair asked if it would be possible to amend some of the general information and be a little bit more descriptive about some of the studies and so forth that we have spent millions of dollars on and many, many years and many, many hours on.

The Chair requested staff provide the Board with information regarding the EPA Diesel Western Forum.

The Chair requested staff to determine if there was anything the Board could do, at this point, regarding NAFTA.

Mr. Crow commented that the Board, in another month or so, will be dealing with the District's Legislative Platform, and there may be some opportunities in the Federal Legislative arena.

Mr. Crow indicated that it would be possible to make the requested changes to the Plan in the resolution, text to Chapter 2 and Appendix A., summary of comments and responses.

Public comment continued

Debbie Stevens, Environmental Audit, the consulting firm that prepared the Environmental Impact Report (EIR), stated that the EIR adequately addressed the environmental impacts of the plan. Ms. Stevens commented that no comments were received on the EIR.

Suzanne Noble, Western States Petroleum Association (WSPA), commented that WSPA supports an approval by the Board on the Extreme Ozone Plan. Ms. Noble commented that the review period was made available to the public in late July, consequently WSPA and the regulatory community, in general, were afforded just a few weeks to evaluate this very complex document and formulate questions and comments. Ms. Noble thanked Dave Jones and staff for offering to meet with our industry in August to go over the Plan in detail with us which was tremendously helpful in respect to the limited time that we had for review.

Ms. Noble noted that the Plan does provide a reasonable framework on which the forthcoming 8-hour Plan will be based. Ms. Noble stated that WSPA does strongly suggest that staff begin to work now with ARB on looking at sub-regional air quality modeling, as well as, emission reduction measures. And, we also suggest that the regulatory community be consulted very early on in the 8-hour plan development process to ensure that staff has the best technical information from the onset of the planning process.

Jerry Frost, Kern Oil and Refining Company, stated he echoed Ms. Noble's comments regarding the time constraints for reviewing the Plan. Mr. Frost stated that Kern Oil supports the adoption of the Extreme Ozone Plan.

Mr. Frost stated Kern Oil has concerns with the following:

- Table 3-2 regarding the potential growth of refineries
- Suggested adding a bold statement at the end of the Executive Summary that would put everybody on notice that the success of this Plan is totally dependent upon CARB and EPA and that their control measures be completed on schedule
- Plan is weak on the controls of mobile sources and overdoes the command and control of stationary sources
- Suggested making the Smoking Vehicle Program more stringent

Roger Christy, Chevron/Texaco, thanked staff for their work on the Plan. Mr. Christy commented that Chevron/Texaco supports the adoption of the Extreme

Ozone Plan. Mr. Christy suggested that during the next two years the District should really focus on the modeling and look at some sub-regional and targeted controls.

Mary Michal Rawling, Merced/Mariposa County Asthma Coalition, spoke in support of the adoption of the Plan by the Board.

Brian Wise, Operation Clean Air (OCA), commented OCA appreciates the Plan's focus on voluntary efforts and noted that is one of the things that OCA is attempting to do.

EXTREME OZONE ATTAINMENT DEMONSTRATION PLAN ADOPTED AS RECOMMENDED WITH MINOR LANGUAGE CHANGES TO RESOLUTION AND EXECUTIVE SUMMARY – Board Member Dominici made the motion to adopt the Plan with recommended changes to resolution and Executive Summary. Seconded by Board Member Armentrout and carried unanimously with the following Roll Call Vote:

Ayes: Anderson, Dominic, Barba, Prince, Nelson, Armentrout, Maggard, Worthley and Patrick.

Absent: Sieglock and Mayfield.

Action: The Board

- 1. Certified the Final Environmental Impact Report for the Extreme. Ozone Attainment Demonstration Plan.**
- 2. Adopted the Proposed Extreme Ozone Attainment Demonstration Plan.**
- 3. Authorized the Chair to sign the amended resolution.**
- 4. Directed staff to forward the adopted Extreme Ozone Attainment Demonstration Plan and resolution to the California Air Resources Board for submittal to the U.S. Environmental Protection Agency by November 15, 2004.**

- Staff amended the resolution to reflect the importance of ARB and EPA emission reductions in demonstrating attainment of the federal 1-hour ozone standards, and to reflect the importance of work done through the San Joaquin Valleywide Air Pollution Study Agency in providing information that serves as the technical basis for the Plan.
- Staff added text to Chapter 2 of the Plan further explaining the funding levels, administration, and accomplishments of the San Joaquin Valleywide Air Pollution Study Agency.

- Staff substituted the new Chapter 7, which demonstrates rate of progress for 2008 and 2010 using adopted measures only, but which did not materially change the conclusions or findings of the Plan nor reduce or diminish expected emission reductions from control measures.

The Board took a break at 11:10 a.m.

Reconvened from Break at 11:15 a.m.

7. **APPROVE AGREEMENT FOR THE INITIAL PHASES OF SMALL-SCALE LIQUID NATURAL GAS (LNG) LIQUEFIER DEVELOPMENT IN THE AMOUNT OF \$200,000** – Staff presentation made by David L. Crow, Executive Director/APCO and Jeff Findley, Supervising Air Quality Planner.

The following persons provided comments during the public comment portion of this item:

Kirk Hunter, Southwest Transportation, spoke in support of the project. Mr. Hunter explained that this project is extraordinary and imperative. Mr. Hunter stated that the staff has been extraordinary in helping bring this project to the Valley. Mr. Hunter noted that everyone that has been involved in this project wants to personally and publicly thank the staff for all their efforts because it has been a monumental task to get us where we are.

Joseph Oldham, City of Fresno, Fleet Management Division, stated the City of Fresno is very interested in this project and noted this is a very important project.

Patrick Smith, Harris Ranch, commented it is extremely important to have a local source of LNG.

Manuel Cunha, Nisei Farmers League (NFL), commented that NFL encourages the Board to move forward with this project. Mr. Cunha complimented staff for doing a good job with this project.

Linda Urata, San Joaquin Clean Cities Coalition (SJCCC), commented that SJCCC supports this project.

The Board complimented staff for their efforts for putting this project together.

APPROVED AS RECOMMENDED – *Board Member Worthley made the motion to approve the agreement as recommended. Seconded by Board Member Barba and carried unanimously with the following Roll Call Vote:*

Ayes: ***Worthley, Prince, Nelson, Anderson, Dominici, Armentrout, Maggard, Barba and Patrick.***

Absent: ***Sieglock and Mayfield.***

Action: The Board approved the Heavy-Duty Engine Emission Reduction Incentive Program (Heavy-Duty Program) Agreement No. C-1428 for the initial phases of small-scale Liquid Natural Gas (LNG) Liquefier development in the amount of \$200,000.

8. **VERBAL REPORT: CALIFORNIA AIR RESOURCES BOARD (ARB) BOARD MEETING** – Report by Ravi Ramalingam, ARB representative and ARB Liaison for the Valley Air District. Mr. Ramalingam commended the Board for their action today in adopting the Extreme Ozone Plan. Mr. Ramalingam stated he would like to congratulate staff for the excellent job they did in preparing the Plan.
9. **EXECUTIVE DIRECTOR/APCO COMMENTS** – David L. Crow, Executive Director/APCO, announced that on October 28, 2004 the CARB Board will meet in Fresno at the District's offices. Mr. Crow encouraged the public and as many Board Members as possible to attend that meeting. This would give the District Board an opportunity to see the hard work the CARB Board does, and provide the District Board with an opportunity to meet CARB Board and staff. Mr. Crow noted that there might be a possibility for the District Board and the CARB Board to meet together the evening before the CARB Board Meeting. Mr. Crow stated he is currently working with CARB staff to see if that evening meeting can be accomplished and he will keep the District Board apprised.
10. **GOVERNING BOARD MEMBER COMMENTS** – Board Member Anderson commented on the recent District symposium. Board Member Anderson complimented staff and stated that she thought it was put together very professionally and she just wanted to thank the staff for doing that. Board Member Anderson stated she would like to recommend we do it more often, maybe even annually.

The Chair stated she agrees with Board Member Anderson's comments and noted it is a great way to get people involved in air quality issues.

Board Member Prince echoed Board Member Anderson's comments. Board Member Prince stated his hat was off to Jamie Holt *"she did a tremendous job, and staff did a great job and it was very, very, very worthwhile!"*

Board Member Nelson commented the air symposium was great, and noted staff did an excellent job putting that together, it was very informative, and the attendance was excellent.

The Chair gave kudos to staff for the symposium, and commented that we could talk forever about how wonderful it was. The Chair expressed her congratulations to everybody involved.

The Chair commented that she hopes there is something that can be scheduled the night before the ARB meeting on October 28, 2004 so that folks could meet informally with ARB Board Members. The Chair encouraged everybody to attend the ARB Board Meeting on October 28, 2004 at 9:00 a.m.

The Chair stated she represented this Board in her capacity as Chairperson at the Western States Petroleum Association Conference that was held in San Diego earlier in the week. The Chair announced that she was part of a panel and they complimented our wonderful Board and the wonderful area that we come from for our common sense approach to things.

OTHER BUSINESS – No Other Business.

11. **CLOSED SESSION** – The Governing Board will hold a Closed Session pursuant to Section **54957.6 and 54957** of the Government Code (Ralph M. Brown Act) as follows:

- Conference with labor negotiator – Carolyn Rose;
Employee Organization SEIU, Local 700
- Performance Evaluation: District Counsel
- Performance Evaluation: Executive Director/APCO

The Board adjourned to Closed Session at 11:40 a.m.

The Board adjourned from Closed Session at 12:30 p.m.