

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

**Thursday, November 17, 2005  
9:00 a.m.**

**Meeting will be held via video teleconference (VTC) system with the Central Region Office (Fresno) and the Southern Region Office (Bakersfield).**

**The video teleconference (VTC) system was not available in the Northern Region Office (Modesto).**

1. **CALL TO ORDER** – The Chair, Supervisor Thomas W. Mayfield, called the meeting to order at 9:00 a.m.

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

Susan B. Anderson, Supervisor	Fresno County
Raymond A. Watson, Supervisor ( <b>absent</b> )	Kern County
Tony Barba, Supervisor	Kings 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	San Joaquin County
J. Steven Worthley, Supervisor	Tulare County
Mike Maggard, Councilmember, <b>Vice Chair (**)</b>	City of Bakersfield
Thomas W. Mayfield, Supervisor, <b>Chair</b>	Stanislaus County

(\*) Arrived during Item # 3

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

3. **APPROVAL OF CONSENT CALENDAR – Item Numbers (11-21).** (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).

11. Approve Action Summary Minutes for the San Joaquin Valley Unified Air Pollution Control District Governing Board Meeting of Thursday, October 20, 2005.

12. Receive and file List of Scheduled Meetings for 2005 and 2006.

13. Receive and file Operations Statistics Summary for October 2005.

14. Receive and file Budget Status Report as of October 31, 2005.
15. Receive and file proposed amendments to Rule 2201 (New and Modified Stationary Source Review Rule) and set December 15, 2005 for a Public Hearing to consider the adoption of the proposed amendments.
16. Receive and file proposed Rule 4307 (Boilers, Steam Generators, and Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr) and set December 15, 2005 for a Public Hearing to consider the adoption of the proposed rule.
17. Receive and file proposed Rule 4309 (Dryers, Dehydrators, and Ovens) and set December 15, 2005 for a Public Hearing to consider the adoption of the proposed rule.
18. Receive and file proposed Rule 4694 (Wine Fermentation and Storage Tanks) and set December 15, 2005 for a Public Hearing to consider the adoption of the proposed rule.
19. Approve proposal for executive search services for APCO position.
20. Approve Budget Resolution increasing the District Budget \$450,000 to establish pass-through budget accounts to administer funds for dairy project CEQA documents.
21. Receive and file Proposed Rule 9510 (Indirect Source Review) and Proposed Rule 3180 (Administrative Fees for Air Impact Assessment Applications) and set December 15, 2005 for a Public Hearing to consider the adoption of the proposed rules.

### **Consent Calendar**

David L. Crow, Executive Director/APCO, announced that on today's Consent Calendar there are five significant rules listed for the Governing Board to Receive and File. Mr. Crow stated the Governing Board will have every opportunity at the December 15, 2005 meeting to consider all the public testimony during the Public Hearing for these rules and to make necessary changes. Mr. Crow noted however, that final action on any significant changes may require continuance of the matter to the next regularly scheduled Board meeting.

### **Consent Calendar Item # 18**

George Heinen, Supervising Air Quality Engineer, stated that based on comments received from the public, District staff recommends to the Governing Board the following change to proposed rule 4694 (Wine Fermentation and Storage Tanks) dated November 15, 2005:

Amend Section 3.8 as follows:

- 3.8 Certified Emissions Reductions (CER): the reduction of VOC or NOx emissions, from mobile, stationary, or area sources, which are actual, quantifiable, enforceable, and surplus at the time of use. ~~as determined by the APCO.~~

**Consent Calendar Item # 12**

David L. Crow, Executive Director/APCO, announced that Item # 12 lists the Governing Board Meeting scheduled for December 15, 2005 will be via video teleconferencing with the Central, Northern and Southern Regional Offices. Mr. Crow noted that unfortunately, the Northern Region video teleconferencing system will not be available for the December 15, 2005. Mr. Crow stated the December 15, 2005 meeting will be a very long meeting with the possibility of a two-day meeting.

**The following person provided comment during the public comment portion of this item:**

**Consent Calendar Item # 19**

Carolina Simunovic, Fresno Metro Ministry, discussed Consent Calendar Item # 19. Ms. Simunovic noted that previously the public was informed that there was going to be a national search for Mr. Crow's replacement. Ms. Simunovic stated that the proposals in day's Governing Board meeting packet, from what she understands, is only going to conduct a West Coast search. Ms. Simunovic asked the Governing Board to request a national search for the APCO's position. Ms. Simunovic also noted that the public health and the environmental health sector would really like to be involved in setting up the criteria. Ms. Simunovic noted that the proposals state the Governing Board can involve community members or community leaders in the process of selecting the criteria for the APCO recruitment process and the Fresno Metro Ministry would like to be involved.

Carolyn Rose, Director of Personnel, stated that both proposals include a lot of input from the District's Governing Board. Ms. Rose indicated today's item is for the selection of a provider for this search. Ms. Rose stated that staff anticipated during the month of December, through the Governing Board Chair, staff would receive input from the Governing Board as to the extent of the search, the qualifications and the specifics of what the Governing Board is looking for.

After the Governing Board and staff discussed this item, a Governing Board ad hoc subcommittee was formed to assist with the APCO recruitment process.

**Governing Board Ad Hoc Subcommittee Members for Executive Director/Air Pollution Control Officer Recruitment Process:**

Supervisor Susan B. Anderson, Fresno County  
Supervisor Michael G. Nelson, Merced County  
Supervisor Tony Barba, Kings County  
Supervisor Ronn Dominici, Madera County  
Councilmember Sam Armentrout, City of Madera

- The Ad Hoc Subcommittee Members and the consultant will meet with interested community stakeholders and receive their input regarding the Executive Director/APCO recruitment process.
- The Ad Hoc Subcommittee Members will then meet with the consultant and provide direction to the consultant who will then proceed to conduct the search in the manner by which the Ad Hoc Subcommittee Members suggest it be done.
- As the recruitment evolves, the Governing Board will consider again how the Governing Board wishes to go through the process of evaluating candidates.

***APPROVED AS RECOMMENDED – On motion by Board Member Sieglock to approve the Consent Calendar as amended. Seconded by Board Member Dominici and unanimously carried with the following roll call vote:***

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

***Absent: Watson.***

***Governing Board Action: The Board approved Consent Calendar items 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 with amendments to items 12, 18 and 19.***

- ***Item # 12, December 15, 2005 Governing Board Meeting will not utilize the video teleconferencing (VTC) system in the Northern Region Office***
- ***Item # 18, Amend Section 3.8 Item***
- ***Item # 19, formed the APCO Ad Hoc Subcommittee***

4. **PUBLIC COMMENT** – Richard Cotta, California Dairies Inc., briefed the Board on the various air emission studies currently taking place and noted the results of the studies should be completed by January. Mr. Cotta noted that CARES appreciate the Governing Board's continued attention and interest in this important matter. CARES looks forward to continuing to work collaboratively and cooperatively to assist the District and the California Air Resources Board in enacting fair science-based regulations for the San Joaquin Valley dairies.

David L. Crow, Executive Director/APCO, expressed his appreciation of the air quality approach the dairy industry has taken with Mr. Cotta's and others leadership. Mr. Crow stated that last month he wrote to Congressman Costa and Congressman Nunez and their Valley colleagues regarding the importance of continuing to further the research and the understanding of dairies pertaining to air quality issues. Mr. Crow announced that the Congressmen will invite a delegation of Valley interests to go to Washington and talk to them and their colleagues about, how this effort is underway in the San Joaquin Valley, and the importance it has on a nation-wide basis. Mr. Crow stated that we will also request their continued financial support for furthering the scientific understanding of dairy air quality issues. Mr. Crow noted this will be a very significant opportunity for the Valley to bring the resources to bear to understand these issues.

5. **REPORT FROM CITIZENS ADVISORY COMMITTEE (CAC)** – Lee Smith, Environmental Primary Member, Madera County, presented the CAC Report to the Governing Board from the November 1, 2005 CAC Meeting. Mr. Smith stated the CAC received a presentation from staff regarding the District's pursuit of Alternative Compliance Strategies. Mr. Smith announced there will be a Biogenic Urban Forest presentation by Dr. Greg McPherson during the December 6, 2005 CAC Meeting and the Governing Board Members are invited. Mr. Smith noted the CAC had a long discussion of the Indirect Source Rule. Mr. Smith stated the CAC has no recommendations at this point. Mr. Smith did state however, that the CAC Technical Rule Review Subcommittee requested the Governing Board be advised of their comment that it appears that Rule 9510 is a good rule overall. Mr. Smith noted that in particular the Environmental Interest Group of the Technical Rule Review Subcommittee recommends that there be a public process outlined in the rule with regards to the expenditure of the fees. Mr. Smith noted there were some additional comments made about the interaction that Rule 9510 may have with the CEQA process.

6. **APPROVE AGREEMENT FOR THE CONSTRUCTION OF SMALL-SCALE LIQUID NATURAL GAS (LNG) LIQUEFIER IN THE AMOUNT OF \$2,300,000**  
Presentation by David L. Crow, Executive Director/APCO, Seyed Sadredin, Deputy Air Pollution Control Officer and Todd DeYoung, Senior Air Quality Planner.

Mr. Crow introduced representatives from the following entities that are involved in this project:

Kirk Hunter, CEO, Southwest Transportation Agency, thanked District staff and noted that Southwest Transportation Agency is proud to be involved in this project.

Patrick Smith, Harris Farms, Inc., stated Harris Farms, Inc., is very proud to be involved in this project and thanked District staff for their exemplary work.

Bruce Wilding, U.S. Department of Energy, Idaho National Laboratory, stated he is very pleased to be involved in this project and explained the laboratory's responsibility for making this project work.

Tom Ostrye, Hanover Compressor Company, explained that Hanover's role in this project is to be the commercialization partner. Mr. Ostrye stated that Hanover's top management are excited to be a part of this.

Brian Stokes, Pacific Gas & Electric (PG&E) Company, conveyed PG&E's role in this project and noted this project is a prototype and a breakthrough in new technology. Mr. Stokes explained that PG&E has invested over two million dollars to get the technology to this point.

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

Lew Nelson, Public Works Director for the City of Tulare, stated the City of Tulare installed a publicly accessible LNG/CNG station in 2001 and it is working very well for our fleet. Mr. Nelson indicated he has been trying since 2001 to get local milk hauling fleets to switch to LNG. Mr. Nelson noted that the construction of this liquefier might tempt the milk hauling fleets to switch.

Linda Urata, Clean Cities Coalition, spoke in support of this project and stated that this is an amazing opportunity.

Jerry Frost, Kern Oil and Refining Company, announced that Kern Oil currently has the biggest, most costly project in their seventy year history. The result of the project, which is a multi million dollar project, will produce ultra low sulfur diesel which is mandated by EPA by June 2006. Mr. Frost noted that Kern Oil funded this project with their own capital.

Joseph Oldham, City of Fresno, stated we strongly support this liquefier.

Al Perry, City of Merced, Fleet Services, stated he was very excited about this project.

Ray Leon, Latino Issues Forum, spoke in support of this project.

Several Board Members expressed concern with public funding of a project which may lead to the development of a for-profit commercial alternative fuel production facility.

Several Board Members spoke in support of this project and noted they were in support of the reduction in air pollution a project of this type would bring to the Valley's air quality. The Board Members who spoke in support of this project noted that many public agencies, as well as several entities in the public sector have already made the commitment to LNG and have spent millions of dollars on equipment that currently runs on LNG. It was also noted that this is a very good public/private partnership.

***APPROVED AS RECOMMENDED – On motion by Board Member Anderson to approve the agreement as recommended. Seconded by Board Member Sieglock and unanimously carried with the following roll call vote:***

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

***Absent: Watson.***

***Governing Board Action: Approved Heavy-Duty Engine Emission Reduction Incentive Program (Heavy-Duty Program) Agreement No. C-1428 (B) to provide continued funding for the construction of a small-scale Liquid Natural Gas (LNG) Liquefier in the amount of two million three hundred thousand dollars (\$2,300,000)***

7. **VERBAL REPORT: CALIFORNIA AIR RESOURCES BOARD (ARB) BOARD MEETING** – Jeff Lindberg, ARB District Liaison, briefed the Governing Board on the most recent ARB Board activities.

8. **EXECUTIVE DIRECTOR/APCO COMMENTS** – David L. Crow, Executive Director/APCO, announced that the federal government placed eight million dollars with UC Davis for a particulate matter study in the San Joaquin Valley. Mr. Crow noted that as the District moves forward with all of our plans and strategies on PM 2.5 we will have a better understanding of what particular speciations we need to focus on.

Mr. Crow provided the Governing Board Members with a California Air Resources Board (ARB) Audit of the District. Mr. Crow noted the audit focuses on the year 2003 and the District has noted in the audit that some of the things ARB criticized and were concerned about have been remedied.

Seyed Sadredin, Deputy APCO, noted that the ARB audit is generally positive. Mr. Sadredin stated the ARB audit acknowledged District achievements and provided some good suggestions for improvement. The District will develop an action plan to address ARB's findings and recommendations.

Board Member Worthley stated that since the ARB audit was focusing on the year 2003, he is assuming that some of the recommendations have already been

implemented. Board Member Worthley commented that it would be helpful for the Governing Board if the District would respond to those recommendations already made and that the District has corrected, so that the Governing Board will know what we should be talking about.

Mr. Crow responded by stating that as the District prepares their response we will share it with the Governing Board.

Mr. Crow announced that the Governing Board Ad Hoc Subcommittee appointed today for the purpose of developing the recruitment process for the Executive Director/APCO position will have their meetings coordinated through Carolyn Rose, Director of Personnel.

9. **GOVERNING BOARD MEMBER COMMENTS** – Board Member Dominici stated he recently traveled to China and he was surprised that their air quality is so bad.

Board Member Maggard stated that he expects that the Governing Board will be lobbied heavily regarding Rule 9510 and he noted it would help him and other Board Members if right after the holidays the Governing Board could have briefings from staff on the matters before the Board at the next meeting.

Board Member Worthley stated it would be helpful to receive bullet points on each of the rules that the Governing Board received and filed today.

Mr. Crow responded that staff will send the Governing Board overheads that describe each of those items and after the holidays staff will contact each Governing Board Member regarding the rules the Governing Board received and filed today.

Board Member Nelson stated that several weeks ago we had a meeting with the Modesto BIA and District staff regarding Rule 9510. Board Member Nelson stated the meeting ran for approximately two hours and he thought it was very helpful for both parties to get together to have this meeting. Board Member Nelson stated he believes the stakeholders in respect to Rule 9510 should attempt to get both sides of this issue before making statements of opposition.

Board Member Sieglock stated he would like to see if we could utilize the streaming video process for the Governing Board meetings.

Board Member Sieglock congratulated Mr. Crow on his retirement and stated “job well done”! Board Member Sieglock stated he appreciates the work Mr. Crow has done and congratulations.

**OTHER BUSINESS** – No Other Business.



10. **NO CLOSED SESSION**

**ADJOURN** – The Chair adjourned the meeting at 11:09 a.m.