

**Action Summary Minutes
for the
San Joaquin Valley Unified Air Pollution Control District
GOVERNING BOARD MEETING
Thursday, August 17, 2000 at 9:00 a.m.
1990 E. Gettysburg Avenue, Fresno, CA.**

Meeting held via video teleconferencing (VTC) in the Central Region Office (Fresno) with the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) included via VTC.

1. **CALL TO ORDER** – The Chair, Supervisor Jerry O’Banion, called the meeting to order at 9:09 a.m.

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

Supervisor Barbara Patrick	Kern County
Councilmember Nettie Washington (absent)	City of Tulare
Supervisor William Sanders	Tulare County
Supervisor Tony Barba	Kings County
Councilmember Dennis Lujan	City of Selma
Supervisor Gail Hanhart McIntyre	Madera County
Councilmember Kenni Friedman	City of Modesto
Supervisor Nick W. Blom (absent)	Stanislaus County
Supervisor Robert J. Cabral	San Joaquin County
Supervisor Judith G. Case, Vice Chair	Fresno County
Supervisor Jerry O’Banion, Chair	Merced County

The Chair announced two corrections to the Agenda: (1) added California Air Resources Board (ARB) Comments to the Agenda and (2) consider adding an (*) additional item to the Consent Calendar.

(*) Approve and authorize the Chair to execute an agreement with Biospherics Research Corporation in the amount of \$29,990 for hydrocarbon canister analyses.

APPROVED AS REQUESTED ITEM # 26 ADDED TO THE CONSENT CALENDAR – A motion was made by Board Member Sanders to add Item # 26 to the Consent Calendar. The motion was seconded by Board Member Barba and carried unanimously with the following Roll Call Vote:

Ayes: Lujan, Cabral, Hanhart McIntyre, Barba, Patrick, Friedman, Sanders, Case and O’Banion.

Noes: None.

Absent: Blom and Washington.

Therefore, the Board added Item # 26 to the Consent Calendar.

3. **APPROVAL OF CONSENT CALENDAR** – Item Numbers **(12-26)**. (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, June 15, 2000.
 13. Receive and file List of Scheduled Meetings for 2000.
 14. Receive and file Operations Statistics Summary for June and July 2000.
 15. Receive and file Budget Status Report as of July 31, 2000.
 16. Receive and file listing of refunds for the fiscal year 1999/2000.
 17. Receive and file proposed amendments to Rule 4603 (Surface Coating of Metal Parts and Products). Set September 21, 2000 for the Public Hearing to consider the proposed amendments.
 18. Approve the contract for Emission Inventory Improvements for Selected Source Categories.
 19. Accept Transportation and Community and Systems Preservation (TCSP) grant, approve resolution increasing District 2000/2001 Budget in the amount of \$228,559, and approve agreement with Council of Fresno County Governments to pass through TCSP grant funds to District.
 20. Approve and authorize Chair to execute agreement with Local Government Commission for TCSP project tasks in the amount of \$69,959.
 21. Approve contract Amendment No. 1 with R&W Software for programming support for the Permit Administration System for an amount not to exceed \$98,560.
 22. Approve exception to Section 15.1.33 of the District's Administrative Code.
 23. Approve changes to the District's Position Control List.
 24. Approve changes to the District's Compensation Plan for confidential Management and Administrative Employees.

25. Approve amendments to REMOVE Program grant award contracts as follows:
- Approve and authorize the Chair to execute Amendment No. 1 to REMOVE Program Contract # 97-004 with the City of Lodi, extending the term of the contract to December 31, 2000.
 - Approve and authorize the Chair to execute Amendment No. 2 to the REMOVE Program Contract # 97-002 with the San Joaquin Council of Governments, City of Ripon to extend the term of the contract to May 31, 2001.
26. Approve and authorize the Chair to execute an agreement with Biospherics Research Corporation in the amount of \$29,990 for hydrocarbon canister analyses.

APPROVED AS SUBMITTED – A motion was made by Board Member Friedman and seconded by Board Member Patrick to approve the Consent Calendar as submitted. The motion carried unanimously with the following Roll Call Vote:

Ayes: Friedman, Sanders, Hanhart McIntyre, Cabral, Barba, Lujan, Patrick, Case and O'Banion.

Noes: None.

Absent: Washington and Blom.

Therefore, the Board approved Consent Calendar items 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 as submitted.

4. **PUBLIC COMMENT – Suzanne Noble, Western States Petroleum Association (WSPA)**, provided comments to the Board in respect to the District's New Sources Review (NSR) Rule. Ms. Noble made reference to correspondence dated: July 25, 2000 from: Deborah Jordan, Acting Director, Air Division, with the United States Environmental Protection Agency (EPA) to: Mark Boese, Deputy Air Pollution Control Officer.

Manuel Cunha, Nisei Farmers League, made comments to the Board in respect to the state subvention funds increase to air districts. Mr. Cunha acknowledged the efforts of Mark Boese for his work on this issue.

Mr. Cunha commented that the United States Department of Agricultural, Agricultural Air Quality Advisory Committee in Washington, D. C. met on July 18 and 19 and forwarded a letter to Carol Browner, EPA. Asking Ms. Browner to put the Ag Burn Policy and the Voluntary PM10 Policy in the Federal Register in September. After that process is completed the regions will follow that policy for agricultural air quality issues.

5. **REPORT FROM CITIZENS ADVISORY COMMITTEE** - Chris Reardon, Industry/Ag, Primary Member, Stanislaus County, reported on the CAC Meeting held on Tuesday, August 1, 2000.
6. **PUBLIC HEARING** – Recommend approving Progress Report to the PM10 Attainment Demonstration Plan. The Progress Report describes District progress in implementing the rulemaking, outreach, grant funding, and research commitments in the 1997 PM10 Attainment Demonstration Plan, and updates PM10 attainment projections.

Staff presentation made by Dave Crow, Executive Director/APCO, Mark Boese, Deputy Air Pollution Control Officer, Scott Nester, Supervising Air Quality Engineer and Dave Jones, Planning Manager.

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

Peggy Taricco, CARB representative and ARB Liaison for the San Joaquin Valley, advised the Board that she is replacing Tina Suarez-Murias as ARB Liaison for the San Joaquin Valley.

Ms. Taricco said that ARB appreciates the District's efforts in fulfilling the ARB Board's request to provide a status report on the PM10 Progress Report. Overall ARB believes the report presents a practical review of the progress made in implementing the commitments made in the PM10 Attainment Demonstration Plan. Ms. Taricco indicated that the Plan outlines a very innovative approach in dealing with the challenging problems here in the Valley.

Ms. Taricco noted that when the ARB Board considered the Plan in 1997 it was acknowledged that the viability of the Plan was dependent upon the completion and the reliability of the research that was identified in the Plan. Research that would provide a better scientific and technical understanding of both the sources and the solutions to the PM10 problem here in the Valley. Ms. Taricco indicated that ARB would like to reiterate at this time their continuing support of those efforts to ensure that the results are incorporated into a revision of the Plan and measures are implemented to attain the standard in all areas of the Valley.

Manuel Cunha, Nisei Farmers League, said that when the \$27.5 million dollar Study is complete it will give us a better understanding of the problem areas in the Valley. Mr. Cunha stated that maybe EPA should not consider the entire Valley out of attainment if a problem exists in just one area. Mr. Cunha noted that maybe EPA should carve out Corcoran and deal with Corcoran rather than making all of the counties in the Valley out of attainment.

APPROVED AS RECOMMENDED – A motion was made by Board Member Cabral to approve Staff’s Recommendation, the motion was seconded by Board Member Lujan. The motion carried unanimously with the following **Roll Call Vote:**

Ayes: Patrick, Lujan, Friedman, Sanders, Hanhart McIntyre, Barba, Cabral, Case and O’Banion.
Noes: None.
Absent: Blom and Washington.

The Board took the following action: approved the Progress Report to the PM10 Attainment Demonstration Plan.

7. **APPROVE THE “ENVIRONMENTAL REVIEW GUIDELINES”** – Approve the “Environmental Review Guidelines” prepared by District Staff to comply with the California Environmental Quality Act (CEQA).

Staff presentation made by Dave Crow, Executive Director/APCO, Joe O’Bannon, Air Quality Planner II and Dave Mitchell Supervising Air Quality Planner.

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

Suzanne Noble, Western States Petroleum Association (WSPA), complimented staff for their work on the “Environmental Review Guidelines”.

Ms. Noble stated that WSPA would like for the Board to approve the “Environmental Review Guidelines”.

Manuel Cunha, Nisei Farmers League, said that the District did a good job on the “Environmental Review Guidelines”.

APPROVED AS RECOMMENDED – A motion was made by Board Member Barba to approve the “Environmental Review Guidelines” as recommended. The motion was seconded by Board Member Friedman and carried unanimously with the following **Roll Call Vote:**

Ayes: Friedman, Barba, Hanhart McIntyre, Patrick, Sanders, Lujan, Cabral, Case and O’Banion.
Noes: None.
Absent: Washington and Blom.

Therefore, the Board took the following action: approved the “Environmental Review Guidelines” prepared by District Staff to comply with the California Environmental Quality Act (CEQA).

8. **EASTERN KERN COUNTY BUMP-UP** – The U.S. Environmental Protection Agency (EPA) has included eastern Kern County in the San Joaquin Valley's bump-up from serious to severe nonattainment status. (Verbal presentation)

Staff presentation by Dave Crow, Executive Director/APCO and Mark Boese, Deputy Air Pollution Control Officer.

AUTHORIZED DISTRICT STAFF TO WRITE A LETTER TO THE U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) – A motion was made by Board Member Cabral to authorize District Staff to write a letter to EPA opposing the automatic re-designation of Eastern Kern County. The motion was seconded by Board Member Case and carried unanimously with the following **Roll Call Vote**:

Ayes: Cabral, Patrick, Barba, Sanders, Friedman, Lujan, Hanhart McIntyre, Case and O'Banion.

Noes: None.

Absent: Washington and Blom.

Therefore, the Board took the following action: authorized Staff to write a letter to the EPA opposing the automatic re-designation of Eastern Kern County, under the jurisdiction of the Kern County Air Pollution Control District, with the San Joaquin Valley.

9. **TITLE 17 BRIEFING** – Update on recent amendment to Title 17 by the California Air Resources Board (ARB) and how they impact the District. (Verbal presentation)

Staff presentation made by Dave Crow, Executive Director/APCO and Dave Jones, Planning Manager.

VERBAL REPORT: CALIFORNIA AIR RESOURCES (ARB) BOARD MEETING COMMENTS – Report regarding ARB Board Meeting.

Peggy Taricco, CARB representative and ARB Liaison for the San Joaquin Valley, provided the report in respect to the ARB Board Meetings.

10. **EXECUTIVE DIRECTOR/APCO COMMENTS** – Dave Crow, Executive Director/APCO, thanked Mark Boese for his efforts in respect to the increase in the State Subvention funds.

Mr. Crow stated that the Valley Air District has had incredible support from Assemblyman Cardoza's office. They have been instrumental in shepherding AB2511, which clarifies the use of the \$25 million set aside in the Governor's transportation budget. This money is to be used to enhance and expand our local effort for heavy-duty diesel cleanup.

We're also engaged right now in work to implement the Governor's proposal that came out of the Economic Summit Conference in the Valley on the bio mass industry. Mr. Crow noted that \$30 million dollars was made available for that program over the next three years.

11. **GOVERNING BOARD MEMBER COMMENTS** – Board Member Cabral provided the Board with a brief update of the performance of the ACE Rail System in San Joaquin County.

Board Member Patrick stated "...kudos to you Supervisor Cabral, from what I hear there would not have been an ACE Rail System without Supervisor Cabral..."

Board Member Patrick noted that the District has raised quite a bit of money in fines from companies that are not doing what they should be doing. Board Member Patrick stated that she thinks that the region that pays the fine should reap the benefits. Board Member Patrick suggested that perhaps a Board subcommittee could meet to discuss this issue.

The Board indicated they wanted the Board's Ad Hoc Finance Subcommittee to meet with staff to discuss the topic raised by Board Member Patrick.

The Chair directed that a Stakeholder's Meeting should be held in the next six weeks.

Board Member Patrick raised the topic about an article she read in the Bakersfield Californian about some companies turning on their emergency generators during ISO Stage II alerts. Board Member Patrick asked what the District was doing about this.

Mr. Crow noted that this is a huge topic that has consumed a lot of attention and time over the last two months in particular. Mr. Crow explained that an organization referred to as the Independent Service Operators (ISO) was formed as part of energy deregulation in California over the last couple of years. This is an entity that works to make sure that there is enough electric power in California. Mr. Crow stated that there is not enough power in California to meet the demands and this will be with us for the next four to five years. There are about thirty new power plants that are permitted with about six or so in the San Joaquin Valley but, they are not going to be online for a number of years. Board Member Patrick is correct in referencing the fact that we have about twelve hundred emergency generators permitted in the San Joaquin Valley.

The ISO has called upon utilities who (basically going back a number of years) entered into an agreement with their largest industrial users. Those large

industrial users can receive a considerable annualized reduction on their utility bills. They agreed that if a Stage II is called by the ISO and the reserves get down to about 5% level that they would take a curtailment of their power from the grid. Those agreements don't specify anything beyond taking a curtailment of power from the grid. Some take the curtailment and then fire up a generator in lieu of grid power. The District sent a Compliance Assistance Bulletin out about a month or so ago admonishing those users that those engines are not permitted for that purpose. In fact, the District rule and the permits specifically preclude them for being utilized when they have an interruptible power agreement. So, we advised those users that, that was not a lawful use of those engines because they have voluntarily agreed to enter into a curtailment mode. The compensation is considerable for that so the incentives were pretty persuasive but unfortunately those agreements were out of synch with District rules.

Mr. Crow said that as he stated at the outset of his comments, this District is not unique in this situation it's prevalent around the state. We have advised people that it is an inappropriate use of those generators. And, our enforcement people are watching as to what happens. We will write a Notice of Violation if it's used unlawfully and then we will decide down the line a response. That is a part of the immediate situation.

We are encouraging those large users that want to participate in this conservation method to come in and re-permit those engines to specifications that will make that possible. Mr. Crow said the District will be very active with CARB, the California Energy Commission and the ISO in how, in the long haul we address this problem.

Mr. Crow said that on days when a Stage II is called by the ISO, its days when its a hundred plus degrees, Southern California is baking and our ozone levels are going through the roof.

OTHER BUSINESS – No Other Business

NO CLOSED SESSION

ADJOURN – *The Chair adjourned the meeting at 11:24 a.m.*

Sissy Smith, Clerk to the Boards
Governing Board
San Joaquin Valley Unified APCD