

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, January 17, 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
Buddy Mendes, Supervisor, Chair	Fresno County
Kristin Olsen, Supervisor**	Stanislaus County
Lloyd Pareira, Supervisor**	Merced County
Craig Pedersen, Supervisor	Kings County
Dr. Alexander Sherriffs	Appointed by Governor
Tom Wheeler, Supervisor	Madera County

Absent:

John Capitman, Ph.D	Appointed by Governor
Christina Fugazi, Councilmember	City of Stockton
Monte Reyes, Councilmember	City of Porterville
Chris Vierra, Mayor	City of Ceres

**attended in Southern Region Office*

***attended in Northern Region Office*

3. PLEDGE OF ALLEGIANCE

4. INTRODUCTION OF NEW GOVERNING BOARD MEMBER: SUPERVISOR KUYLER CROCKER – Chairman Mendes introduced the newest Governing Board member Supervisor Kuyler Crocker from Tulare County. Supervisor Crocker said he was happy to serve on the Board, representing Tulare County. As a fifth-generation citrus farmer, he said he hoped to continue the great work that the Board and staff have done over the many years in cleaning the Valley's air as well as protecting agriculture and business.

5. END OF THE YEAR ADDRESS BY CHAIRMAN OF THE BOARD, SUPERVISOR BUDDY MENDES – Supervisor Mendes wished everyone a happy new year and said it was his honor and pleasure to serve as Chairman of the Board in the coming year. He said he felt it was important to look back at this last year and celebrate the successes that we've been able to achieve in this Valley through the efforts of the Board and District working closely with all Valley stakeholders to move forward our clean air mission and improve the quality of life for Valley residents. In these difficult times, and in direct contrast to the negativity everyone is hearing about with respect to public agencies, it's incredible to serve this Valley through an agency that has continued to build a solid track record to be proud of with respect to air quality progress, efficient government, and excellent customer service.

With respect to air quality, in 2018, despite strings of triple digit temperatures and record-setting wildfires, the Valley experienced the region's cleanest air quality year on record for ozone. This includes recording the fewest exceedances on record for both the 84 and 75 ppb ozone standards, and the lowest 8-hour ozone design value on record, bringing the Valley closer than ever to attainment of federal ozone air quality standards. In addition, the Valley now meets the 65 microgram 24-hour PM2.5 standard, and PM2.5 design values continue to decrease, a positive trend towards meeting the federal PM2.5 standards in the coming years.

After years of the most extensive public engagement in District history, the Board adopted its latest clean air attainment plan, the 2018 PM2.5 Plan, as the next step in the District's ongoing clean air mission. This Plan utilizes extensive science and research, state of the art air quality modeling, and the best available information in developing a strategy for expeditiously bringing the Valley into attainment with federal PM2.5 standards. The new plan includes a combination of new innovative regulatory and non-regulatory measures for both stationary and mobile sources that build upon stringent air quality measures already in place from District attainment plans and measures adopted by the Board.

This last year, the District continued to implement innovative regulatory and incentive-based air quality measures that serve as the model for other agencies throughout the state and the nation. These various air quality measures exceeded all state and federal mandates in a timely fashion with ingenuity and creativity to minimize the cost to Valley businesses while meeting or exceeding emission reduction targets, with:

- NOx reductions 96% above target
- VOC reductions 17% above target
- PM2.5 reductions 83% above target

He added, this past year the District continued to demonstrate its leadership in implementing the most effective grant program in the state, distributing incentive funding to businesses, public agencies, and residents throughout the Valley to help implement a variety of clean air projects, implementing a number of new incentive programs to deploy new clean air technologies, and successfully advocating for the Valley's fair share of funding in Sacramento and D.C.

These incentive programs include everything from the award-winning Tune In Tune Program, to the first-of-its-kind tractor trade-up program, and resulted in a public/private investment of \$280 million in clear air projects throughout the Valley just this past year, resulting in cost-effective emissions reductions achieved in partnership with Valley agriculture, residents, and other Valley stakeholders. Through these programs, thousands of heavy duty vehicles, tractors, other heavy duty equipment, residential wood burning devices, passenger vehicles, lawn mowers, and other equipment were replaced and upgraded this past year – quite the achievement.

Given the Valley's track record, the District also saw tremendous success in advocating for the Valley's fair share of funding, with hundreds of millions of dollars in new state funding directed to the Valley for a variety of clean air projects

This last year, the District also faced the challenge of implementing new state AB 617 mandates. The agency acted swiftly to adopt a comprehensive strategy for beginning the implementation of these new AB 617 mandates that included extensive community engagement with Valley residents and businesses. Through this comprehensive strategy, the District will continue to utilize AB 617 as an opportunity to advocate for and bring even more resources into Valley communities to assist address air quality challenges and improve quality of life.

Entering into 2019, he said it was important that we continue our clean air journey by recognizing all of the clean air progress that he mentioned, and which was only possible through the investment and sacrifice of Valley agriculture, businesses, residents, and others throughout the Valley.

While the majority of remaining emissions come from mobile sources not under the District's regulatory jurisdiction, given the Valley's enormous challenges, the District will have to continue to identify, adopt, and implement measures that can further reduce emissions from sources under its legal jurisdiction.

As included in the District's new PM2.5 Plan, meeting the federal mandates requires that the District seek additional financial resources to reduce emissions from mobile sources through effective incentive-based strategies that will require \$5 billion in state funding over the next five years.

Implementation of the District's new PM2.5 Plan will require extensive engagement with Valley residents, businesses, and other stakeholders to ensure

buy-in and support as we move forward with the implementation of new clean air measures. This includes working on additional measures with respect to residential wood burning and commercial under-fired charbroiling that will only be successful with strong support from the public and businesses being impacted by those measures.

Additionally, careful implementation of AB 617 mandates will require continued effort by the District to ensure that AB 617 is used as an opportunity for investing in communities and strengthening local economies.

There is much work to be done in the coming year, but Chairman Mendes said he was confident that the Board and staff will once again be able continue in their tradition of excellence in serving this Valley, and he said he looked forward to working with the great Board and staff in moving forward with the important work of the agency.

6. APPROVAL OF CONSENT CALENDAR – Item Numbers (17 – 23): *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.*

17. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, DECEMBER 20, 2018

18. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2019

19. RECEIVE AND FILE OPERATIONS STATISTICS SUMMARIES FOR DECEMBER 2018

20. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF DECEMBER 31, 2018

21. AMEND 2018-19 NON-OPERATING BUDGET TO INCREASE ESTIMATED REVENUES AND APPROPRIATIONS FOR VOLUNTARY EMISSION REDUCTION AGREEMENT AND INDIRECT SOURCE REVIEW PROGRAMS

22. CONTRACT WITH EXECUTIVE DIRECTOR/APCO

23. CONTRACT WITH DISTRICT COUNSEL

District Counsel, Annette Ballatore, provided a brief summary of Items 22 and 23, which were recommendations to approve the annual contracts for the Executive Director and District Counsel. She said each of these contracts are renewals for the terms of last year's contracts, which including a 5% salary increase for each position.

Public Comment: None

Moved: Wheeler
Seconded: Bessinger
Ayes: Bessinger, Couch, Crocker, Elliott, Olsen, Pareira
Pedersen, Sherriffs, Wheeler, Mendes
Nays: None

***Motion unanimously carried to approve Consent Calendar Item
Numbers 17 – 23***

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

- Connie Young, Citizens Climate Lobby
- Manuel Cunha, Nisei Farmers League

8. **S.T.A.R. RECOGNITION (Service, Teamwork, Attitude, Respect)** – Chenecua Dixon, Personnel Director, formally recognized the following District employees who reached a service milestone during the fourth quarter of 2018:

Five Years of Service

Eric McLaughlin, Air Quality Specialist
Choua Thao, Programmer/Analyst

Ten Years of Service

Christina Sharp, Air Quality Specialist
Tim Van Dyne, Senior Network Systems Analyst
Yvette Ciotti, Air Quality Assistant
Carol Flores, Air Quality Technician
Eden Estrada, Air Quality Field Assistant
Ruben Ibarra, Air Quality Field Assistant

Twenty Years of Service

Richard Edgehill, Air Quality Engineer
Chay Thao, Program Manager

This item was taken out of order

13. **APPROVE THE DISTRICT'S 2019 LEGISLATIVE PLATFORM** – Tom Jordan, Senior Policy Advisor, presented the District's proposed 2019 Legislative Platform containing the District's top priorities for the upcoming legislative session and general principles that will guide the District when taking positions on specific legislative and regulatory proposals, including:

1. **(Federal/State) Funding for Clean Air Projects:** Provide new and continued funding for investment in projects that reduce air pollution in the disadvantaged communities throughout the Valley. The District's existing attainment plans already contain some of the strongest regulatory measures in the nation, and significant additional reductions in emissions will be achieved from new measures in the upcoming plans for the latest federal standards. However, funding is necessary for reductions to expedite public health benefits and attainment of the federal standards through incentive-based measures. Funding for incentive-based measures is also needed for reducing mobile source emissions since federal law preempts the District from imposing tailpipe emissions standards. The District will pursue all available funding sources including but not limited to Moyer, Cap and Trade, AB 118 at the state level and DERA, Targeted Air Shed, and Farm Bill EQIP at the federal level.
2. **(State/Federal) Ensure the State Secures Adequate Incentive Funds to Meet the State's Commitment in the Valley's PM2.5 Attainment Plan:** The District's recently adopted PM2.5 plan includes aggressive incentive-based control measure commitments by CARB to accelerate the deployment of new clean vehicles, equipment, and technologies across a variety of sectors that will require \$5 billion in new incentive funding investment from the state. The District will assist in advocating for the state securing the necessary emissions reductions and associated incentive funding to meet the CARB commitments in the adopted Plan.
3. **(State) Cap and Trade Revenues:** The cap and trade program implemented by ARB sets up a mechanism by which affected sources can procure allowances or offsets to meet specified and declining caps on their greenhouse gas emissions. In other words, affected sources will be allowed to invest in reductions in other areas as mitigation for their local emissions. This scenario can potentially lead to adverse impacts in areas that are already disproportionately impacted by criteria pollutant emissions. To mitigate localized air quality impact and provide meaningful public health benefit to disproportionately impacted communities, a significant portion of Cap and Trade revenues must be spent on projects located within, and benefiting individuals living in, disadvantaged communities. In determining what communities are disadvantaged, the state must identify communities that face significant environmental challenges as well as economic challenges.
4. **(State) AB 617 Implementation:** The air quality challenges that communities in the San Joaquin Valley face are unmatched by any other region in the nation. Despite decades of progress and significant reductions in air pollution, the San Joaquin Valley, due to its unique geography, topography, and meteorology, continues to face daunting challenges in meeting the latest federal health-based air quality standards. AB 617, if implemented properly, is expected to bring

additional clean air resources and strategies to Valley communities that are burdened by socioeconomic disadvantages and air pollution despite significant emissions reductions that have already been achieved regionally. In order to effectively implement the requirements of AB 617, the District will advocate for the following:

- A. The State should provide adequate resources to fund the administrative, air monitoring, and community outreach activities necessary to effectively implement AB 617 requirements.
 - B. State funding for AB 617 emission reduction projects should be based upon need with areas containing identified AB 617 communities and other disadvantaged communities, and disproportionate air quality impacts prioritized for funding.
5. **(State/Federal) Disadvantaged Community Policies:** The San Joaquin Valley is home to a number of disadvantaged communities that deserve care and attention. The District will adhere to the following principles in pursuing efforts to identify and address the needs of these communities:
- A. The District will support measures that improve quality of life and economic welfare. In identifying communities of need, both socioeconomic and environmental impacts should be considered. The District supports CalEPA's California Communities Environmental Health Screening tool (CalEnviroScreen) as the appropriate tool for identifying disadvantaged communities.
 - B. The District considers poverty as a key factor contributing to diminished public health and will oppose efforts that lead to "redlining" these communities and inhibit economic growth.
 - C. The District will support efforts to target additional state and federal resources to mitigate issues faced in disadvantaged communities.
 - D. The District will oppose measures that dilute local control by diverting local revenues or the authority over the expenditure of local resources to the state or federal government. Reduced local control will weaken local enforcement programs. Local agencies are better suited to efficiently and effectively identify and address community needs.
6. **(Federal) Work with Administrative Branch Including EPA to Advance Streamlined and Efficient Implementation of the Clean Air Act Mandates:** Work with EPA administration to build effective working relationship, take advantage of cooperative federalism to make sure Clean Air Act provisions are applied reasonably and in accordance with Congress' original intent. The administration's focus on working with

state and local agencies to develop programs that work for their specific situations provides opportunities to pursue administrative solutions to solve some of the issues presented by antiquated provisions of the Act, including the following:

- A. Contingency Measures in Extreme Non-Attainment Areas:** Requiring contingency measures in extreme nonattainment areas is irrational and unnecessary. The Act requires all attainment plans to include contingency measures, defined as extra control measures that go into effect without further regulatory action, if planned emissions controls fail to reach the goals or targets specified in the attainment plan. While requiring backup measures was a well-intentioned provision, it does not make sense in areas that have been classified as “extreme” non-attainment for ozone. These areas, by definition, have already implemented all available and foreseeable measures and still need a “black box” of future measures to define and employ. The term “black box” refers to reductions that are needed to attain the standard, but technology to achieve such reductions does not yet exist. No measures are held in reserve in areas that are classified as “extreme” non-attainment for ozone. With no stones left unturned in such plans, requiring contingency measures in such areas makes no sense. Since the contingency requirement in “extreme” non-attainment areas could actually harm public health, EPA should clarify that state and local air agencies should not be forced to implement the contingency requirements in the Clean Air Act in a manner that leads to delayed cleanup.
- B. Streamline the Planning Process:** Since the 1970’s, EPA has established numerous ambient air quality standards for individual pollutants. We have now reached a point where various regions throughout the nation are subject to multiple iterations of standards for a single pollutant. For instance, there are currently four pending standards for ozone and four pending standards for PM2.5. Each of these standards requires a separate attainment plan leading to multiple overlapping requirements and deadlines. This in turn results in a great deal of confusion, costly bureaucracy, and duplicative regulations, all without corresponding public health benefits. EPA should develop an administrative process to consolidate plans into one unified set of requirements.
- C. Exceptional Events:** The Clean Air Act currently states that exceptional events do not include stagnation or a meteorological event involving high temperatures or lack of precipitation. The District believes that the intent of the Congress was to exclude short term and routine occurrences. Therefore, EPA should clarify that these exclusions do not apply to long-term and extraordinary stagnation and lack of precipitation such as those resulting from a

100-year drought. Additionally, EPA should streamline the review and paperwork requirements of Exceptional Events demonstrations to ensure timely review of Exceptional Events demonstrations.

D. Health Risk Based Approach to Emissions Reductions: The Act as it relates to the demonstration of Reasonable Further Progress or Rate of Progress treats all precursors the same, regardless of their potency in harming public health or achieving attainment. Driven by a rapidly expanding body of scientific research, there is now a growing recognition within the scientific community that from an exposure perspective, the National Ambient Air Quality Standards metrics for progress are a necessary but increasingly insufficient measure of total public health risk associated with air pollutants. In particular, control strategies for sources of PM_{2.5} and ozone do not necessarily account for qualitative differences in the nature of their emissions. For PM_{2.5}, toxicity has been shown to vary depending on particle size, chemical species, and surface area. In the case of ozone, differences in the relative potency of ozone precursors, VOCs in particular, is not captured by a strict, mass-based approach to precursor controls. EPA should provide weighted credit for emissions reductions based upon a precursor's relative impact upon public health.

- 7. (Federal) National Standards for On-Road Heavy-Duty Trucks and Locomotives under Federal Jurisdiction:** Despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, nitrogen oxide (NO_x) emissions, the primary precursor for both ozone and fine particulates (PM_{2.5}) in the San Joaquin Valley, must be reduced by an additional 90% in order to attain the latest federal ozone and PM_{2.5} standards that now encroach on natural background levels. The District has jurisdiction over stationary and area sources, which make up less than 15% of the total NO_x emissions inventory. With over 85% of the Valley's remaining ozone and PM_{2.5} precursor emissions now coming from mobile sources under federal jurisdiction, additional reductions from heavy-duty trucks and other mobile sources under federal jurisdiction are needed for the Valley to reach federal air quality standards.
- 8. (State) Truck Emissions Verification:** The District anticipates state legislation relating to smog check for trucks in the coming year. Given that trucks are the largest source of NO_x emissions in the San Joaquin Valley, the District supports a reasonable program that helps ensure that emissions controls are properly maintained and are not tampered with. However, given the high cost and detriment to ordinary conduct of commerce, the District cannot support a smog check program for trucks similar to the existing smog check program for light duty vehicles requiring individual vehicle testing at specially designed testing facilities.

Instead, the District supports a smog check program that can rely on onboard diagnostic technology and verifiable self-reporting. Furthermore, the program must contain necessary flexibility to accommodate future technology advancements that can provide for efficient and reliable emissions verification.

9. **(State/Federal) Support Greenhouse Gas Reduction Measures that Provide for Local Criteria and Toxic Air Emissions Benefits and Oppose Greenhouse Gas Reduction Measures that Result in Public Health Detriment:** Many state/federal climate change measures provide for co-benefits in reducing both greenhouse gasses and criteria pollutant emissions, but there are some measures that may lead to increases in criteria pollutant or toxic emissions. Therefore, the District will support reasonable measures that reduce toxic and criteria pollutants as well as greenhouse gas emissions. The District will oppose climate change measures that are detrimental to public health by leading to increases in toxic or criteria pollutant emissions in already impacted areas.
10. **(State) District Policy Position on The Deployment of Near-Zero and Zero Emission Technologies:** In the development of new zero emission and near-zero emission state strategies, the District will advocate for consideration and prioritization of near-term air quality and public health goals and efforts that may also serve to assist in achieving the transformational changes needed to meet long-term objectives, including:
 - A. Pursue fuel-neutral approaches for identifying technologies and other solutions based on their performance, cost-effectiveness, and ability to assist in meeting established local and state goals.
 - B. Continue to support electrification and other zero-emission technologies when they are commercially available, cost-effective, and provide the required performance and value for the specific application.
 - C. Continue to support near-zero emissions technologies when they are able to provide near-term and cost-effective emissions reductions and public health benefits.
 - D. Continue to support the development and demonstration of the next generation of transformative zero and near-zero emissions technologies.
11. **(State) Support Legislation Extending District's Existing Authority for DMV Fees to Match Applicable Federally Mandated Attainment Deadlines:** The District's current authority relating to DMV fees under California Health and Safety Code Sections 40610 through 40613

sunsets in 2024. The current sunset date was set to correspond to the District's attainment date for the latest ozone standard at the time the enabling legislation was enacted (1997). Since then EPA has adopted more restrictive standards with attainment dates ranging from 2031 through 2037. The Valley cannot reach attainment with regulatory measures alone and incentive-based measures are necessary to ensure expeditious reductions in emissions cost-effectively while investing in the local economy. Therefore, the District supports legislation extending the District's authority to match attainment deadlines for federally mandated health standards for which incentive funding is necessary.

- 12. (State/Federal) Seek funding and other support from the State Air Resources Board and Federal Environmental Protection Agency (EPA) to install and operate additional air quality monitoring instruments throughout San Joaquin Valley:** The District operates one of the most extensive air monitoring networks in the nation. Data from these monitors is utilized to measure progress and assess the need for further reductions needed to attain ambient air quality standards established by EPA. Moreover, the District is also committed to providing accurate and timely air quality information to educate and empower the public to protect themselves during poor air quality episodes. This is accomplished utilizing the air monitoring data through the District's first-in-the-nation Real-Time Air Advisory Network (RAAN).

Installation, operation and maintenance of the Districts air monitoring network is resource intensive. The District's annual operating appropriation for air monitoring is approximately \$3.6 million. Additional resources are required to address the increase in federal mandates relating to air monitoring (more monitors and more labor intensive QA/QC and reporting procedures for existing monitors) and the need for more monitoring capabilities to satisfy new initiatives to provide community-level air quality information.

- 13. (State/Federal) Support efforts that provide for cost-effective alternatives to open burning of agricultural waste:** In 2003, state law was amended to require the District to limit open burning of agricultural material in accordance with a phased-in schedule of deadlines. In addition to those requirements, the state law authorizes the District to postpone the burn prohibition dates for specific types of agricultural material if the District makes three specific determinations and the Air Resources Board (ARB) concurs. The determinations are: (1) there are no economically feasible alternatives to open-burning of the specific type of material; (2) open-burning the specific type of material will not cause or substantially contribute to a violation of a National Ambient Air Quality Standard (NAAQS); and (3) there is no long-term federal or state funding commitment for the continued operation of biomass facilities in the Valley or the development of alternatives to burning.

Working closely with the stakeholders over the years to identify economically feasible alternatives to open burning of various agricultural materials, the District had until 2014 achieved an 80% reduction in agricultural burning. The exceptional drought conditions that the Valley experienced from 2012 to 2016 resulted in hundreds of thousands of acres of orchards, vineyards and other agricultural crops being fallowed or removed. These conditions, paired with the demise of the biomass industry in California, which had previously provided the primary alternative to agricultural burning for a significant amount of the agricultural waste generated in the Valley, has created a severe waste disposal issue. Additionally, there are currently no long-term federal or state funding commitments to support the operation of biomass facilities or development of alternatives to open agricultural burning. The combination of these factors has resulted in an increase in open burning over the past several years and threatens the District's ability to continue to maintain broad restrictions on open burning of agricultural waste into the future due to the lack of feasible alternatives capable of handling the volume of agricultural waste generated in the Valley each year.

In November 2015, the District's Governing Board adopted an action plan aimed at short- and long-term measures to alleviate the effect on agricultural growers of the biomass capacity shortfall in the Valley and to identify cleaner alternatives to agricultural open burning. As a part of these efforts to identify and advance cleaner alternatives to open burning of agricultural waste, in November 2017 the District convened the Central Valley Summit on Alternatives to Open Burning of Agricultural Waste to bring together Valley growers, researchers/experts, representatives from the biomass power industry, representatives from new and developing technology vendors, and Valley stakeholders.

As a product of the Summit, the District has recently taken actions to support the development and implementation of cleaner alternatives to agricultural open burning. In November 2018, the District launched a new pilot incentive program to provide financial assistance to growers opting to implement on-field practices such as whole orchard recycling in lieu of open burning. In addition, in December 2018 the District created a portable equipment registration program to facilitate the use of mobile air curtain burn boxes, which can be up to 80% cleaner than open burning. As the District continues its efforts to work with stakeholders to identify and advance cleaner feasible alternatives, it is clear that additional research and resources are necessary.

The District will support research and development of alternatives to the open burning of agricultural waste. The District will also support policies and efforts to provide resources for existing and emerging cleaner alternatives to open burning.

14. (State/Federal) Technology Advancement: The San Joaquin Valley Air Basin is classified as an “Extreme” non-attainment area for ozone. This means that that technology does not currently exist to bring the region into attainment of the federal ozone standard. Meeting the newest air quality standards will require transformative measures and technologies to achieve near zero emissions. In order to further develop technology to close the gap in required emissions reductions, the District operates a Technology Advancement Program. Along with its own resources, the District is seeking state and federal assistance to advance technology in the following areas:

- A. Mobile sources projects that demonstrate zero- or near-zero-emissions solutions to mobile source categories with emphasis on goods and people movement, off-road equipment, or agricultural equipment.
- B. Renewable energy projects that focus on overcoming the barriers that prevent the use or adoption of zero-emission renewable energy sources or reduce emissions from renewable energy systems to make them cleaner than comparable non-renewable alternatives.
- C. Waste solution projects that focus on waste systems or technologies that minimize or eliminate emissions from existing waste streams and processes, including waste-to-fuel and energy systems, such as ag waste gasification systems, dairy digesters and other bio-fuel and energy applications.

15. (State/Federal) Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact: Wildfires result in significant loss of life and property. Air pollution generated from wildfires is enormous and well exceeds the total industrial and mobile source emissions in the San Joaquin Valley. These emissions result in significant adverse public health impacts in the San Joaquin Valley and in many regions throughout California. California continues to experienced a record number of wildfires, and the resulting emissions causes serious public health impacts and unprecedented levels of PM2.5 and ozone in the San Joaquin Valley and other regions throughout the state. Historically clean rural areas throughout the state and in the San Joaquin Valley have experienced their worst air quality in decades.

Given the devastating public health impact that the Valley suffers from wildfires, the District supports measures that can help reduce the intensity, magnitude, and frequency of wildfires including those that promote effective and expanded use of prescribed burns and mechanical treatment to reduce fuel build-up, including the following:

- A. Additional financial and staffing resources for public and private land managers to conduct prescribed burning as an effective means for reducing fuel supplies that lead to large and uncontrollable wildfires.
- B. When wildfires occur, fighting wildfires should be funded as other natural disasters are funded. Funding should not be diverted from forest management and fuel reduction activities to fight wildfires.
- C. Lessening or removal of contradictory environmental protection policies that prohibit the use of mechanized methods, or prescribed burning to reduce fuels when those are the only feasible methods available.
- D. Changes in the federal policies that better incorporate air quality concerns by shifting focus to prescribed burning and employing fire management techniques that reduce air quality impact when wildfires occur.

16. (State/Federal) Support Income Tax Exemption for Air Quality Grant

Recipients: Achieving the needed reductions from incentive-based programs and advancing transformative clean air technologies and infrastructure will require significant private sector investment. In many cases, owners of equipment with significant remaining useful life and value must be convinced to take partial financial support from District grants and replace such equipment with more expensive newer and cleaner technology. If the grant dollars received remain taxable, the District's grant program penetration may not reach the necessary levels.

The District's state and federal advocates, Paul Yoder and Lynn Jacquez, respectively, provided an update to Board members on activities at the state and federal level. With regards to disadvantaged communities, Supervisor Elliott commented on the need to stress the importance of preventing the dilution of local control because maintaining local control over that funding and the decision as to where the money goes is common sense. In regards to support for fuel neutrality, he said it is common sense that instead of waiting twenty years to come up with the perfect solution, it is better to begin using the good solution now.

Supervisor Crocker voiced appreciation for the presentations. He said he was concerned about the large number of priorities listed and said perhaps there was a need to fine-tune the focus. Samir Sheikh, Executive Director/APCO, responded that the Board's approach is to fine tune the messaging of the District's Legislative Priorities depending on the interaction and the individuals involved and the role they play in either committees or delegations. He said on the state side, the District's biggest priorities are making the case for additional funding needed because of the Valley's disadvantaged communities and our air quality challenges. He said while it is complex, at the Board's direction and using

a tailored approach we try to focus on the couple of items that we are asking when interacting with members. Supervisor Mendes agreed with Mr. Sheikh, and said just a few priorities are chosen for each legislative meeting. Mr. Jordan added that the platform serves two roles, one as an educational role for the members but also a directional role for the District's policy team. Ms. Jacquez said for the policy team, knowing all of the District's priorities helps form appropriate responses as issues arise and help identify proactive opportunities.

Dr. Sherriffs thanked staff for the presentation and thanked the District's policy team for their work on the Legislative Platform this year. He said they are doing a great job of representing the Valley's needs. He said at the state level, there is an increasing focus in terms of disadvantaged communities and how we address it is important in terms of getting funding for the Valley and its communities. He asked if the process for approaching the legislature has changed over the last couple of years with that in mind. Mr. Yoder responded that he thought the disadvantaged community concept is now ingrained. He added that even within the Central Valley there are folks who, depending on the program and exactly what is being proposed, want to change that. He said that is something they are watching very closely. He added they are focused on not just getting the greatest share out of any pot for the Valley, but also planning grants because it is one thing to give people money but they also require the technical expertise and the wherewithal to be able to apply for it.

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

- Connie Young, Citizens Climate Lobby
- Manuel Cunha, Nisei Farmers League

Moved: Pedersen

Seconded: Wheeler

Ayes: Bessinger, Couch, Crocker, Elliott, Olsen,
Pareira, Pedersen, Sherriffs, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve the District's 2019 Legislative Platform

9. APPOINT AD HOC SUBCOMMITTEE FOR HEARING BOARD REAPPOINTMENTS – Mr. Sheikh said pursuant to California Health and Safety Code Sections 40600 and 40800, the District is required to have three Hearing Boards. By statute, each five member Hearing Board must include an attorney, a registered professional engineer, a medical professional with relevant experience, and two public members. The terms of the members are three (3) years with terms staggered to maintain continuity of Board functions. He said on February 28, 2019, the terms of 5 attorney and engineer members will expire and the Board must consider reappointment of the existing members. Staff recommended the Board appoint two Governing Board members from each

region to serve on the Ad Hoc Subcommittee to review, evaluate, and make recommendations regarding reappointment of the Hearing Board attorney and engineer members.

Supervisor Mendes appointed Councilmember Bessinger, Supervisor Wheeler, Supervisor Elliott, Supervisor Olsen, Supervisor Couch, and Supervisor Crocker to serve on the Ad Hoc Subcommittee for Hearing Board reappointments.

10. RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 – Mr. Sheikh introduced Mehri Barati, Administrative Services Director, who heads up the District’s Finance team which puts together the District’s financial systems and reports that consistently have received the Government Finance Officers’ Association (GFOA) award for transparency and clarity in the District’s financial reporting. He thanked Ms. Barati and her team for always doing an outstanding job in following the Board’s direction to be fiscally transparent and having a high standard for the way the District’s finances are reported to the public. Ms. Barati reported that the District’s accounting firm, Brown Armstrong Accountancy Corporation (Brown Armstrong) recently completed their annual audit of the District’s Comprehensive Annual Financial Report. She said the auditors determined that the District’s financial statements present fairly, in all material respects, the financial position and the respective changes in financial position, for the fiscal year ended June 30, 2018. This determination represents a “clean report”, a positive audit outcome.

Ms. Barati introduced Eric Xin and Mai Xiong, of Brown Armstrong, who said the Single Audit Reports note that there were no instances of noncompliance or other matters that are considered reportable under Government Auditing Standards. In addition, they did not note any matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses, validating the District’s strong internal controls and compliance with federal rules and regulations. Finally they reported that the District has once again earned the best audit score possible and maintained its status as a “low-risk auditee.” Chairman Mendes and Supervisor Wheeler voiced appreciation for the informative presentation.

11. APPROVE VOLUNTARY EMISSION REDUCTION AGREEMENT WITH U.S. BUREAU OF RECLAMATION TO FUND MITIGATION OF AIR QUALITY IMPACTS FROM MENDOTA POOL BYPASS AND REACH 2B PROJECT – Dave Warner, Deputy APCO, presented this item which asked the Board to approve a Voluntary Emission Reduction Agreement (VERA) with the U.S. Bureau of Reclamation to receive funds in the amount of \$5,760,297 to mitigate air quality impacts from the construction of the Mendota Pool Bypass and Reach 2B Project located in the San Joaquin Valley Air Basin.

Chairman Mendes commented that this project has been in the works for years and said he wanted to make it clear that this is the federal government trying to

fix the bypass channels and not a development project.

Supervisor Couch left at 10:45 a.m.

Public Comment: None

Moved: Mendes

Seconded: Sherriffs

Ayes: Bessinger, Crocker, Elliott, Olsen, Pareira,
Pedersen, Sherriffs, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve Voluntary Emission Reduction Agreement with U.S. Bureau of Reclamation to fund mitigation of air quality impacts from Mendota Pool Bypass and Reach 2B project.

12. APPROVE NEW INCENTIVE PROGRAM FOR THE REPLACEMENT OF OLDER, HIGH-POLLUTING EMERGENCY VEHICLES IN THE SAN JOAQUIN VALLEY – Brian Dodds, Program Manager, said the District currently offers incentive funding for a wide variety of projects targeting emissions from heavy-duty engines including medium and heavy-duty truck replacement, school bus replacement, agricultural and construction equipment replacement and locomotive replacement. To build on the District's existing suite of incentive programs aimed at cleaning up diesel engines, and in particular, those that operate within Valley communities, staff is proposing a new incentive program to fund the replacement of emergency vehicles, including pumper trucks, ladder trucks, water tenders and other diesel-powered emergency vehicles with the latest generation of clean vehicles. He asked for the Board's approval to develop and administer this new incentive program and allocate up to \$5,000,000 in incentive funding for this new program.

Supervisor Mendes said there haven't been a lot of ways for fire districts to get resources for adding emergency vehicles. Councilmember Bessinger thanked staff for this program, and said this is a big budget item for cities and counties that must be planned out for many years. He said generally, fire departments purchase and use their new vehicles for the first 10 years, and then convert them to a reserve vehicle for the next 10 years after which they donate to a school or fire academy as the residual value is very low after 20 years. He said he was happy to see there was a reuse provision in the District's proposed program. He asked if these vehicles will meet the requirements for technology. Mr. Sheikh responded affirmatively and said they want folks who have found a technology that they have vetted and are comfortable with to come to the District to help get this project going. He added the 2010 technology is there, but the repower technology is definitely a challenge. Staff has found there are space issues and as a limited market, if manufacturers are not working on those certified solutions it becomes more difficult to do so. He added if staff finds an option that is cost effective and available, they will find ways to get those funded. Councilmember

Bessinger suggested to put a sticker on each vehicle to designate they were grant funded by the District. He said this was a great program and added that most law enforcement agencies have issues with vehicle maintenance and suggested the District could develop a program to provide assistance with purchasing low emission law enforcement vehicles.

Supervisor Wheeler said this was a lot of money but doesn't go very far when purchasing fire trucks. He said he felt this would be a very successful program and would help improve both safety and the Valley's air quality. He asked if there would be a chance to add more money if the program is oversubscribed. Mr. Sheikh said there was always an opportunity to add more funding in the Board's budgeting process as they decide where to spend funding across different programs. Supervisor Wheeler thanked staff for this valuable and important program.

Dr. Sherriffs commented that this was a great program that would serve as a model and example. He said given the inventory of emergency vehicles out there, this program may not penetrate very deeply, but is very much something the Board wants to be involved in. He voiced appreciation of the observations of Chairman Mendes and Councilmember Bessinger and asked staff to think a little more about how the District can target rural areas and natural gas powered vehicles due to the overall NOx impacts.

Supervisor Elliott said this was a great program and the District should attempt to provide incentives to have cleaner vehicles everywhere we can. He asked if there was less interest in the program than expected, would it be possible to reallocate these funds to some of the other programs that have known results and could use more funding. Mr. Sheikh responded affirmatively, and said his recommendation would be to reallocate the funds back into the District's oversubscribed Heavy Duty Truck and Agriculture Equipment programs.

Supervisor Pedersen suggested limiting the amount of funding opportunities per agency to allow a larger group to take advantage of the program. Mr. Sheikh responded at the Board's direction, if the program is overwhelmed with interest at opening, staff can limit the funding to up to 75%. Supervisor Crocker suggested limiting the funding opportunities to one per agency, to allow wider participation across the Valley. He pointed out that fuel would really be an issue with mutual aid calls, when fire departments provide assistance outside their home areas. Councilmember Bessinger commented that it generally takes about 9 months to receive the vehicle after ordering. He also suggested providing a higher funding amount for disadvantaged communities. Supervisor Mendes added that some communities cannot even afford their own fire trucks.

Supervisor Pereira said he would like to see the selection process to include consideration of the engine tier multiplied by the number of miles driven, in order to get the biggest bang for the buck in emissions reductions. Mr. Sheikh explained that staff looks at the age of the truck and the miles driven along with

fuels as Supervisor Pareira just mentioned, to identify an incentive amount that is cost effective and capped at a certain percentage. He added the incentive amounts could also be leveraged as a match with other funding. In addition, he said at the Board's direction staff can begin with a 75% funding cap depending on the level of demand and incorporate Supervisor Crocker's suggestion to limit funding opportunities to one per agency. He said although the Moyer agreement allows for funding up to 90%, he has a feeling that few would qualify for that amount due to cost effectiveness. In response to Councilmember Bessinger's suggestion, he noted there is Board-approved funding available through the District's Public Benefits Grant Program, which provides an open opportunity for funding for public agencies including law enforcement. He said currently there is an annual cap of \$100,000 per agency for this program, but said staff will take a look at this oversubscribed program and return to the Board with suggested changes to meet the demand.

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

- Tom Krazan, CA Groundwater Association and Kings River Drilling
- Manuel Cunha, Nisei Farmers League

Moved: Wheeler

Seconded: Sherriffs

Ayes: Bessinger, Crocker, Elliott, Olsen, Pareira,
Pedersen, Sherriffs, Wheeler, Mendes

Nays: None

Motion unanimously carried to approve new incentive program for the replacement of older, high-polluting emergency vehicles in the San Joaquin Valley, to provide the Executive Director/APCO the discretion to establish the incentive funding project caps at the appropriate percentage to ensure effective operation of the program, and to require program participants to place a logo on the funded vehicles, where feasible, to signify that the vehicle was funded through the District's incentive program.

14. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES - Dr. Sherriffs reviewed highlights from the Air Resources Board meeting of December 13 and 14, 2018.
15. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sheikh said that the District's Kids Calendars are now available for 2019 and the calendars do a good job of showcasing talented youth artists from each county across the Valley. He thanked the Board for their work they have already done and will do on the District's Legislative Platform, and said there would be a variety of meetings and opportunities for members to be involved. He voiced appreciation for the guidance he has already received on some of the things that have happened early in this cycle. He said there is quite a bit of work to come and he would be

coordinating with Board members who have expressed a desire to provide assistance in this area. Mr. Sheikh provided Board members with detailed information on the CARB meeting, next Thursday, January 24th at which CARB will consider approving the District's recently adopted PM2.5 Plan. Lastly, he mentioned that a long-standing member of the District's Environmental Justice Advisory Group (EJAG) and a past member of the District's Hearing Board, Marvin Dean, passed away recently and recognized him for his service and being a part of various District initiatives in the past. He said Mr. Dean would be missed, as he was very active in the EJAG process and did a good job of highlighting the needs of small businesses while trying to look at the various environmental justice issues that EJAG is tasked with.

16. GOVERNING BOARD MEMBER COMMENTS – Supervisor Pedersen said with all of the Board's discussions about fires recently, he has heard residents share misinformation about prescribed burning and air district restrictions. He encouraged staff to conduct more outreach on the opportunities for prescribed burning. Mr. Sheikh voiced appreciation for his comments and said it was an ongoing educational effort, which District staff would be ramping up in the coming cycle. Some of the comments may be outdated concerns or reflections of other air district practices. He added there is lots of money going into fuel reduction on the Cal Fire side locally, and the District wants to make sure they are fully aware of where the Board has gone with their enhanced policies in this issue.

ADJOURN

The Chair adjourned the meeting at 11:34 a.m.

The next scheduled meeting of the Governing Board is: February 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.