

Action Summary Minutes
San Joaquin Valley Unified Air Pollution Control District
GOVERNING BOARD

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA

Thursday, May 21, 2009
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, Chris Vierra called the meeting to order at 10:50 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Tony Barba, Supervisor, Vice Chair	Kings County
Judy Case, Supervisor	Fresno County
Henry J. Forman, Ph.D.	Appointed by Governor
Michael G. Nelson, Supervisor	Merced County
William O'Brien, Supervisor*	Stanislaus County
Leroy Ornellas, Supervisor*	San Joaquin County
John G. Telles, M.D.	Appointed by Governor
Chris Vierra, Councilmember, Chair	City of Ceres
Raymond Watson, Supervisor**	Kern County
J. Steven Worthley, Supervisor	Tulare County

*Attended meeting in Northern Region Office

**Attended meeting in Southern Region Office

Absent:

Ronn Dominici, Supervisor	Madera County
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3. APPROVAL OF CONSENT CALENDAR – Items numbers 13 – 23 *These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public is given the opportunity to comment on any consent item.*
 13. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, APRIL 16, 2009
 14. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2009
 15. RECEIVE AND FILE OPERATIONS STATISTICS SUMMARY FOR APRIL 2009

16. RECEIVE AND FILE BUDGET STATUS REPORT AS OF APRIL 30, 2009 AND CASH BALANCE REPORT AS OF MARCH 31, 2009
17. APPROVE AND AUTHORIZE CHAIR TO EXECUTE AGREEMENT WITH PRICE PAIGE & COMPANY TO PROVIDE ANNUAL AUDIT SERVICES FOR THE FISCAL YEARS ENDING JUNE 30, 2009, 2010 AND 2011
18. APPROPRIATE \$205,000 IN UNANTICIPATED REVENUE FOR THE LOWER EMISSION SCHOOL BUS PROGRAM FUNDS FROM THE CALIFORNIA AIR RESOURCES BOARD
19. RECEIVE AND FILE PROPOSED AMENDMENTS TO RULE 4311 (FLARES)
20. RECEIVE AND FILE PROPOSED AMENDMENTS TO RULE 4692 (COMMERCIAL CHARBROILING)
21. APPROVE AND AUTHORIZE THE CHAIR TO EXECUTE AMENDMENT NO. 1 TO THE HEAVY-DUTY ENGINE EMISSION REDUCTION INCENTIVE PROGRAM CONTRACT #S-903 WITH THE CITY OF TULARE TO EXTEND THE TERM OF THE CONTRACT TO SEPTEMBER 28, 2008
22. APPROVE AND AUTHORIZE THE CHAIR TO EXECUTE AMENDMENT NO. 1 TO THE HEAVY-DUTY ENGINE EMISSION REDUCTION INCENTIVE PROGRAM CONTRACT #C-1952 WITH ROD STIEFVATER TO EXTEND THE TERM OF THE CONTRACT TO FEBRUARY 28, 2009
23. APPROVE AND AUTHORIZE THE CHAIR TO EXECUTE AMENDMENT NO. 3 TO THE EMISSION REDUCTION INCENTIVE PROGRAM CONTRACT #C-1794 WITH THE CITY OF CHOWCHILLA TO EXTEND THE TERM OF THE CONTRACT TO OCTOBER 11, 2009

Public Comment – None

Moved: Watson
Seconded: Case
Ayes: Nelson, Watson, Worthley, Case, Telles, Forman
Barba, Ornellas, O'Brien, Vierra
Nays: None

Motion carried unanimously to approve Consent Calendar Items 13-23.

4. PUBLIC COMMENT – *The following persons provided testimony during the Public Comment portion of the meeting:*
 - Manuel Cunha, Nisei Farmers League
 - Roger Isom, Western Agricultural Processors Association

5. REPORT FROM THE CITIZEN'S ADVISORY COMMITTEE (CAC) – Les Clark, Industry/Ag Representative from the CAC gave the presentation. He stated Seyed Sadredin, Executive Director/APCO gave updates on several items including the 2009-10 Budget and the Special City Selection Committee. He reported they also received an update on ways the District is working with other agencies and cities to obtain funding from the federal stimulus package. He also stated they received an update from the Environmental Justice Advisory Group, which is working on developing a way for Environmental Justice communities to obtain copies of public information from the District without cost. He also reported they are working on defining the Environmental Justice communities' role within the District and how EJAG can assist their communities to not only work with the District to obtain information, but also have a voice in District matters. He noted that CAC Members were encouraged to attend the upcoming Healthy Air Living Chats and Business Summits. In addition, he stated they received a report on rules under development from the Planning Department, upcoming activities by the Outreach and Communications Department and the latest actions from the California Air Resources Board.

6. AMEND DISTRICT'S LEGISLATIVE PLATFORM TO ADVOCATE FOR ENHANCED LAND MANAGEMENT POLICIES AND RESOURCES NEEDED TO CURB WILDFIRES AND THE ASSOCIATED ADVERSE PUBLIC HEALTH IMPACTS – Seyed Sadredin, Executive Director/APCO gave the presentation on this item. He stated at the February 19, 2009 Governing Board meeting, staff presented a very detailed report about the summer of 2008, when California experienced a record number of wildfires and the resulting emissions caused serious health impacts and unprecedented levels of PM 2.5 and ozone in the San Joaquin Valley and elsewhere. As a result, the Board directed staff to make wildfires a priority as a public health issue. Mr. Sadredin reported the District is working very closely with federal land managers and noted they are making progress in the areas that are within their control. He stated this past Monday, District staff led a discussion among all 35 Air Pollution Control Officers in the state regarding the wildfires and their impacts. He stated there is a lot of concern about this issue as well as support for efforts to minimize the impacts of wildfires. This item proposes to amend the District's Legislative Platform to recommend that state and federal agencies provide more financial and staffing resources for land managers to reduce fuel supplies; revise contradictory federal policies that restrict the use of mechanized methods and prescribed burning to reduce fuels; provide more resources to manage wildfires; and change federal policies to better incorporate air quality concerns by shifting focus to prescribed burning and reducing the impact of wildfires.

Public Comment – *The following persons provided testimony on this item:*

- Evan Shipp, Shipp Air Quality Consulting
- Julie Stewart, Southern California Edison/Highway 168 Fire Safe Council

Chairman Vierra asked for language to be added to the amendment to include state and private land owners. Supervisor Barba noted there is a typo on the Agenda Memo for this item. It should read "However the benefits of this option must be

carefully **weighed** against the disadvantages of this method.” Supervisor Worthley stated the language regarding contradictory environmental concerns seems restrictive. He stated the District should be pushing for pilot programs that would research the issues which could analyze the air quality benefits of mechanical harvesting and thinning. He also stated the District should be taking a more aggressive approach supporting mechanical harvesting, which would have the greatest benefit from an air quality standpoint. Mr. Sadredin stated the actual language proposed for the platform is less restrictive and does not limit the District to those specific areas. Dr. Forman stated there should be more investigation into firebox burning which has the added health consequence of increasing nanoparticles. Supervisor Case stated language should be included to encourage acceleration of the removal of the buildup of fuels in our forests to reduce the risk of fires. Mr. Sadredin stated at the Board’s direction, staff can add a overall goal statement to the Proposed Addition to the 2009 Legislative Platform, which will support policies and initiatives that would lead to faster removal of the fuel supply.

Supervisor Watson left at 11:30 a.m.

Moved: Case
Seconded: Nelson
Ayes: Worthley, Telles, Forman, Case, Barba
O’Brien, Ornellas, Nelson, Vierra

Nays: None

Motion carried unanimously to amend, with language changes suggest by Board Members included, the District’s Legislative Platform to advocate for enhanced land management policies and resources needed to curb wildfires and the associated adverse public health impacts.

7. RECEIVE AND FILE STAFF REPORT ON IMPLEMENTATION OF RULE 4682 (POLYSTYRENE, POLYETHYLENE AND POLYPROPYLENE PRODUCTS MANUFACTURING) – Mr. Sadredin stated when this Rule was adopted one year ago, the Board expressed concern about the uncertainty of the cost estimates, and asked staff to come back with a report on the implementation of the Rule. He introduced Errol Villegas, Planning Manager who gave the report. After conducting technical meetings with stakeholders, considering additional information and reevaluating the cost effectiveness calculations for the Rule, District staff found that the costs of implementation were consistent with staff estimates made at the time the Rule was considered for adoption, and recommended the Rule not be amended at this time.

Dr. Forman stated businesses should be discouraged from using polystyrene at all, as he believes it will be a banned substance in the near future.

Public Comment – None

Moved: Worthley
Seconded: Barba
Ayes: O'Brien, Ornellas, Telles, Nelson,
Case, Worthley, Barba, Vierra

Nays: Forman

Motion carried 8 – 1 to receive and file Staff Report on Implementation of Rule 4682 (Polystyrene Products and Polypropylene Products Manufacturing)

8. SET ASIDE ADOPTION OF RULE 4570 (CONFINED ANIMAL FACILITIES) – Scott Nester, Planning Director gave the presentation. He noted this item is in response to a court order resulting from a lawsuit brought by the Association of Irrigated Residents (AIR) against the District. District staff propose to set aside Rule 4570 (Confined Animal Facilities) which targeted 247 facilities including dairies, feedlots and poultry houses and imposed work practices to reduce volatile organic compound (VOC) emissions that contribute to unhealthy levels of ozone. AIR sued the District on nine issues shortly after the Rule was adopted in 2006 and the trial court held in favor of the District on all counts. The appeals court upheld the trial court's position on all counts but one, which stated that the District had not sufficiently analyzed the public health benefits of the proposed Rule. He reported an analysis of the public health benefits of the Rule has been completed and a public hearing on June 18, 2009 has been scheduled to consider re-adopting the Rule or take other action as deemed necessary.

Public Comment - *The following persons provided testimony on this item:*

- Sofia Sarabia, Center on Race, Poverty and the Environment
- J.P. Cativiela, Dairy Cares
- Catherine Garoupa, Central Valley Air Quality Coalition
- Sarah Sharpe, Fresno Metro Ministry
- Kevin Abernathy, Dairy Cares and California Dairy Campaign

Mr. Sadredin highlighted the contradiction in statements by those who urged the suspension of the Rule. He noted that those groups and individuals in the past have championed any emission reduction, regardless of how small, as having a public health benefit. Now claiming uncertainty about public health benefits, they urge vacating a Rule that will reduce 9 tons per day of VOC emissions. Mr. Sadredin noted the courts have ruled that the District's emission reduction projection of 9 tons per day of VOCs for this Rule were based on conservative estimates. Dr. Forman stated there were parts of the lawsuit that were not soundly based on science. He noted this Rule would make a difference, especially since dairies would comply voluntarily. He encouraged both sides to work together. Mr. Nelson urged everyone, including himself, to listen to each other and work together despite frustrations with lack of veracity by some.

Moved: Worthley
Seconded: Nelson
Ayes: Worthley, Barba, Case, Nelson
Telles, Forman, O'Brien, Vierra
Nays: None

Motion carried 8 – 0, with Supervisor Ornellas abstaining, to set aside adoption of Rule 4570 (Confined Animal Facilities).

9. VERBAL REPORT BY JOHN G. TELLES, M.D. ON AIR RESOURCES BOARD ACTIVITIES – Dr. Telles gave highlights from the California Air Resources Board Meeting of April 23 and 24, 2009. He stated the State Low Carbon Fuel Standard Regulation was adopted at this meeting by a vote of 10 to 1. The regulation will require fuel suppliers to reduce the carbon intensity of gasoline and diesel transportation fuels by at least ten percent from their 2006 levels. He also noted the Board approved ARB's Small Business Toolkit, which was designed to facilitate voluntary greenhouse gas emission reductions among small California businesses. In addition, he reported the Board adopted a proposed regulation for Assembly Bill (AB) 188 – Air Quality Improvement Program (AQIP) Guidelines. AB 118 (Nunez, 2007) provides ARB with \$50 million annually for AQIP to fund a variety of air quality incentives, and requires ARB to adopt AQIP guidelines. He also noted the Board approved a proposed revision to the State Implementation Plan reflecting implementation of the 2007 State Strategy. He also provided a list of upcoming matters before the ARB.

Dr. Telles also expressed disappointment with the lack of participation by environmental justice advocates at ARB proceedings. He pointed out that traditional environmental groups do not always best safeguard the unique health and quality of life issues encountered in disadvantaged communities. Supervisor Case echoed comments made by Dr. Telles and expressed disappointment with the failure by environmental groups to advocate for emission reduction grant funding for Valley communities during her tenure on the ARB Governing Board.

10. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin showed photos from a recent legislative advocacy trip to Washington D.C., a "Kids for Clean Air Contest"-winning school from Firebaugh and of a Board Member and District staff participating in recent Bike to Work events. He noted there are 15 upcoming Healthy Air Living Chats throughout the Valley and asked for Board Members' attendance if possible. He stated there will be 3 upcoming Healthy Air Living Business Summits in Fresno, Bakersfield and Modesto, and noted the Chamber of Commerce in Visalia has expressed interest in holding one as well. He asked if any other organizations are interested in holding a Business Summit to please notify him. He also reported staff is coordinating a "Board to Board" meeting with other Air Quality Management Boards from the Bay Area and Sacramento Region to be held in July. He asked for Board Members' participation if possible.

In addition, he stated the upcoming Board Meeting on June 18, 2009 will likely be a lengthy, full day meeting due to the matter relating to Rule 4570 (Confined Animal Facilities). Supervisor Case noted she has Fresno County Budget Hearings that week and hopes to be able to attend at least half-day. Mr. Sadredin also reported the District has been asked to participate in Fresno County's Summer Youth Employment program, which is sponsored by the Workforce Investment Board. He reported they will provide youth to work on various tasks at the District at no cost. He stated if other Counties have similar programs to notify him so the District can participate. Lastly, Mr. Sadredin noted the District has a large surplus of approximately letter-sized file folders which are no longer needed because the District is utilizing an Electronic Document Management System. He welcomed any agencies or organizations who can use these folders free-of-charge, to contact the District.

11. GOVERNING BOARD MEMBER COMMENTS – Dr. Telles stated in the future, the District should target commercial lawn services with their lawnmower exchange program. Mr. Sadredin replied when the state budget issues with incentive funds are resolved, the District will look for opportunities to lower emissions in this industry. Chairman Vierra noted there is a variety of new, lower emitting technology for these types of businesses and their equipment.
12. CLOSED SESSION – None

ADJOURN

Meeting adjourned at 12:36 p.m.

*Next scheduled meeting of the Governing Board: Thursday, June 18, 2009.
Meeting starts at 9:00 a.m., Central Region Office, Governing Board Room, 1990 E. Gettysburg Avenue, Fresno. The meeting will be held via video teleconference (VTC) with the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating via VTC.*

Action Summary Minutes
San Joaquin Valley Unified Air Pollution Control District
GOVERNING BOARD

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA

SPECIAL PUBLIC HEARING:
REVIEW OF 2009-10 RECOMMENDED BUDGET

Thursday, May 21, 2009
9:00 a.m.

Or as soon thereafter as the matter may be heard

*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, Chris Vierra called the meeting to order at 9:11 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Tony Barba, Supervisor, Vice Chair	Kings County
Judy Case, Supervisor	Fresno County
Henry J. Forman, Ph.D.	Appointed by Governor
Michael G. Nelson, Supervisor	Merced County
William O'Brien, Supervisor*	Stanislaus County
Leroy Ornellas, Supervisor*	San Joaquin County
John G. Telles, M.D.	Appointed by Governor
Chris Vierra, Councilmember, Chair	City of Ceres
Raymond Watson, Supervisor**	Kern County
J. Steven Worthley, Supervisor	Tulare County

*Attended meeting in Northern Region Office

**Attended meeting in Southern Region Office

Absent:

Ronn Dominici, Supervisor	Madera County
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3. PUBLIC HEARING FOR REVIEW AND COMMENT ON THE DISTRICT'S 2008-09 RECOMMENDED BUDGET – The report was presented by Seyed Sadredin, Executive Director/APCO; Rick McVaigh, Deputy APCO; and Roger McCoy, Director of Administrative Services.

Mr. Sadredin expressed his gratitude to the Ad Hoc Budget Subcommittee,

Chairman Vierra, Supervisor Worthley, Supervisor Barba and Supervisor O'Brien, for their guidance and oversight with budget preparations. He also thanked Mr. McCoy and his staff for their hard work on the budget.

Mr. McCoy introduced Fred Bates, District Controller and Charlie Hemphill, Supervising Accountant and acknowledged their large contribution to the preparation of the budget.

Mr. Sadredin presented the first portion of the report which included the major accomplishments of 2008-09, the guiding principles used in preparation of the Recommended 2009-10 Budget, the outlook for 2009-10, potential mid-year budget amendments, and highlights of the Recommended 2009-10 Budget. Mr. McVaigh presented the second portion of the report which addressed the additional workload facing the District in 2009-10 and the efficiencies and streamlining processes implemented by the District to mitigate the increased workload. Mr. McCoy presented the final portion of the report which covered the financial impacts of the 2009-10 Recommended Budget.

Supervisor Ornellas asked for an explanation of the 3% increase in permit fees. Mr. Sadredin explained the Recommended Budget includes an 8% fee increase approved by the Board in December of 2007, but the actual revenue impact from the fee increase is only 3% in 2009-10 due to the cyclical nature of some permit fees. He noted the District's fees are still the lowest in the state.

Supervisor Worthley thanked Mr. McCoy for making the budget easy to understand. He noted one of the larger increases in this year's budget is due to additional air monitoring requirements as requested by members of the public and just wanted to remind everyone that there are costs associated with meeting such requests.

Dr. Telles asked for a "ballpark figure" on the amount a regulated industry pays for a permit. Mr. Sadredin replied District permit fees range from about \$100 per year for smaller facilities to \$60,000 per year for the largest facility. Dr. Telles asked about the status of Proposition 1B Funds. Mr. Sadredin replied funds for school buses and truck replacements should be released shortly and the District is continuing to process the applications. Dr. Telles expressed concern at the percentage of the retirement and employee benefit plan. He stated although the costs went down a little this year, they need to be watched closely. He also expressed disappointment at the amount of money allocated for projects that will benefit the community, including the woodstove change out and lawnmower exchange program. He asked about the possibility of using grant funds from other sources for these programs. Mr. Sadredin responded that grant funds come with specific requirements on how the funding can be used and most cannot be used on these types of community programs. He added that these grants were doubled in last year's budget and the proposed budget nearly triples these grants for this year. Mr. Sadredin stated the District will continue to explore every available opportunity for increasing these grants.

Dr. Forman asked how the stimulus funds have been projected into the budget. Mr. Sadredin stated if staff is successful in obtaining stimulus funds they will bring the proposed projects before the Board for approval during the 2009-10 budget year. He noted many of the stimulus funds are reimbursable, meaning the District must spend the funds first. He also gave an update on stimulus funds the District has applied for.

Supervisor Case stated caution should be exercised when using funds for reimbursable projects. She also stated it would be good to broaden the programs that engage the public such as the lawnmower program, by using funding that is not tied to anything else such as ISR funding. She also suggested the Board should review the budget on a quarterly basis instead of biannually. She gave kudos to District staff for picking up additional businesses that needed to be regulated and asked how permit streamlining efforts would affect the backlog. Mr. Sadredin stated that District policy is to not issue a check to anyone until the money is in the bank. He also noted the Governing Board is presented with a Budget Status report every month.

Supervisor Watson noted the District has the lowest overhead and fee structure in the state, along with high performance levels. He complimented management and staff on the great job they are doing with the resources they have. He also stated the District should continue to focus efforts to try to obtain matching grants to assist people who do not have the resources to do what is necessary to further clean the air. He also mentioned the increased retirement is a large burden to get the job done and should be addressed in the future. Mr. Sadredin noted the employer rate went up 2.97% with a budget impact of 14%. He suggested the idea of a two-tier retirement system should be put on the table when labor negotiations are reopened.

Supervisor Worthley noted the District is tied to Kern County's retirement system, which has adopted a second tier system. He asked if it was possible for the District to adopt a similar program. Mr. Sadredin stated any change in retirement benefits is a negotiable item. He added that given the continuing increase in costs, the District could make this matter a part of the next round of negotiations for a new labor contract. Supervisor Case mentioned the need to be prepared for a significant increase in retirement costs due to the stock market losses. Chairman Vierra thanked everyone for their hard work on the budget and noted the issue of retirement costs has come to the forefront and should continue to be monitored.

Public Comment – *The following persons provided testimony on this item:*

- Evan Shipp, Shipp Air Quality Consulting
- Laura Fultz-Stout, Coalition for Clean Air

Dr. Telles made an additional comment about the need to coordinate funding for research projects that will have the most impact on public health in the Valley. Mr. Sadredin noted staff will take direction from the Board on research projects needed in the Valley.

Dr. Forman suggested the need for a comprehensive study on the rising asthma rates in the Valley.

Moved: Worthley
Seconded: Watson
Ayes: Case, Ornellas, O'Brien, Forman, Telles
Nelson, Watson, Barba, Vierra
Nays: None

Motion carried unanimously to set the Hearing for Adoption of the District's 2009-10 Recommended Budget for June 18, 2009.

ADJOURNED at 10:45 a.m.