

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, March 19, 2015
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 Wheeler called the meeting to order at 9:05 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Oliver L. Baines III, Councilmember, Vice Chair	City of Fresno
Sally Bompreszi, Councilmember	City of Madera
Dennis Brazil, Mayor*	City of Gustine
John Capitman, Ph.D.	Appointed by Governor
Bob Elliott, Supervisor*	San Joaquin County
Harold Hanson, Councilmember**	City of Bakersfield
Buddy Mendes, Supervisor	Fresno County
William O'Brien, Supervisor*	Stanislaus County
Craig Pedersen, Supervisor	Kings County
Dr. Alexander Sherriffs***	Appointed by Governor
Hub Walsh, Supervisor*	Merced County
Tom Wheeler, Supervisor, Chair	Madera County
J. Steven Worthley, Supervisor	Tulare County

* Attended meeting in Northern Region Office

**Attended meeting in the Southern Region Office

***Arrived at 9:06 a.m.

Absent:

David Couch, Supervisor	Kern County
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3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 21 – 28) *These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public was given the opportunity to comment on any consent item.*
21. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF JANUARY 22, 2015
22. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2015
23. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR JANUARY AND FEBRUARY 2015
24. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF FEBRUARY 28, 2015
25. RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014
26. AUTHORIZE THE DISTRICT TO EXECUTE ALTERNATE PAYROLL SERVICES
27. APPROVE CONTRACT WITH ATMOSPHERIC ANALYSIS & CONSULTING, INC. TO PROVIDE LABORATORY ANALYSIS OF NON-METHANE ORGANIC COMPOUNDS FOR A TOTAL OF \$93,941
28. APPROVE CONTRACT WITH ATMOSPHERIC ANALYSIS & CONSULTING, INC. TO PROVIDE LABORATORY ANALYSIS OF CARBONYL COMPOUNDS FOR A TOTAL OF \$28,786

Public Comment: None

Moved: Walsh
Seconded: Mendes
Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott, Hanson, Mendes, O'Brien, Pedersen, Walsh, Worthley, Wheeler
Nays: None

Motion unanimously carried to approve Consent Calendar Items 21 – 28

Dr. Sherriffs arrived at 9:06 a.m.

4. PUBLIC COMMENT: None

5. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Industry/Ag Primary member, reviewed highlights of the Citizens Advisory Committee (CAC) meetings held on February 3, 2015 and March 3, 2015. He reported Seyed Sadredin, Executive Director/APCO, led a discussion with CAC members to review and evaluate potential changes to the EJAG reporting structure. After a lengthy discussion by CAC members, he reported Mr. Sadredin will use input provided by CAC and return to them with a proposal for additional advice and recommendations prior to presenting a proposal to the Governing Board at their upcoming Study Session.

He reported members received a presentation on the District's recently adopted 2015 Legislative Platform as well as the proposed changes to the District's Guidance for Assessing and Mitigating Air Quality Impacts (GAMAQI). In addition, he said staff provided an update on the development of a new PM2.5 Plan to address the 1997 federal PM2.5 standard as well as the District's groundbreaking Web-based Archived Air Quality (WAAQ) system.

Public Comment - None

6. VERBAL REPORT ON THE DISTRICT'S RECENT LEGISLATIVE ADVOCACY TRIP TO WASHINGTON DC – Mr. Sadredin stated that each year the District assembles a group consisting of Board members and community leaders from the business and environmental sectors to pursue the District's Legislative Platform in Washington D.C. He reported that despite many weather-related challenges and delays, the District contingent successfully met with elected officials, their staff members and key federal agencies to advocate for resources for the Valley as well as for the legislative tools needed to help with the tremendous air quality challenges faced by the Valley. He asked the Board members who were able to attend this important trip to share their experiences.

Supervisor O'Brien said the group met with many legislators, including the Valley's delegation, as well as legislators from across the country that have shown interest in air quality issues. He said staff wrote a very good document called the 2015 Federal Clean Air Act Modernization proposal, which does a great job explaining the key issues faced by the Valley concerning the Clean Air Act. He commended the Board for taking a thoughtful approach to the changes needed in the Act, suggesting there are five small steps that could really enhance the Valley's efforts to comply. He said if these suggested common sense modifications are not adopted, it is possible the Valley could face future sanctions, and possibly have control over local programs taken by the federal government. Citing the requirement that contingencies be included in the District's plans, Supervisor O'Brien said with its extreme nonattainment designation, the Valley has already incorporated all available control technologies and black box measures, and it makes no logical sense to ask for controls to be set aside for contingencies. He said another issue discussed was the number of plans in place at any given time, including four pending plans due for PM2.5 and ozone. Acknowledging the political climate in Washington, DC, he said the arguments from legislators were that changes to the Clean Air Act

cannot even be discussed as the fear is that it would get blown wide open. He said some in the majority party in Washington would like to see major changes to the Act, but commented the District supports these minor tweaks as the major changes would not pass Congress much less get the President's approval. Lastly, he said they had a very good meeting with EPA regarding the District's Serious PM2.5 plan for the 1997 standard and the importance of EPA approving the plan by the end of the year to avoid severe sanctions.

Supervisor Elliott agreed with Supervisor O'Brien, saying the legislators, staffers and EPA representatives gave the District's delegation a positive reception and listened to what we had to say. He said there are several initiatives underway that could provide much needed common sense improvements to the Clean Air Act. He said the group did an effective job of presenting the air quality challenges faced by the Valley and their proposed solutions. The District's modernization proposal provided a very effective and logical series of adjustments that could be made and should be able to achieve important and necessary bipartisan support. He said he particularly enjoyed the meeting with Senator Flake and his staff, and said the group was able to listen from the Senate gallery as the Senator reintroduced the CLEER Act and expressed support for the District's common sense approach.

Supervisor Wheeler commended District staff attending this trip for their dedication. He said he was really impressed by the respect held for the District in Washington, DC, noting every legislator and agency visited, including NRCS, USDA and USEPA, was familiar with the District and its mission calling them the air quality leaders in the United States. He noted representatives from both parties appeared responsive to the common sense changes to the Act suggested by the delegation.

Mr. Sadredin provided a recap on developments since the group's return. In addition to items previously discussed, he said the delegation also advocated for additional funding for diesel emission reductions to be able to continue to help with fleet turnover of diesel equipment that is a major contributor to air pollution in the Valley. Each year the President takes that money out of the proposed budget, and the District must engage congress and obtain necessary bipartisan support for reintroducing these funds back into the budget. He said the District is hopeful that it will be successful again this year in securing this funding. Mr. Sadredin said they also argued for an additional \$15 million to be provided for the targeted airsheds in extreme nonattainment, including the San Joaquin Valley and South Coast, noting in the past they have been able to bring an additional \$7.5 million to the Valley and South Coast.

In terms of the legislative proposal that Supervisor O'Brien discussed, he said the nuanced approach proposed by the District that deals with the implementation and administration of the Clean Air Act has been sent to the legislative council, which developed legislative language for a proposed bill. The District is currently reviewing the language of the proposed bill. He said that at this point it appears likely there will be bipartisan introduction of a bill.

Mr. Sadredin stated that if EPA fails to approve the District's Serious Plan for the 1997 PM2.5 standard that will be considered by the Board next month, an impossible sanction would be triggered with no chance of recovery for the Valley. In discussing this issue, he said that the delegation's meeting with top EPA officials went well and the District has already seen additional flexibility by EPA since the meeting.

Supervisor Walsh voiced appreciation for the report. He suggested sharing the District's proposal for modernizing the Clean Air Act with the National Association of Counties (NACO), which is currently taking up the topics of ozone and EPA requirements in their legislative discussion. Supervisor Pedersen commented it would be of paramount importance that strong members introduce the legislation. He asked if Mr. Sadredin had any idea who might introduce this bill. Mr. Sadredin responded that there are numerous possibilities as the District's proposed modifications would benefit other regions and not just the Valley and said he believed if the bill were introduced it would receive major support from majority as well as minority members, noting the Valley Democratic delegation is on board. He said there is a whole host of measures that will be pursued, from putting pressure on EPA to do certain things administratively, some in legislation and also through the appropriation process.

Supervisor O'Brien voiced support for Supervisor Walsh's suggestion to include NACO in the information process. He reiterated the District's proposal does not ask for a reduction in standards nor a lowering of the District's air quality requirements, but just better implementation with more common sense. Supervisor Worthley commented legislation modifying the Affordable Care Act was recently enacted after being introduced bipartisan and voiced hope that the same might happen for the District's proposal.

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

- Manuel Cunha, Nisei Farmers League

7. DISTRICT'S ANNUAL AIR TOXICS REPORT FOR THE YEAR 2014 – Dave Warner, Deputy APCO, gave the presentation on this item to receive and file the District's Annual Air Toxics Report for the Year 2014 and authorize District staff to distribute the report to county boards of Supervisors, City Councils, and local health officers. The District's 2014 Annual Air Toxics Report provides information on emissions of hazardous air pollutants in the San Joaquin Valley. The U.S. EPA and the California Air Resources Board have identified over 700 substances that are emitted into the air that may affect human health. Some of these substances are considered to be carcinogens; while others are known to have other adverse health effects. The District collects and compiles toxic emissions data for industrial and commercial facilities as required under the State Air Toxics "Hot Spots" Act. Mr. Warner said this year the report also addresses the state Office of Environmental Health Hazard Assessment's (OEHHA's) revised Risk Assessment Guidelines that will be implemented in early 2015. This revised

guidance is designed to implement the Board's guidance to provide enhanced protection of children and the public overall, while preventing unreasonable restrictions on permitting actions. Mr. Warner said the District has some of the leading experts in developing guidance for and implementing the various computer-modeling techniques used in the health risk assessment processes.

Mayor Brazil thanked staff for the great report. He asked how modifications to facilities are evaluated under the program. Mr. Warner responded the integrated approach to the District's program provides for analysis before the facilities implement changes that would increase risk. Dr. Sherriffs commented this was a very good and helpful report. He said the District should be proud that it is being so protective of the public's health in addition to recognizing how important those numbers are to the public. He said cumulative risks are very important. Supervisor Walsh thanked Mr. Sadredin and his team for this report and commented this is a very complicated subject which requires additional discussion on how to inform the public. Mr. Sadredin said staff would engage EJAG and CAC members to help deliver this information to Valley residents. Dr. Capitman asked if more facilities would move to the medium or high-risk categories. Mr. Sadredin responded affirmatively and stated staff would move forward according to the steps outlined in state law.

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

- Cesar Campos, Central CA Environmental Justice Network

Moved: Worthley

Seconded: Mendes

Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Worthley, Wheeler

Nays: None

Motion unanimously carried to receive and file the District's annual Air Toxics Report for the Year 2014.

8. ADOPT PROPOSED AMENDMENTS TO DISTRICT GUIDANCE FOR ASSESSING AND MITIGATING AIR QUALITY IMPACTS – Mr. Warner said the California Environmental Quality Act (CEQA) requires cities, counties, and other public agencies to assess and disclose to the public the significance of all environmental impacts of any discretionary decision made, and to require mitigation of significant impacts to the extent feasible. In addition to fulfilling the District's legal CEQA obligations when acting on individual projects, the District also provides general guidance to land-use agencies relating to air quality. Consistent with these interests, the District originally developed the Guidance for Assessing and Mitigating Air Quality Impacts (GAMAQI) in 1998, which was revised by the Board in January, 2002. He said today's amendments do the following:

- Incorporate evolving CEQA law and case law
- Add Greenhouse gas (GHG) section, referencing your Board's previously adopted policy for addressing GHGs in CEQA review
- Incorporate particulate matter (PM10 and PM2.5) significance thresholds i
- Add new screening tools developed by District for determining whether a more detailed Ambient Air Quality Analysis, including modeling, is needed
- Incorporate Voluntary Emission Reduction Agreements as a potentially feasible mitigation of significant impacts
- Add template air quality analysis and discussions in an easy-to-use cut-and-paste format to assist land use agencies preparing environmental documents
- Clarification and explanation throughout document

Supervisor Elliott asked if the District might adjust its documentation to reflect the latest estimates on necessary reductions. Mr. Warner responded in order to show that only a 16% reduction is necessary, the baseline must also be moved. He said the District's result is the same; it just uses a different starting point. He said this may have to be revisited at the Governor's executive order as there are signs in the legislature that greenhouse gas targets are going to be increased again which would require the District to perform another analysis.

Dr. Capitman voiced appreciation for staff's work on this item and especially how the public feedback was taken into consideration. He asked if the cumulative rule applies to the addition of a new activity to an existing site. Mr. Warner responded the District's risk management program looks at cumulative risk at each facility since analyses began in 1990. Mr. Sadredin said there is one added safeguard in that the District does not allow projects to artificially phase in a big project into smaller projects. Dr. Capitman asked about exclusions to the Indirect Source Rule (ISR), specifically distribution centers. Mr. Sadredin responded the Board has gone on record asking staff to come back with amendments to ISR in connection with a lawsuit that was filed in the City of Visalia a couple of years ago. The District wanted to wait until that lawsuit was fully resolved and then move forward with the amendments. He said that currently a trigger for ISR is whether the project requires a discretionary decision at the local level. To the extent that cities and counties have different policies relating to what projects require discretionary approval, the Board has directed staff to come back with a trigger level that will be uniformly applied to all projects across the Valley. He said the ISR does not exempt distribution centers and the District has seen a great deal of reductions either through mitigation to comply with ISR or actually changing the design of the project to bring in clean trucks or clean goods movement vehicles.

Dr. Sherriffs asked about the use of incentives to achieve similar reductions. Mr. Sadredin said it is important to point out that even though these thresholds exist, any growth is included in the various attainment plans and counted as emissions against the District and then incentives and other regulatory measures are required to make up for any growth in emissions. It is a collective decision made by the Board in terms of balancing cost and benefit, environment versus

economy. The Board's approach has been to allow for some reasonable growth, and every stationary source must have best available control technology including mitigating all of their emissions through various means.

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

- Dolores Weller, CVAQ

Moved: Worthley

Seconded: Mendes

Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, O'Brien, Pedersen, Sherriffs,
Walsh, Worthley, Wheeler

Nays: None

Motion unanimously carried to adopt proposed amendments to District Guidance for Assessing and Mitigating Air Quality Impacts.

9. ACCEPT AND APPROPRIATE \$300,000 FROM THE CALIFORNIA ENERGY COMMISSION FOR THE IMPLEMENTATION OF THE DISTRICT'S ZERO EMISSION VEHICLE AWARENESS AND TRAINING PROGRAMS – Mr. Sadredin said in May 2014, the Board approved the District's action plan for promoting the use of clean passenger vehicles in the San Joaquin Valley that was aimed at removing some of the barriers that exist in the Valley, in terms of acceptance and awareness of electric vehicles. He said historical experience has been that most state incentives have gone to urban areas that do not face some of the density and distance challenges that exist in the Valley, in addition to economic challenges. He said that electric vehicles are not the answer for everyone in the Valley, acknowledging there is a ways to go to achieve a reasonable level of participation.

Mr. Sadredin reported the District was able to secure a \$300,000 grant from the California Energy Commission (CEC) to implement the Board's vision and begin a two-year project working with the Center for Sustainable Energy. The District will be the primary subcontractor working with the Department of Energy and CEC for their plug in electric vehicle readiness plan. The hope is to promote awareness of electric vehicles by way of education of Valley residents through various means and to work with cities and counties to streamline permitting processes for installing chargers and the necessary infrastructure without a burdensome lengthy and costly process. The District will work with various entities and institutions valley-wide to put on a training program for electric contractors designed to engage them in this new business opportunity, which will ultimately benefit them. In addition to engaging the public via workshops, webinars, trainings and surveys, there will be sessions where the public can try out an electric vehicle for themselves, which seems to turn the corner for many people.

Dr. Sherriffs voiced support for this program, noting this type of activity is key to achieving future goals in terms of ozone and particulates, and decreasing dependence on fossil fuels and internal combustion for transportation.

Public Comment – None

Moved: Sherriffs
Seconded: Pedersen
Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, O'Brien, Pedersen, Sherriffs,
Walsh, Worthley, Wheeler
Nays: None

Motion unanimously carried to accept and appropriate \$300,000 from the California Energy Commission for the implementation of the District's Zero Emission Vehicle Awareness and Training programs.

10. APPROPRIATE \$400,722 IN UNANTICIPATED REVENUE FOR THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM FROM THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT – Mr. Sadredin said over the years the District has focused on working cooperatively with neighboring air districts and building relationships that have proved beneficial for the Valley and other regions. The District has enjoyed a close working relationship with Mojave Desert Air Quality Management District over the past five years and has been able to take the funding they are unable to use, due to lack of resources or sources of air pollution, and bring it to the Valley to be spent here which not only reduces pollution in the Valley but will also help with pollution that travels to the Mojave region.

Supervisor Elliott said it was wonderful that other air districts respect the District so much to give them their unused funds. He asked if there are any caveats attached to receiving such funds. Mr. Sadredin said the District already receives its own funds from this particular funding source, and is aware of the specific criteria for spending these funds, which provide assistance with the District's diesel emissions reductions programs and many others.

Public Comment – None

Moved: Worthley
Seconded: Bomprezzi
Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, O'Brien, Pedersen, Sherriffs,
Walsh, Worthley, Wheeler
Nays: None

Motion unanimously carried to appropriate \$400,722 in unanticipated revenue for the Carl Moyer Memorial Air Quality Standards Attainment Program from the Mojave Desert Air Quality Management District

11. AUTHORIZE THE CONTINUED ADMINISTRATION OF THE STATEWIDE SCHOOL BUS RETROFIT PROGRAM ON BEHALF OF THE CALIFORNIA AIR RESOURCES BOARD INCLUDING THE NEW SCHOOL BUS RETROFIT CERAMIC FILTER ELEMENT REPLACEMENT COMPONENT – Mr. Sadredin stated the District has the most effective and efficient voluntary incentive grant administration programs, both in terms of effectiveness in reducing air pollution and implementing the program in a streamlined fashion with the lowest administrative burden on the program. This has been confirmed by agencies and entities that routinely audit the grant programs throughout the state. At the Board’s direction, the District has not only prioritized public health in the Valley, but has also authorized the use of resources to help improve public health in other regions in California, especially as it relates to children and the state school bus program. Mr. Sadredin said the funds associated with the Statewide School Bus Program will be spent in other air districts to help them with air quality issues and includes a 7% reimbursement to the District to cover administrative costs. The Board realizes these programs help put the District on the map and are a good point of advocacy when dealing with state and federal government in competitive efforts to bring dollars to the Valley. This particular proposal includes over \$480,000 for a new program that ARB is proposing to replace some of the ceramic filter elements in school buses that are due for a replacement. Another \$1.5 million is expected in the existing program that the District is administering for other agencies for a total of approximately \$2 million.

Mr. Sadredin introduced Sam Gregor, Manager of Planning and Regulatory Development from ARB, who gave a brief overview of this program and thanked District staff members for doing such a “bang-up” job on this program. Supervisor Wheeler thanked Mr. Gregor for the additional funding and working with the District. Supervisor Pedersen asked about the replacement of defective filters. Mr. Sadredin explained some are at the end of their useful life, but there have been issues due to the method of operation and duty cycles where the filters do not last as long as they were intended. He said ARB is in the process of completing a study on this matter for trucks and school buses.

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

- John Clements, Fresno County Transportation Authority Board

Moved: Mendes

Seconded: Pedersen

Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, O’Brien, Pedersen, Sherriffs,
Walsh, Worthley, Wheeler

Nays: None

Motion unanimously approved to authorize the continued administration of the Statewide School Bus Retrofit program on behalf of the California Air Resources Board including the new school bus retrofit ceramic filter element replacement component

12. APPROVAL OF PROJECT SELECTIONS FOR THE DISTRICT'S TECHNOLOGY ADVANCEMENT PROGRAM – Mr. Sadredin introduced Kevin Wing, Senior Air Quality Specialist, who gave the presentation on this item which proposed the Board approve the following selections totaling \$3,648,820 from the District's Technology Advancement Program's June 18, 2014 Request for Proposals evaluated under the Board-approved scoring criteria:
- a. \$500,420 for US Hybrid Corporation for the demonstration of a hydrogen fuel cell powered zero emission rural transit bus; and
 - b. \$700,000 for Transportation Power, Inc. to demonstrate an electric fuel cell class 8 truck; and
 - c. \$750,000 for the Gas Technology Institute for the demonstration of an advanced heavy-duty natural gas engine with near zero NOx emissions; and
 - d. \$300,000 for Philip Verwey Farms' proposal to demonstrate an electrified dairy feed mixing station; and
 - e. \$500,000 for Pacific Ethanol Stockton, LLC to demonstrate an ultra-low emission cogeneration; and
 - f. \$400,000 for eNow, Inc. to demonstrate an ultra-low emissions truck refrigeration technology; and
 - g. \$498,400 for Efficient Drivetrains, Inc. to demonstrate a four-mode plug-in hybrid/CNG technology in a class-4 agricultural transport truck.

Supervisor Worthley said he was excited to hear about a lot of these projects. He asked about the viability of hydrogen fuel projects given that it costs more to produce and there are other fuels that are much more efficient. Mr. Sadredin responded ARB is leaning toward increasing the use of hydrogen fuels and efforts toward that end are proposed to be part of the discussion at the upcoming Governing Board Study Session. ARB is committed under AB32 and other legislation, to require oil companies to convert a percentage of their service stations to hydrogen fuel capabilities. Mr. Sadredin said the Valley needs other options especially as it relates to goods movement. Mr. Wing responded the two projects selected do not rely solely on hydrogen fuels rather they are supplemental to increase the range of the electric vehicles.

Supervisor O'Brien said he was in favor of this program but had some concerns along the lines of zero emissions bus technology, which has already been achieved in practice. He questioned why the District is spending its limited funding on electric zero emission buses that already exist in practice just because it is different technology. Mr. Sadredin responded some of the rejected projects were electric buses that were not funded for the concerns raised by Supervisor O'Brien. He said the proposed project for approval uses fuel cells for

longer range applicability in a rural setting. Supervisor O'Brien asked about the package plants for waste gas. Mr. Sadredin responded this project was attractive due to the technology transfer opportunities that it brings up for waste handling operations in cities and counties and has broad application in a whole host of other areas besides those proposed in this project.

Councilmember Baines said he is supportive of these investments, including the coupling of dual technologies on some projects. He said he was very happy to see some are targeting heavy duty trucks for which the District must continually find ways to control emissions.

Supervisor Mendes questioned the feasibility of the electrified dairy mixer station project because it seemed to him that the only savings would be the horsepower required for mixing but there would still be energy required to move it in a central location, which would be challenging for larger dairy operations. Mr. Sadredin responded staff would re-examine this project closely to ensure emissions reductions and cost-effectiveness properly capture all aspects of the operation prior to contracting.

Dr. Capitman commented one of the goals of the program was to engage local universities and colleges and asked about particular challenges in that area. Mr. Sadredin responded some of the universities had bureaucratic challenges and said staff has conducted extensive outreach with limited results. He asked for Board member assistance with their contacts at local universities. Dr. Capitman asked about participation by minority and women-owned enterprises in this area. Mr. Sadredin responded the District does not measure this metric at this time and it is not currently part of the criteria for funding, which includes air quality reductions and advancing technology. Dr. Capitman said he would be interested in recording this information in the future. He asked if the priorities would remain the same in the program's future. Mr. Sadredin responded the District hopes technology would dictate where this program goes in the future, as opposed to the District forcing areas of focus. Supervisor Pedersen commented in addition to the difficulty working with educational facilities there could also be large administration fees associated with these projects at the university level.

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

- Kevin Abernathy, Milk Producers Association & Dairy Cares
- Dolores Weller, CVAQ
- Peter Ward, Alternative Fuels Advocates
- John Clements, Fresno County Transportation Authority Board

Mr. Sadredin asked for direction from the Board on Dr. Capitman's suggestion regarding minority and women-owned enterprises. Regarding a comment made on changing focus areas for the program and being more specific, he suggested it is better to leave the door open for proposals rather than limiting opportunities for a broad range of technologies to be advanced. Supervisor Wheeler suggested giving preference to minority and women-owned businesses. Mr.

Sadredin responded there is a tremendous challenge in terms of technology needed and anything that would give preference without a focus on air quality could hurt the Valley's needs. Dr. Capitman suggested simply tracking this information to find out if a preference is needed in the future. Supervisor Worthley said he is not opposed to simple tracking of this information and said he would like to keep the process open and based on the merits of each project. Councilmember Baines said he supports information gathering but perhaps it should be raised during the next round with more complete discussion of all pertinent issues. Supervisor Walsh suggested keeping the focus on the core mission which is technology and air quality. He said narrowing the scope could limit options for available technology. Mr. Sadredin said based on this discussion, no changes would be made to the program at this point unless directed otherwise by the Board.

Moved: Sherriffs

Seconded: Mendes

Ayes: Baines, Bomprezzi, Brazil, Capitman, Elliott,
Hanson, Mendes, Pedersen, Sherriffs, Walsh,
Worthley, Wheeler

Nays: O'Brien

Motion carried 12-1 to approve project selections for the District's Technology Advancement Program

*This item was taken out of order at the Chair's prerogative
The Governing Board adjourned to Closed Session at 12:07 p.m.*

20. CLOSED SESSION – The Chair called for public comment before adjourning to Closed Session.

Public Comment – None

District Counsel, Annette Ballatore-Williamson reported the Board gave approval to the District Counsel to accept a settlement in the matter of the District vs. Buoni, et.al., and as soon as the settlement becomes final upon inquiry by any person the District shall disclose the fact of that approval and identify the substance of the agreement. As to the second matter, Association of Irrigated Residents v. the District in Kern County Superior Court, she reported the Board gave its approval for the District Counsel to defend against that litigation.

Councilmember Baines left at 12:45 p.m.

Councilmember Bomprezzi left at 12:46 p.m.

The Governing Board reconvened at 12:48 p.m.

13. REVIEW AND PROVIDE COMMENT ON THE DRAFT "2014-15 ANNUAL REPORT TO THE COMMUNITY" – Mr. Sadredin said public accountability and transparency are core values that guide the District's day-to-day conduct and activities. He reviewed the draft 2014-15 Annual Report to the Community with

Board members and asked for their feedback on items included in this draft report.

Dr. Sherriffs asked about the number of printed copies that would be made available. Jaime Holt, Chief Communications Officer, responded the first run is usually 2,000 although more can be ordered if needed. Supervisor Wheeler asked if the pictures used are taken locally. Ms. Holt responded affirmatively.

Public Comment – None

Moved: Worthley
Seconded: Mendes
Ayes: Brazil, Capitman, Elliott, Hanson, Mendes,
O'Brien, Pedersen, Sherriffs, Walsh, Worthley, Wheeler
Nays: None

Motion unanimously carried to approve the “2014-15 Annual Report to the Community”

14. APPROVE CONTRACT WITH JEFFREY SCOTT ADVERTISING (JSA) FOR OUTREACH AND MARKETING AGENCY REPRESENTATION TO IMPLEMENT COMPREHENSIVE, MULTILINGUAL PUBLIC EDUCATION AND OUTREACH CAMPAIGNS – Jaime Holt, Chief Communications Officer, gave the presentation on this item which asked the Board to approve and authorize the Chair to execute the contract between the District and Jeffrey Scott Advertising (JSA) to implement comprehensive public education and outreach campaigns for key District programs including, but not limited to, the Healthy Air Living program, Real-time Air Advisory Network (RAAN) outreach, the Check Before You Burn program and potential outreach related to the promotion of various grants and incentives.

Supervisor Worthley commented he is very supportive of this item. Supervisor O'Brien asked if JSA has any additional thoughts on better penetration in Modesto, which is part of the Sacramento media market. Ms. Holt said the District will continue to work with JSA to find additional strategies to better serve the northern region. She acknowledged TV is a challenge in the north.

Supervisor Wheeler commented he gets very complimentary feedback on the District's outreach efforts in his community. Ms. Holt thanked Supervisor Wheeler for his efforts at increasing visibility of the District. Mr. Sadredin thanked Board members for their efforts in assisting the District's outreach campaigns across the Valley.

Public Comment – None

Moved: Worthley
Seconded: Pedersen
Ayes: Brazil, Capitman, Elliott, Hanson, Mendes,
Pedersen, Sherriffs, Walsh, Worthley, Wheeler
Nays: O'Brien

Motion passes 10-1 to approve contract with Jeffrey Scott Advertising (JSA) for outreach and marketing agency representation to implement comprehensive, multilingual public education and outreach campaigns

Dr. Capitman left at 1:30 p.m.

15. SET DATES AND AGENDA FOR THE MAY 2015 GOVERNING BOARD STUDY SESSION FOR EDUCATIONAL AND STRATEGIC PLANNING PURPOSES –

Mr. Sadredin said the Governing Board Study Session is a Brown Act compliant meeting designed to provide for a fuller but less formal exchange and more relaxed dialogue amongst the Governing Board members, District staff and members of the public in attendance. He proposed May 6th and 7th as dates for the 2015 Study Session and reviewed potential agenda topics including:

1. Potential changes and enhancements to the District Healthy Air Living Partners program
2. Review, reaffirm and/or fine-tune the District's Mission Statement, Vision Statement and Core Values
3. Public Engagement Initiative for the Development of the Upcoming Ozone Plan
4. The District's Action Plan for Promoting the Use of Natural Gas Technology for Goods Movement in San Joaquin Valley
5. Focusing Regulatory and Incentive-based Measures on Hot Spots as an Attainment Strategy
6. Promoting the use of the District's Voluntary Emissions Reduction Agreement as a Mitigation Measure Under CEQA Throughout the Valley
7. Strategies to Secure San Joaquin Valley's Fair Share of the State's Cap and Trade Funds and Potential Investment Opportunities
8. Review and Consider Potential Changes to the Environmental Justice Advisory Group Reporting Structure
9. Progress Report and Next Course of Action for District Public Education and Outreach

Supervisor O'Brien suggested the possibility of looking at DMV fees as a possible targeted hot spot strategy. Supervisor Worthley said the Valley is in the midst of a crisis with the drought and beetle infestation in the forests and suggested that would be a suitable topic to add to the agenda. Mr. Sadredin responded affirmatively. Supervisor Walsh commented that he likes the idea of a broader drought discussion.

Supervisor O'Brien left at 1:49 p.m.
Supervisor Walsh left at 1:53 p.m.

Public Comment – None

Moved: Mendes
Seconded: Worthley
Ayes: Brazil, Elliott, Hanson, Mendes,
Pedersen, Sherriffs, Worthley, Wheeler
Nays: None

Motion unanimously carried to set dates for the May 2015 Governing Board Study Session for educational and strategic planning purposes and to approve the agenda with the addition of an item relating to the implications of the ongoing drought

16. APPOINT AD HOC BUDGET SUBCOMMITTEE – Mr. Sadredin asked the Chair to appoint the Governing Board Ad Hoc Budget Subcommittee to review the proposed 2015-16 Proposed Budget. The following Board members agreed to serve on the subcommittee: Supervisor Mendes, Mayor Brazil, Supervisor Wheeler, Councilmember Baines, Dr. Sherriffs, Supervisor Pedersen, and Councilmember Hanson.
17. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs gave a report on highlights from the ARB Board meeting of January 29, 2015 including: a technical evaluation by ARB staff of the Fresno COG's 2014 Sustainable Communities Strategy (SCS), which, when implemented, will achieve the region's per capita greenhouse gas emissions reduction targets for 2020 and 2035; a report to the Board on the state's current air quality, as well as progress made towards attainment of health-based air quality standards for ozone and PM2.5. At their meeting held on February 19, 2015, he reported the Board heard the first of two hearings on the adoption of a new Low Carbon Fuels Standard (LCFS) regulation to replace the existing LCFS regulation adopted by the ARB in 2009. In addition, they heard the first of two hearings on the adoption of a proposed regulation governing the commercialization of diesel fuel substitutes for mobile vehicles.
18. EXECUTIVE DIRECTOR/APCO COMMENTS – None

19. GOVERNING BOARD MEMBER COMMENTS – Supervisor Wheeler commented that he heard at his transportation board meeting that legislature is discussing a proposed \$200 per car registration fee for road improvements.

ADJOURN

Meeting adjourned at 1:59 p.m.

The next scheduled meeting of the Governing Board is: Thursday, April 16, 2015. 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 video teleconference (VTC) with the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield) participating via VTC.