

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

**Thursday, October 19, 2006
9:00 a.m.**

Meeting held via video teleconference (VTC) system with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield). This meeting was webcast.

1. **CALL TO ORDER** – The Chair, Councilmember Mike Maggard, called the meeting to order at 9:10 a.m.

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

Judith G. Case, Supervisor	Fresno County
Raymond A. Watson, Supervisor (Alternate) (*)	Kern County
Tony Barba, Supervisor	Kings County
Ronn Dominici, Supervisor	Madera County
Sam Armentrout, Councilmember	City of Madera
Michael G. Nelson, Supervisor (***)	Merced County
Dan Prince, Councilmember (absent)	City of Ripon
Thomas W. Mayfield, Supervisor (absent)	Stanislaus County
Jack A. Sieglock, Supervisor (**)	San Joaquin County
J. Steven Worthley, Supervisor, Vice Chair	Tulare County
Mike Maggard, Councilmember, Chair	City of Bakersfield

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

() Attended Meeting in Northern Region Office (Modesto) and arrived during Item # 3**

(*) Arrived during Item # 6**

3. **APPROVAL OF CONSENT CALENDAR – (Item Numbers 15-21)**. (These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to comment on any consent item).

15. Approve Action Summary Minutes for the San Joaquin Valley Unified Air Pollution Control District Governing Board Meeting held on Thursday, September 21, 2006.

16. Receive and file List of Scheduled Meetings for 2006 and 2007.

17. Receive and file Operations Statistics Summary September 2006.

18. Receive and file Budget Status Report as of September 30, 2006.
19. Approve MOU for General and Supervisory Units; approve changes to the District's Compensation Plan for General, Supervisory, and Confidential Employees; approve related changes to the Personnel Rules Section of the District's Administrative Code.
20. Approve and authorize the Chair to execute Amendment No. 3 to the Heavy-Duty Engine Emission Reduction Incentive Program Agreement # ALI-008 with the City of Fresno, Fresno Area Express to extend the term of the agreement to November 22, 2006.
21. Approve voluntary Air Quality Mitigation Agreement with S.K.Y. 21, LLC, and North East 21 Ventures, to receive funds in the amount of \$1,779,178 for the purpose of mitigating air quality impacts of proposed Riverview Development Project.

Governing Board Member Sieglock asked a question regarding Item #16, Receive and file List of Scheduled Meetings for 2006 and 2007. Governing Board Member Sieglock asked if the Governing Board would consider changing the December 21, 2006 Governing Board Meeting to December 14, 2006.

After discussion the Chair directed staff to reschedule the December 21, 2006 meeting to Thursday, December 14, 2006.

APPROVED AS RECOMMENDED WITH REVISION TO ITEM # 16 – On motion by Governing Board Member Worthley to approve the Consent Calendar with a revision to Item # 16. Seconded by Governing Board Member Barba and unanimously carried with the following roll call vote:
Ayes: Sieglock, Barba, Armentrout, Case, Dominici, Watson, Worthley and Maggard.
Absent: Nelson, Mayfield and Prince.

<p><u>Governing Board Action:</u> <u>Approved Consent Calendar Item Numbers 15, 16 with revision, 17, 18 19, 20 and 21.</u></p>

4. **PUBLIC COMMENT** - Denise Mullinax, California Dairy Quality Assurance Program, announced the Dairy Producers Outreach meetings to support Rule 4570 will be taking place during the month of November in every county within the San Joaquin Valley. Ms. Mullinax noted District staff, as well as dairy industry representatives have worked collaboratively on this effort.

5. **REPORT FROM CITIZENS ADVISORY COMMITTEE (CAC)** – Report given by Dennis Tristao, City Primary Member, Kings County, and Chair of the CAC. Mr. Tristao stated that during the October 3, 2006 CAC Meeting a discussion took place regarding the CAC providing a recommendation for the Governing Board's consideration to adopt Rules 2250 and 3155. Mr. Tristao stated that, unfortunately the CAC was unable to reach a consensus for Rules 2250 and 3155, and therefore the CAC did not have a recommendation for the Governing Board.

Mr. Tristao thanked Rick McVaigh, Deputy Air Pollution Control Officer, for the excellent synopsis on District activities, and Jaime Holt for the Public Education report.

Mr. Tristao stated he wanted to emphasize to the Governing Board that a CAC priority is to disseminate information back to their constituents whether that be for specific industry groups, chamber of commerce's, or environmental groups.

Governing Board Member Case asked Mr. Tristao if the CAC had the opportunity to participate with the California Partnership for the San Joaquin Valley, and if not she suggested the CAC take a look at this item. Mr. Tristao indicated the CAC has not reviewed this item, and noted the CAC will review the California Partnership document at a future meeting.

The Chair stated the Governing Board appreciates the good work the CAC does for them. Mr. Tristao thanked the Chair and stated the CAC appreciates the opportunity to serve the Governing Board.

6. **PUBLIC HEARING TO ADOPT PROPOSED RULE 2250 (PERMIT-EXEMPT EQUIPMENT REGISTRATION) AND RULE 3155 (PERMIT-EXEMPT EQUIPMENT REGISTRATION FEES)** – Presentation by Seyed Sadredin, Executive Director/APCO and David Warner, Director of Permit Services.

Governing Board Member Worthley indicated that Tulare County has the ability to receive any kind of permit, no matter how simple or complex, on line. Governing Board Member Worthley suggested the District consider the possibility of receiving applications on line.

Mr. Sadredin responded the District has been looking at this issue for sometime, and one key issue is a credit card administrative fee.

Governing Board Member Nelson wanted to know if Rule 2250 would provide any emission reductions.

Mr. Warner explained that while Rule 2250 does not generate emission reductions directly, a registration program will help assure compliance with other

rules that do require reductions.

Governing Board Member Watson had comments regarding the District's method of tracking equipment sold in and out of state, and the possibility of someone not complying with the registration of equipment.

Mr. Warner explained the District will do an outreach effort to inform individuals about the necessity of registering their equipment under the requirements of Rule 2250.

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

Jerry Frost, Kern Oil & Refining Company, indicated Kern Oil has been utilizing bank transfers to pay for District application fees. Mr. Frost thanked District staff member Jerry Hamm for coordination of that effort.

Manuel Cunha, Nisei Farmers League, thanked District staff for their efforts on Rule 2250. Mr. Cunha stated he has concerns with the availability of 50 HP engines. Mr. Cunha requested the Governing Board adopt Rules 2250 and 3155 with the caveat that if the 50 HP engines are not available his industry will not be penalized.

The Chair asked staff to address Mr. Cunha's concern.

Mr. Sadredin explained the District is aware there may be availability issues with 50 HP engines. Mr. Sadredin indicated the engines may be available a year later than expected. If that happens the District will bring Rule 2250 back to the Governing Board for reconsideration.

Gabrielle Kirkland, Director, Environmental and Regulatory Affairs, California Grape & Tree Fruit League (League), stated the League would like to participate in educating the table grape and stone fruit industries about the program. Ms. Kirkland stated the League makes the following requests/concerns regarding Rules 2250 and 3155:

- Information collected from individuals and entities be kept private within the District's care.
- The League has concerns about the possibility that thieves could remove the name plates attached to a equipment unit required by Rule 2250, and the League hopes there are provisions to handle this issue if it were to arise.
- The League supports the program with the notion that minimal fees are maintained in order to have the least amount of economic impact to growers and operators.

The Chair requested Mr. Sadredin reply to the issue of confidentiality.

Mr. Sadredin noted this is an important issue, and one the District has been working on for over three years. Mr. Sadredin explained that the Public Information Act is broad and expansive in what the District is required to release to the public when we receive requests for public documents, but that the District has been able to protect similar sensitive information received from Valley farmers in Conservation Management Practice plans in a way that is consistent with the act.

ADOPTED AS RECOMMENDED – On motion by Governing Board Member Case to adopt Rules 2250 and 3155 as recommended. Seconded by Governing Board Member Dominici and unanimously carried with the following roll call vote:

Ayes: Case, Dominici, Watson, Nelson, Armentrout, Sieglock, Barba, Worthley and Maggard.

Absent: Prince and Mayfield.

Governing Board Action:

- 1. Adopted proposed Rule 2250 (Permit-Exempt Equipment Registration) and Rule 3155 (Permit-Exempt Equipment Registration Fees)***
- 2. Authorized the Chair to sign the Resolution.***

7. **APPROVE PROPOSED DISTRICT MISSION STATEMENT, VISION STATEMENT AND CORE VALUES** – Presentation by Seyed Sadredin, Executive Director/APCO.

Mr. Sadredin's presentation consisted of the following:

Background

- Past successes – Significant new challenges
- Meeting new challenges will require hard work, significant investment, tough decisions
- Strategic approach to management
- Proposing to develop a strategic plan
- First step – Develop:
 - Mission Statement,
 - Vision Statement, and
 - List of Core values
- First public workshop – 7/25/06

Proposed Mission Statement

The San Joaquin Valley Air District is a public health agency whose mission is to improve the health and quality of life for all Valley residents through efficient, effective, and entrepreneurial air-quality management strategies.

Proposed Vision Statement

Clean healthful Valley air for all Valley residents. The District is a leader in air pollution control. Valley residents will take pride in our collective efforts to improve air quality.

Proposed Core Values

- Protection of public health
- Active and effective air pollution control efforts with minimal disruption to the Valley's economic prosperity
- Outstanding customer service
- Ingenuity and innovation
- Accountability to the public
- Open and transparent public processes
- Recognition of the uniqueness of the San Joaquin Valley
- Continuous improvement
- Effective and efficient use of public funds
- Respect for the interest and opinions of all Valley residents

Recommendation and Further Actions

- **Recommendation:** Approve proposed Mission Statement, Vision Statement, and Statement of Core Values
- Proceed with strategic plan development
- Consider management consultant
- Additional opportunities for public input
- Ultimate approval by the Board

Governing Board Member Case was complementary of the document and thanked staff for their efforts. Governing Board Member Case stated under Core Values we have a line that reads "continuous improvement", and she thinks the language continuous improvement should also be a term included in the Vision Statement where it states that Valley residents will take pride in our collective efforts to improve air quality. She suggested the following be added: through continuous improvement in air quality to meet and exceed state and federal air quality standards.

Governing Board Worthley commented that he really likes the proposed District Mission Statement, Vision Statement, and Statement of Core Values and thinks the document is very positive and well thought out. He stated he often hears the comment that we need to achieve clean air, but with the moving target we deal with in air quality, we should have the perspective that our goal is not to achieve clean air, because we have achieved clean air, our goal should be to achieve cleaner air.

Governing Board Member Watson stated he thinks the comments that have been made are excellent and he really likes what Mr. Sadredin has come up with. He noted that Mr. Sadredin met with approximately fifty members of the ag community in Kern County last evening and he really believes the meeting was very positive with very few complaints. Governing Board Member Watson noted the reason he is mentioning this, is because it reflects the collaborative nature of the District's efforts and he was wondering if we might want to mention that fact somewhere in the proposed Core Values, because he thinks it is something that distinguishes this air district from others. He indicated we could add the following language: the District conducts their efforts through a collaborative process.

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

Jerry Frost, Kern Oil and Refinery Company, stated he thinks the document is excellent and thoughtfully written. Mr. Frost suggested for an additional Core Value the Governing Board may want to consider the following:
Future Partnerships – The District shall strive to develop strategic partnerships with other regulatory agencies such as, but not limited to EPA, ARB, other air districts, cities and counties. He also stated the District makes an excellent effort in their outreach and marketing successes, and he thinks that fact should be noted somewhere in the document.

Sarah Sharpe, Coalition for Clean Air, commented that the Proposed District Mission Statement, Vision Statement and Statement of Core Values is a great document, and they like the fact that the list of core values has the statement of protection of public health number one on the list. She stated she has a problem with Core Value Number Two which states active and effective air pollution control efforts with minimal disruption to the Valley's economic prosperity. Ms. Sharpe indicated that any referral to the Valley's economic prosperity is inappropriate as a core value for this agency.

Lisa Bolanos, Coalition for Clean Air, echoed the comments made by Ms. Sharpe.

Manuel Cunha, Nisei Farmers League, commended the Governing Board for allowing staff to move forward with such a positive document. He also

announced the U.S. EPA has declared the District is in attainment for PM10 and published their finding in the federal register and congratulated the Governing Board and staff, as well as the businesses in the San Joaquin Valley for making this possible.

Annette Kondo, Communications Manager for the Coalition for Clean Air, stated she thinks it's terrific that the District is working on a strategic plan and a core mission statement. Ms. Kondo echoed Ms. Shape's comments regarding Core Value Number Two's use of the word minimal.

Carolina Simunovic, Fresno Metro Ministry, suggested changing Core Value Number Two by adding language stating the District should consider economic impacts to the Valley. She also stated she supports Governing Board Member Case's earlier suggestion that adds language to the Core Value listing of Continuous improvement.

Governing Board Member Case stated the Governing Board passes regulations that have been challenging to businesses. She noted that when we pass regulations we are mindful of it's impact, and mindful of what it does for air quality, and we always need to look at those impacts. Governing Board Member Case thinks the Governing Board should always be mindful of minimizing the impact on the Valley's economic prosperity the best we can.

Mr. Sadredin stated the proposed District Mission Statement, Vision Statement and Core Values document is part of our strategic planning efforts. When an issue comes before the District we need to look to all of these core values equally with the first one being public health, and when we have choices we will pick the option that has minimal disruption on the Valley's economy.

Governing Board Member Armentrout asked if the Governing Board is recommending language amendments to the item.

Mr. Sadredin indicated two amendments:

- add to Continuous improvement: the District shall endeavor to not only meet state and federal standards but to exceed them
- acknowledge progressive improvements in terms of cleaner air

APPROVED RECOMMENDATION WITH AMENDMENT – On motion by Governing Board Member Worthley to approve staff's recommendation with amendments to the Core Value. Seconded by Governing Board Member Dominici and unanimously carried with the following roll call vote:

Ayes: Nelson, Sieglock, Watson, Dominici, Armentrout, Case, Barba, Worthley and Maggard.

Absent: Mayfield and Prince.

Governing Board Action:

Approved the proposed District mission statement, vision statement and statement of core values with the following language added to core value Continuous improvement: the District shall endeavor to not only meet state and federal standards but to exceed them, and to acknowledge progressive improvements in terms of cleaner air.

8. **VERBAL REPORT: PROGRESS REPORT ON 2007 OZONE PLAN** –

Presentation by Seyed Sadredin, Executive Director/APCO and Rick McVaigh, Deputy Air Pollution Control Officer.

The presentation consisted of:

- Our Guiding Principles
- Proposed Control Measures
- How soon can we meet the standard?
- Good News
- Where do we go from here?

Governing Board Member Worthley made reference to the graph How soon can we meet the standard?, and asked what are the Valley's background emission numbers. He stated it might be a good idea to show those numbers on the graph as well, because it demonstrates some of the difficulties we have.

Governing Board Member Case stated she attended an event yesterday put on by the Fresno-Madera Medical Society, *The Body and the Air We Breathe*. She noted it was suggested during the event that the state's ambient air quality standards should be reduced. Governing Board Member Case noted the Valley's poor air quality is not only a result of the Valley's manufacturers, it's actually a result of the Valley's manufacturers, population growth, and the natural environment.

Mr. Sadredin responded to Governing Board Member Worthley's comments regarding background emissions, and indicated that in looking at the graph in today's handout, for instance in 2005, where it indicates the Valley's emissions are about 1000 tons a day, this is the anthropogenic emissions, the manmade emissions. What is missing from the graph is the biogenic emissions which are created from trees, and the natural environment, which the District has no control over.

Mr. Sadredin responded to Governing Board Member Case's comments regarding lowering of the state's air quality standard, and noted he thinks there is some realization of that at the state level. When we talk about federal standards for instance, those are strict standards the District has deadlines and timelines to

meet and if the District does not meet those standards there are sanctions and all the penalties associated with them. The state characterizes their standards as goals, which are things you work towards, and do the best you can, there is no strict deadline or timeline to reach the state standards.

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

Jerry Frost, Kern Oil and Refining Company, announced Governor Schwarzenegger signed AB 32 which is a green house gas bill, and it will require reductions in green house gases, CO2 being one of them.

Jeff Lindberg, ARB, mentioned the carrying capacity baseline for both background ozone levels and natural emissions were considered when ARB performed modeling for the Valley. Mr. Lindberg stated he appreciates the effort the District will be putting forth in the near future to address this issue.

9. **SUPPORT RECOMMENDATIONS OF THE AIR QUALITY WORK GROUP OF THE CALIFORNIA PARTNERSHIP FOR THE SAN JOAQUIN VALLEY AND OTHER EFFORTS TO SECURE FEDERAL FUNDING OF INCENTIVE PROGRAMS IN THE SAN JOAQUIN VALLEY** – Presentation by Seyed Sadredin, Executive Director/APCO, Tom Jordan, Special Projects Administrator and Pete Weber, Chair of the Air Quality Work Group of the California Partnership.

Staff provided a revised Resolution with amendment to page one, line 26 that adds "... in concept..." to the resolution.

Governing Board Member Nelson also noted a typo on page one of the resolution, line 12, task should be corrected to read tasked for the record.

The presentation consisted of the following information:

- California Partnership for the San Joaquin Valley
- Partnership Recommendations
- Incentive-Based Program
- Energy Office
- Staff Recommendations

Pete Weber, Chair of the Air Quality Work Group of the California Partnership, thanked the Governing Board Members for their dedication to continuous improvement towards cleaner air in the Valley. He congratulated the Governing Board Members on the formal acknowledgment that the San Joaquin Valley has attained the PM10 Standard.

Mr. Weber stated he serves on the Board of the California Partnership of the San Joaquin Valley. He indicated he wears two hats, one as the chair of the Air Quality Work Group which has a total of ten work groups, and one as the liaison to the federal delegation from the Valley.

Mr. Weber stated the Air Quality Work Group was formally established about thirteen months ago and has met extensively over the past year. The work group is made up of a diverse group of stakeholders including representatives from the environmental community, agriculture, business community, state and federal agencies, and key policymakers. Mr. Weber stated District staff have participated extensively in the work group meetings, provided technical assistance, and helped to shape the recommendations of the Partnership.

Mr. Weber stated the goal of the Air Quality Work Group was to develop strategic action proposals to help bring the Valley into attainment of the federal ozone standard as early as is practical, and identify the agencies that can implement the actions. He noted the Partnership has offered eight recommendations and 30 associated strategic actions to assist attaining air quality standards in the Valley. Mr. Weber indicated the recommendations made by District staff in regards to the lobbying efforts in Washington will be necessary.

Governing Board Member Case commented she was really impressed with how action oriented the document is, with goals, objectives, and real tangibles. She noted there has been a lot of reporting in the press with the Draft Ozone Plan that maybe the District is crying wolf, basically, saying we need these incentives if we are going to make this deadline. Governing Board Member Case stated she thinks it is going to take a partnership of not just the Governing Board, but will require engaging a lot of partners. She stated the Governing Board really looks forward to working with the Partnership on these recommendation. Governing Board Member Case asked Mr. Weber to tell the work group that the Governing Board really appreciates all the hard work the work group has done, and the Governing Board looks forward to the opportunity to work together to obtain some of these incentive funds to start the ozone issue that will assist us in our efforts to achieve cleaner air.

Governing Board Member Nelson thanked Mr. Weber and the work group for all of their efforts they have put forth on this. He indicated there are a couple of items he saw in the document, and even though they are not recommendations, he has some concerns with them. Governing Board Member Nelson noted that on page one of the Strategic Action Plan II. Background, A. Scope Adopted by Partnership it states: Evaluate, recommend and implement strategies to reduce emissions from stationary sources, and Coordinate with the Land Use, Housing and Agriculture and Transportation Work Groups to evaluate, recommend, and implement land use planning with a view to mitigate air quality impacts.

Governing Board Member Nelson noted he also has concerns with page 18, Goal 2: 1-Year Goal: that reads, "Implement a landmark Indirect Source Review Rule to mitigate the impact from new development", and asked isn't this something the Governing Board has already taken action on. He stated other than that, he thinks the document looks great.

Mr. Weber agreed this is an item the Governing Board has taken action on. Mr. Weber explained the work group's purpose of including a statement regarding the Indirect Source Review Rule is to make it clear that everyone needs to come to the table on these issues.

Governing Board Member Worthley stated he appreciates Mr. Weber's comments, and the work he has accomplished. However, he believes a lot of work is still ahead, and not just in terms of the federal government. We recognize a big part of our problem in the Valley is a state-wide problem, but it has been very difficult to get other parts of the state to accept ownership and responsibility for that. It was pointed out in the goods movement guidelines that Highway 99 and the rail corridors of this Valley are basically an extension of the ports which means money that's allocated to the ports needs to come to the Valley. Governing Board Member Worthley stated that folks on the coast, other counties, and other parts of the state should accept ownership and responsibility for the air quality problems we have here in the Valley. He noted that when that time comes there will be a lot of resistance, it will take a lot of work, and it will require a lot of congeniality and collaboration.

Mr. Sadredin thanked Mr. Weber for all the work he has accomplished, and noted that yesterday's meeting was great. We had essentially the entire Valley federal delegation in attendance, and what we heard from them was a clear interest in the Valley's needs. Mr. Sadredin thinks the attendees at the meeting were able to reach a consensus as to where we need to go. We are currently going through a public democratic process with our ozone plan and we still need to hear from the business community, and the general public to see if the measures we are proposing are feasible. The consensus reached yesterday was to make sure the Partnership's recommendations and efforts from this point on are folded into the SIP process, and the SIP process will essentially serve as a guiding vehicle and guiding tool for our future efforts.

Mr. Sadredin stated that, with the Governing Board's permission, he will be sending a letter to the Congressional delegation who attended yesterday's meeting thanking them for their participation, and to point out the District's commitment and willingness to work with the Partnership through the District's SIP process, and to make sure these two processes are complimentary.

Mr. Sadredin noted we will discuss the state funding issue when the District's Ad Hoc Legislative Subcommittee meets. He indicated we definitely need to

organize quickly to assure that we receive our fair share any bond revenues. Mr. Sadredin noted he has some suggestions and recommendations for the District's Ad Hoc Legislative Subcommittee on how we might want to proceed.

No Public Comments received on this item.

APPROVED AS RECOMMENDED WITH AMENDMENTS TO RESOLUTION – On motion by Governing Board Member Worthley to approve the item as recommended with amendments to the Resolution. Seconded by Governing Board Member Armentrout and unanimously carried with the following roll call vote:

Ayes: Nelson, Barba, Case, Sieglock, Armentrout, Watson, Worthley and Maggard.

Absent: Mayfield, Dominici and Prince.

Governing Board Action:

- 1. Authorized the Chair to sign the amended Resolution supporting the recommendations of the Air Quality Work Group of the Governor's California Partnership for the San Joaquin Valley.**
- 2. Approved funding in the amount of \$85,000 for a federal advocate to assist in securing federal funding for incentive programs in the San Joaquin Valley.**
- 3. Approved funding in the amount of \$19,800 to establish a Clean Energy Office in the San Joaquin Valley.**
- 4. Approved Budget Transfer #6 which transfers appropriations from the Contingency Account to the appropriate Services and Supplies Accounts to provide funding for the Clean Energy Office and the federal advocate.**

10. **APPOINT AD HOC LEGISLATIVE SUBCOMMITTEE** – The Chair appointed the following Governing Board Members to the Ad Hoc Legislative Subcommittee:

J. Steven Worthley, Michael G. Nelson, Ronn Dominici and, Mike Maggard.

APPROVED AD HOC LEGISLATIVE SUBCOMMITTEE – On motion by Governing Board Member Case to approve the appointments to the subcommittee. Seconded by Governing Board Member Armentrout and unanimously carried with the following roll call vote:

Ayes: Barba, Armentrout, Watson, Nelson, Sieglock, Case, Worthley and Maggard.

Absent: Prince, Dominici and Mayfield.

Governing Board Action: The Chair appointed the following Governing Board Members to the Ad Hoc Legislative Subcommittee:

***J. Steven Worthley, Tulare County
Michael G. Nelson, Merced County
Ronn Dominici, Madera County
Mike Maggard, City of Bakersfield***

11. **VERBAL REPORT: CALIFORNIA AIR RESOURCES BOARD (ARB)** – Jeff Lindberg, ARB Planning Liaison for the Air Quality & Transportation Planning Branch, congratulated the District for their attainment of the PM10 Standard. He stated he does not know if this has ever been achieved in any air district throughout the nation.

Mr. Lindberg stated the District staff is currently in the process of developing the local components for the SIPs for the 8-hour Ozone and Particulate Matter for the San Joaquin Valley. He indicated ARB staff has been studying what we can do at the state level that will make up the state's contribution towards clean air here in the Valley and other areas that are in non-attainment for both ozone and particulate matter. Mr. Lindberg stated last week ARB had a symposium in Sacramento where ARB outlined what it's initial concepts for these state measures would be. District staff attended the symposium, in fact Mr. Sadredin served as a panel member that provided local perspective.

Mr. Lindberg provided the Governing Board with the following handout: October 12, 2006, Discussion Paper, Air Resources Board SIP Symposium, Concepts for State and Federal Measures.

12. **EXECUTIVE DIRECTOR/APCO COMMENTS** – Seyed Sadredin, Executive Director/APCO, noted that EPA has taken final action declaring the District in attainment for PM10. Mr. Sadredin noted this is a major accomplishment and the District thanks the business community for the investments they have made, as well as the Governing Board for all of the bold and creative actions they have taken over the years to get us there. He also expressed his gratitude to the general public for helping the District with the fireplace rule, which is a key measure in helping the Valley attain the particulate standards.

Mr. Sadredin briefed the Governing Board on legislative activities and noted we have a great need for state and federal funding. There is a bond measure that the polls show might be passing, and we need to have early meetings with legislators to make sure the Valley receives it's fair share. Mr. Sadredin noted he will be presenting the District's draft Legislative Platform to the Ad Hoc Legislative Subcommittee and then to the Governing Board in the near future. He explained the draft Legislative Platform lays out all of the District's goals and objectives in the legislative area.

Mr. Sadredin indicated he has been talking with the environmental community and other activist to make sure the District has a unified Valley front when we go to the state and federal government asking for these large amounts of funding that we need. Mr. Sadredin noted he is beginning to receive some positive responses and he believes everyone understands the magnitude of the problems we are facing. Mr. Sadredin explained he is planning to hold a meeting with the Valley's state legislative delegation, perhaps in Sacramento, with staff and any Governing Board members interested in attending. The purpose of the meeting will be to talk about the bond measures that will require enabling legislation to disperse funds, as well as new funding the District will need. Mr. Sadredin noted there is a lot of work ahead of us in that area.

13. **GOVERNING BOARD MEMBER COMMENTS** – The Chair requested Mr. Sadredin provide the Governing Board with a report before the end of the year regarding the Day Fire that transported smoke into the Valley last month.

The Chair stated he wanted to recognize that Sissy Smith and Rich Burt do a great job of making their work seem rather effortless, but in his experience that usually happens because you are incredibly prepared.

The Chair stated it is fun to see that we are making progress. There is a development in Bakersfield called the City in the Hills which is a few miles from the Sierra Nevadas. The Chair noted the name of the developer is Blue Skies, and in their development there are solar panels on every model home and they encourage every home buyer to incorporate those into their homes. The Chair noted that last night they had a grand opening, and it was nice to see the gorgeous view of the mountains, and we now can enjoy that, because our air is cleaner. The Chair noted that one of the model homes he walked through had no fireplace with a plasma screen on the wall which was the alternative for the fireplace.

The Chair stated that even though his term on the Governing Board will be ending shortly he would like to suggest the Governing Board, and if not the Governing Board then the counties, conduct two summits, one for our federal representatives, and one with the State Legislature and Valley delegation. The Chair stated the purpose of these meetings would be to meet with them, and tell them what we need in the Valley. The Chair indicated he thinks this is something we should follow up with sometime in the future.

Mr. Sadredin noted that the Governing Board may lose five or six Governing Board Members this coming December, and we are planning on holding an event in the Central Region Office for the Governing Board Members that will be leaving. He asked if the Governing Board Members who usually attend in the regional offices would come to Fresno to attend the December 14, 2006 meeting. Mr. Sadredin explained if all of the Governing Board Members were to attend in the Central Region Office, Fresno, it would make that event more of a face to

face team building activity, and an opportunity for everyone to show their appreciation.

The Chair noted he was all for switching the December Governing Board meeting to December 14, 2006, but he particularly wanted to make sure that Governing Board Member Patrick would be available to attend on that day.

Governing Board Member Armentrout commented he knows the District is out of qualified funding that would meet the needs of infrastructure components, for example compressed natural gas fueling stations for public agencies and/or the private sector. He asked, since 2007 will bring diesel engines to the same level in terms of emissions as compressed natural gas engines, will there ever be any available funding for those folks who currently have pending applications with the District for infrastructure funding. Governing Board Member Armentrout noted that if the funding for infrastructure projects is taken away for good, then those agencies that have been purchasing alternative fuel vehicles will cease.

Mr. Sadredin noted he has not given up on that battle totally and he thinks we need to convince the state government of the need for funding infrastructure projects. He indicated we need to be creative and able to ensure the state is aware there are reductions from those facilities, because of the downstream customers that would use clean fuels. Mr. Sadredin indicated the District will continue to work on funding for infrastructure projects and he indicated this might be a good topic for the District's legislative platform.

OTHER BUSINESS – No Other Business.

Philip M. Jay, District Counsel, noted the following Closed Session items, and stated he would return to the Governing Board Room in the event of any announcements pursuant to the Governing Board's directions.

14. **CLOSED SESSION** - The Governing Board will hold a Closed Session pursuant to Section **54957 and 54956.9** of the Government Code (Ralph M. Brown Act) as follows:

- Performance Evaluation: District Counsel
- Performance Evaluation: Executive Director/APCO
- Conference with Legal Counsel – Anticipated Litigation: Initiation of litigation pursuant to Government Code Section 54956.9: One potential case.

The Governing Board convened to Closed Session at 11:45 a.m.

Philip M. Jay, District Counsel, returned to the Governing Board Room and made the following announcement: The Governing Board by unanimous vote directed

District Counsel to file an action. Mr. Jay stated anyone interested in finding out the parties, or the particulars to the action can contact his office for information.

The Governing Board adjourned from Closed Session at 12:40 p.m.