

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, February 20, 2014
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 Walsh called the meeting to order at 9:06 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Oliver L. Baines III, Councilmember	City of Fresno
Tony Barba, Supervisor	Kings County
Skip Barwick, Councilmember	City of Tulare
Sally Bompreszi, Councilmember	City of Madera
Dennis Brazil, Mayor*	City of Gustine
John Capitman, Ph.D.	Appointed by Governor
Judy Case McNairy, Supervisor	Fresno County
David Couch, Supervisor***	Kern County
Bob Elliott, Supervisor*	San Joaquin County
Harold Hanson, Councilmember**	City of Bakersfield
William O'Brien, Supervisor*	Stanislaus County
Dr. Alexander Sherriffs	Appointed by Governor
Hub Walsh, Supervisor, Chair	Merced County
Tom Wheeler, Supervisor, Vice Chair	Madera County

* Attended meeting in Northern Region Office

**Attended meeting in the Southern Region Office

***Attended meeting in the Southern Region Office and arrived at 9:37 a.m.

Absent:

J. Steven Worthley, Supervisor Tulare County

3. INTRODUCTION OF NEW GOVERNING BOARD MEMBER: JOHN CAPITMAN, Ph.D. – Supervisor Walsh, Governing Board Chair, welcomed, Dr. John Capitman, who was appointed by Governor Brown to the Board. Supervisor Walsh stated Dr. Capitman is the Executive Director of the Central Valley Health

Policy Institute at CSU Fresno. Dr. Capitman stated he was excited and pleased to be a part of this effective and important organization and for the opportunity to participate in the important work of the Governing Board. He noted there is a lot for him to learn, and while challenging, he is excited for the opportunity to learn about the balance of science and politics. Dr. Capitman commented that his interest in air quality began when working with his father on framework for cost benefit analysis in terms of environmental issues. He noted he feels a personal commitment to this work. He stated there is a required balance of science and politics with ultimate decisions aimed at improving public health.

4. APPROVAL OF CONSENT CALENDAR – (Item Numbers 17 – 21) 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.

17. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, JANUARY 16, 2014

18. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2014

19. RECEIVE AND FILE OPERATION STATISTICS SUMMARY FOR JANUARY 2014

20. RECEIVE AND FILE BUDGET STATUS REPORT AS OF JANUARY 31, 2014

21. REAPPOINT HEARING BOARD MEDICAL MEMBERS FOR A TERM OF THREE YEARS AND APPOINT NORTHERN REGION HEARING BOARD ENGINEER PRIMARY AND PUBLIC PRIMARY MEMBERS

Supervisor Case McNairy requested Consent Item #18 be pulled for separate consideration. A member of the public requested Consent Item #19 be pulled for separate consideration.

Public Comment: None

Moved: Wheeler

Seconded: Baines

Ayes: Baines, Barba, Barwick, Bomprezzi, Brazil, Capitman, Case McNairy, Elliott, Hanson, O'Brien, Sherriffs, Wheeler, Walsh

Nays: None

Motion unanimously carried to approve Consent Calendar Items 17, 20, and 21.

18. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2014
Supervisor Case suggested the tentative November 20, 2014 meeting date be moved to November 13, 2014 to accommodate the California State Association of Counties (CSAC) Annual Meeting.

Public Comment: None

Moved: Case
Seconded: Wheeler
Ayes: Baines, Barba, Barwick, Bomprezzi, Brazil, Capitman, Case McNairy, Elliott, Hanson, O'Brien, Sherriffs, Wheeler, Walsh
Nays: None

Motion unanimously carried to approve Consent Calendar Item 18, Receive and File List of Scheduled Meetings for 2014 with the November tentative meeting date moved to November 13, 2014.

19. RECEIVE AND FILE OPERATIONS STATISTICS FOR JANUARY 2014
Tom Frantz, Shafter Resident, requested a table be added to this report showing the cost and health effects of recent bad air episodes. Mr. Sadredin stated that drought has had an enormous impact on air quality and economic welfare of the Valley farmers. He stated that the District is contemplating a symposium on the impacts of the drought and extreme weather conditions on the Valley and stated this would be a good topic of discussion for the Agenda.

Public Comment: None

Moved: Wheeler
Seconded: Barwick
Ayes: Baines, Barba, Barwick, Bomprezzi, Brazil, Capitman, Case McNairy, Elliott, Hanson, O'Brien, Sherriffs, Wheeler, Walsh
Nays: None

Motion unanimously carried to approve Consent Calendar Item 19, Receive and File Operations Statistics for January 2014.

5. PUBLIC COMMENT: *The following persons provided comment at this meeting:*

- Tom Frantz, Shafter Resident
- Valarie Garaspi, CRPE
- Theresa De Anda, Tulare County Resident
- Dolores Weller, CVAQ
- Peter Dorian, Fresno Resident
- Cesar Campos, Central CA Environmental Justice Network

6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, Chair of the Industry/Ag Interest Group, gave a report on highlights from the Citizens Advisory Committee (CAC) meeting of February 4, 2014. He reported CAC members received a report on District efforts to promote electric vehicle use from Todd DeYoung, District Incentive Program Manager. In addition, Tom Jordan, the District’s Senior Policy Advisor, provided an update on the potential for state funding from the sale of Cap and Trade allowances. Lastly, Mr. Cunha reported the CAC received a report on air quality impact of exceptional weather conditions, noting this winter’s extreme weather conditions with prolonged stagnations have led to high pollutant concentrations throughout California.

7. ACCEPT \$216,193 IN REVENUE FOR THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM FROM THE GREAT BASIN AIR POLLUTION CONTROL DISTRICT – Mr. Sadredin gave the presentation on this item which proposed to accept Carl Moyer Memorial Air Quality Standards Attainment Program funds in the amount of \$216,193 from the Great Basin Air Pollution Control District. He reported over the past several years, the District has developed strong partnerships with neighboring air districts to ensure that incentive funds provide the intended benefits of reducing emissions within the region. He stated due to the District’s well documented success in effectively and efficiently administering incentive programs, the District has accepted funding from several neighboring air districts that may not have the resources to effectively utilize the funds prior to the statutory deadlines. He noted these funds not only reduce emissions in the San Joaquin Valley but also reduce emissions within the Great Basin Air District through reduced transport.

Supervisor Case McNairy expressed gratitude for these funds and stated the District would spend these funds well.

Public Comment – None

Moved: Hanson
Seconded: Wheeler
Ayes: Baines, Barba, Barwick, Bomprezzi, Brazil, Capitman, Case McNairy, Couch, Elliott, Hanson, O’Brien, Sherriffs, Wheeler, Walsh
Nays: None

Motion unanimously carried to accept \$216,193 in revenue for the Carl Moyer Memorial Air Quality Standards Attainment Program from the Great Basin Air Pollution Control District.

8. AUTHORIZE THE CHAIR TO SIGN THANK YOU LETTERS TO MEMBERS OF THE CONGRESS ON KEY COMMITTEES FOR SECURING AIR QUALITY FUNDING IN THE FARM BILL – Mr. Sadredin gave the presentation on this item. He explained the proposed thank you letters were addressed to members of congress that played a direct major role in securing \$125 million in air quality

mitigation funding in the Farm Bill. He explained the air quality funding in the Farm Bill is crucial to achieving voluntary incentive-based reductions in emissions from agricultural equipment prior to regulatory deadlines. He noted through the last Farm Bill, the Valley received over half of the air quality mitigation funds in the Farm Bill.

Mr. Sadredin expressed gratitude for the work of Senators Boxer and Feinstein, Congressmen Denham and Costa, and the leadership by Congressman McCarthy to include air quality mitigation in the Farm Bill.

Dr. Sherriffs commented there is a lot of truth to the comment that air quality is a California problem. He cited a recent study on the health risk of air pollution which stated 77% of the risk of PM 2.5 exposure is to the citizens of the San Joaquin Valley and the South Coast. He said of the weighted ozone risk to the entire population of the United States, 59% is to the residents of the Valley and the South Coast. He noted 90% of the cancer risk from air pollution is to residents of the Valley and South Coast. He said these numbers are a reminder of the importance of the District's and the Board's hard work.

Public Comment – None

Moved: Wheeler

Seconded: Bompreszi

Ayes: Baines, Barba, Barwick, Bompreszi, Brazil, Capitman, Case McNairy, Couch, Elliott, Hanson, O'Brien, Sherriffs, Wheeler, Walsh

Nays: None

Motion unanimously carried to authorize the Chair to sign thank you letters to members of the Congress on Key Committees for securing air quality funding in the Farm Bill.

9. APPROVE RECOMMENDATIONS TO THE CALIFORNIA AIR RESOURCES BOARD RELATED TO IMPLEMENTATION OF THE STATE TRUCK AND BUS REGULATION – Mr. Sadredin and Samir Sheikh, Strategies and Incentives Director, gave the presentation on this item which proposed recommendations for policy and regulatory changes related to the implementation of the State Truck and Bus Regulation.

The following guiding principles were used in crafting the proposed recommendations:

1. Trucks constitute the largest source of NOx emissions in the San Joaquin Valley and meeting stringent federal ozone and particulate standards require significant reductions in truck emissions throughout the Valley. Therefore, must ensure that we achieve the necessary reductions by the prescribed deadlines in State Implementation Plans.

2. We must be cognizant of the fact that a number of fleets have already invested significant capital in efforts to comply with the regulation. Therefore, any regulatory and policy changes should avoid creating an unfair competitive disadvantage for these fleets.
3. To ensure equity and to maintain emission reduction goals, any extensions to short-term deadlines must be offset with substantially earlier full compliance with the rule.
4. Do best to avert severe economic impact to truckers and their customers, in particular with independent owner/operators.
5. Provide for an orderly transition to full compliance.

The specific recommendations are as follows:

1. Potential changes to the State Truck and Bus Regulation:
 - a. Provide an option whereby truckers can choose an alternative compliance path that waives the early installation of particulate filters in exchange for the earlier purchase of 2010-compliant replacement trucks.
 - b. Provide an exemption for low-mileage trucks that are deployed in specific vocations that demand application-specific configurations with substantial added cost.
 - c. Provide for a phased-in implementation of truck replacements over a three-year period for the following compliance deadlines that currently require the complete replacement of all trucks for the following specific model years:
 - i. Compliance Year 2015: all pre-1994 trucks must be replaced with 2010-compliant trucks
 - ii. Compliance Year 2017: trucks in the Agricultural Vehicle Extension operating over 10,000 miles per year must be replaced with 2010-compliant trucks
 - d. Consider a truck “trade-up” program to achieve emissions reductions where replacements to 2010-compliant trucks are not economically feasible or cost-effective.
 - e. Establish a mechanism whereby case-by-case compliance schedules can be approved by the State Air Resources Board for fleets that are able to demonstrate that due to conditions beyond their control,

requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.

2. More funding for truck replacements:
 - a. Allocate all remaining Proposition 1B Goods Movement Emission Reduction Program to diesel truck replacements, with priority given to owner/operators and small fleets.
 - b. Allocate a portion of Cap and Trade revenues to provide funding for the replacement of existing trucks with 2010-compliant diesel trucks that result in reductions of both criteria pollutants and greenhouse gas emissions. This should be pursued both through administrative and legislative means.
3. Potential changes to grant program policies:
 - a. Currently, the State Air Resources Board's policy is to permanently disqualify fleets from grant eligibility if an applicable deadline has been missed. We recommend that State Air Resources Board separate enforcement from grant eligibility requirements and allow truck owners that propose to achieve surplus reductions beyond those required by regulation to qualify for funding.
 - b. Increase the funding percentage for owner/operators that may not be able to secure necessary loans for truck replacements due to credit-worthiness and other financial constraints.
4. Direct the Executive Director/APCO to submit the approved recommendations to the State Air Resources Board for consideration.

Supervisor Walsh reminded everyone the item before the Board was for recommendations for the Air Resources Board (ARB) actions. He complimented staff for being sensitive to discussions heard over the last several Board meetings and suggested useful approaches for ARB.

Dr. Capitman voiced his appreciation for the staff's work to balance the needs of local industry and meeting the longer term air quality goals. He stated he is particularly sensitive to the equity issue in relation to those who have already made the investment. He asked if staff has looked at the implications of meeting the state SIP obligations with these proposals. Mr. Sadredin responded affirmatively and stated staff believed the District's proposal has the potential to get more reductions in emissions sooner.

Dr. Sherriffs thanked staff and Mr. Sadredin for all of the time and thoughtfulness put into these recommendations and most of all for really focusing on the guiding principles behind these recommendations. He noted the impact of mobile

sources on the air pollution struggle in the Valley. Councilmember Barwick stated he believes this is a win-win situation for everyone, and commended staff for the level of detail involved in these recommendations.

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

- Todd Morgensen, International Truck Center
- Colby Morrow, Southern CA Gas Company
- Tim Fortiere, Commercial Transfer, Inc.
- Patrick Smith, Harris Ranch
- Amy Brooks, CA Cotton Ginners Association, Western Ag Processors
- Isreal Orellana, Independent Owner/Operator
- Manuel Cunha, Nisei Farmers League
- Bob Hall, A1 Alternate Fuel System
- Ruben Lopez, Independent Owner/Operator

Supervisor Case stated it was important to understand what the tradeoffs are with truck replacement. She voiced her appreciation for the work of staff on this item. Supervisor O'Brien thanked staff for their hard work on this issue, noting its importance. He stated the District's outreach to owner/operators was much better than that of ARB. He urged ARB to make common sense revisions to their rule. Councilmember Baines voiced appreciation for staff efforts on these recommendations. Supervisor Elliott voiced appreciation for the inclusion of incentives in these recommendations, noting the positive effects on the economy.

Supervisor Walsh stated he appreciated staff for incorporating the guiding principles. Mr. Sadredin stated in light of the comments received and to address equity issues for those fleets that have already taken actions and made significant final investments to comply with the regulation, the Board could recommend that ARB extend several early compliance credits including credits for early PM filter installation, early addition of vehicles with OEM filters, adding alternative fuel vehicles, downsizing fleets and adding advanced technology vehicles. He suggested extending these compliance credits from 1 to 3 years depending on the particular categories. Supervisor Case McNairy requested staff come back with additional information on the drayage truck issue. Councilmember Barwick made a motion seconded by Supervisor Wheeler to approve staff recommendations with additional recommendation to extend early compliance credits.

Dr. Capitman stated that he supports all staff recommendations except for two. The two areas that Dr. Capitman expressed concerns with were the allocation of Cap and Trade funding for cleaner Diesel trucks and the recommendation for a case-by-case enforcement option. Dr. Capitman asked if it were possible to split the motion and to consider those two items separately as he could support the remainder. After some discussion, the maker of the motion decided not to split the motion.

Moved: Barwick
Seconded: Wheeler
Ayes: Baines, Barba, Barwick, Bompreszi, Brazil, Case McNairy,
Couch, Elliott, Hanson, O'Brien, Wheeler, Walsh
Nays: Capitman
Abstain: Sherriffs

Motion carried 12-1, with 1 abstention, to approve recommendations to the California Air Resources Board related to implementation of the State Truck and Bus Regulation, with the additional recommendation that ARB extend several early compliance credits from 1 to 3 years depending on the particular categories.

10. REVIEW FINAL DRAFT "2013-14 ANNUAL REPORT TO THE COMMUNITY" – Mr. Sadredin reported modifications to the 2013-14 Annual Report to the Community, as suggested by the Board at their February 20th meeting, were completed. Updates include a detailed description of the Truck Rule issues affecting the Valley. He recommended the Board approve this Final Draft.

Public Comment: None

Moved: Barwick
Seconded: Bompreszi
Ayes: Baines, Barba, Barwick, Bompreszi, Brazil, Capitman,
Case McNairy, Couch, Elliott, Hanson, O'Brien, Wheeler,
Walsh
Nays: None

Motion unanimously carried to approve the Final Draft "2013-14 Annual Report to the Community"

11. SET THE DATE FOR THE 2014 GOVERNING BOARD STUDY SESSION – Mr. Sadredin explained the Governing Board Study Session is a publicly-noticed Brown Act compliant meeting in a less formal setting, to allow the Board to discuss strategic planning issues and other topics that lend themselves to a better discussion in a less formal setting. He reported the potential dates are April 30th and May 1st, or May 1st and May 2nd, or May 7th and May 8th. He noted that in speaking with stakeholders and members of the public, the preferred dates are Wednesday, May 7th and Thursday, May 8th.

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

- Manuel Cunha, Nisei Farmers League

Councilmember Hanson stated he is not available on May 8th. Supervisor Case McNairy stated she is not available on May 7th and may be able to attend part of May 8th. Supervisor Elliott stated May 1st and 2nd would be preferable but may be

able to attend May 7th and 8th. Mayor Brazil stated he is able to attend May 7th and 8th. Councilmember Baines stated he is able to attend May 7th and 8th.

Dr. Sherriffs asked if there will be a Governing Board meeting on May 15, 2014. Mr. Sadredin responded that the meeting in May is required for the first of two Public Hearings on the District's Annual Budget.

Moved: Barwick
Seconded: Baines
Ayes: Baines, Barba, Barwick, Bompreszi, Brazil, Capitman, Couch, Elliott, Wheeler, Walsh
Nays: Hanson, O'Brien
Abstain: Case McNairy

Motion carried 11-2, with one abstention, to set the date for the 2014 Governing Board Study Session on May 7th and 8th, 2014.

12. APPOINT AD HOC BUDGET SUBCOMMITTEE – Mr. Sadredin explained up to seven Board members can be appointed by the Chair to the Ad Hoc Budget Subcommittee, including the Board Chair and Vice Chair, to provide guidance to staff while preparing the 2014-15 Recommended Budget. He added the meeting will be held in March via the District's Video Teleconferencing System. Supervisor Case McNairy, Councilmember Bompreszi, Mayor Brazil, Dr. Capitman and Supervisor Barba all agreed to serve on the subcommittee.
13. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES - Dr. Sherriffs gave a report on highlights from the ARB Board meeting of January 23, 2014. He reported ARB staff noted the Governor's budget proposal includes \$100 million in funding from Cap and Trade for Sustainable Community Strategies implementation. He added ARB staff provided an update on efforts to develop a Sustainable Freight Transport Initiative for California.
14. EXECUTIVE DIRECTOR/APCO COMMENTS - Mr. Sadredin reported during President Obama's visit to the San Joaquin Valley, the District was approached by USDA to develop a grant program to assist farmers to plant drought resistant vegetation while keeping air quality a priority. He stated that he advised federal officials that the District would consider such a proposal if there is interest from the agricultural community and if approved by the Governing Board.

Mr. Sadredin reported the District's Annual Legislative advocacy trip to Washington D.C. will take place during the first week of April. He explained the trip was originally planned for last fall, but cancelled due to the government shutdown. He stated Supervisor Walsh, Supervisor Worthley, Dr. Sherriffs, Councilmember Barwick and Supervisor O'Brien are scheduled to go on the trip and asked if there were any other Board members interested in going. Councilmember Baines responded affirmatively.

15. GOVERNING BOARD MEMBER COMMENTS – The Chairman of the Governing Board and several members of the Governing Board commended Mr. Sadredin for excellent job performance and expressed support of District policies previously articulated by Mr. Sadredin.

Councilmember Hanson commented on a recent windstorm in the Bakersfield area and expressed concern about a recurring dust hazard on the CSU Bakersfield campus. He also asked Mr. Sadredin to follow up with a refinery on Rosedale Highway which may reopen under new management.

Regarding the recommendations to ARB, Supervisor Case McNairy stated it was important to remember that the District represents this area and as an elected official, she takes representing her constituents very seriously. She commented it was important for the ARB Board to remember the wants and needs of the people of the state.

16. CLOSED SESSION – District Counsel, Annette Ballatore-Williamson reported out of Closed Session: regarding the case Coalition for Clean Air v. City of Visalia, a California state court action, as well as Coalition for Clean Air v. VWR International, a federal court action, the resolution of those cases was reported to the Board. She stated with respect to the District, a Stipulated Judgment was entered between the District and the Plaintiffs in the state court action. She reported thereafter, the remaining parties to both the actions settled, with an agreement by the City of Visalia to pay \$50 thousand to a non-profit group for the purpose of improving air quality in the San Joaquin Valley, followed by a dismissal with prejudice in September of 2013. Additionally, she reported in the federal court action, a consent judgment was entered between the parties in September of 2013, which imposed several air quality mitigation measures. She reported no action by the Board was taken and they adjourned out of Closed Session.

ADJOURN

Meeting adjourned at 12:22 p.m.

The next scheduled meeting of the Governing Board is: Thursday, March 20, 2014. 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.