

## 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, August 18, 2016**  
**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, Councilmember Baines, called the meeting to order at 9:01 a.m.
2. ROLL CALL was taken and a quorum was present.

*Present:*

David Ayers, Councilmember	City of Hanford
Oliver L. Baines III, Councilmember, <b>Chair</b>	City of Fresno
John Capitman, Ph.D.	Appointed by Governor
David Couch, Supervisor**	Kern County
Bob Elliott, Supervisor*	San Joaquin County
Virginia R. Gurrola, Councilmember	City of Porterville
Harold Hanson, Councilmember**	City of Bakersfield
Buddy Mendes, Supervisor, <b>Vice Chair</b>	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	Madera County
J. Steven Worthley, Supervisor	Tulare County

\* Attended meeting in Northern Region Office

\*\*Attended meeting in the Southern Region Office

*Absent:*

Dennis Brazil, Mayor	City of Gustine
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3. APPROVAL OF CONSENT CALENDAR – (Item Numbers 17 – 25): *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.*

17. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING OF THURSDAY, JUNE 16, 2016

18. RECEIVE AND FILE LIST OF SCHEDULED MEETINGS FOR 2016

19. RECEIVE AND FILE OPERATION STATISTICS SUMMARIES FOR JUNE AND JULY 2016

20. RECEIVE AND FILE BUDGET STATUS REPORTS AS OF JULY 31, 2016

21. REAPPOINT HEARING BOARD PRIMARY AND ALTERNATE ATTORNEY AND ENGINEER MEMBERS TO SERVE A TERM OF THREE YEARS; REAPPOINT NORTHERN REGION HEARING BOARD PUBLIC ALTERNATE MEMBER TO PRIMARY MEMBER

22. APPROVE SALARY ALIGNMENT FOR THE DEPUTY CLERK TO THE BOARD CLASSIFICATION

23. RECEIVE AND FILE DRAFT 2016 ANNUAL DEMONSTRATION REPORT FOR DISTRICT RULE 9610 (SIP-CREDITABILITY OF EMISSION REDUCTIONS GENERATED THROUGH INCENTIVE PROGRAMS)

24. NO-COST CONTRACT EXTENSION WITH UC DAVIS TO EXTEND FIELD RESEARCH ON TRANSBOUNDARY OZONE

25. AUTHORIZE DISTRICT TO ENTER INTO AN AGREEMENT WITH ENVIRONMENTAL SOLUTIONS WORLDWIDE, INC. TO REPLACE DEFECTIVE CERAMIC FILTER ELEMENTS UNDER THE STATEWIDE SCHOOL BUS RETROFIT PROGRAM

Public Comment: None

Moved: Gurrola

Seconded: Wheeler

Ayes: Ayers, Capitman, Couch, Elliott, Gurrola, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley, Baines

Nays: None

***Motion unanimously carried to approve Consent Calendar Items 17-25***

4. PUBLIC COMMENT – *The following persons provided public comment:*

- Dennis Tristao, JG Boswell Corporation

5. S.T.A.R. RECOGNITION (Service, Teamwork, Attitude, Respect) – Chenecua Dixon, Director of Personnel, formally recognized District employees who reached a service milestone during the second quarter of 2016.

**Five Years of Service**

Bradley Dawson, Air Quality Inspector  
Gary Petrosian, Network Systems Analyst  
Ashley Ross, Air Quality Specialist  
Jan Rothenfluh, Senior Office Assistant

**Ten Years of Service**

Christopher Kalashian, Air Quality Specialist  
Seng Lee, Senior Programmer Analyst  
David McDonough, Air Quality Specialist  
Maricela Velasquez, Senior Air Quality Education Representative  
Yu Vu, Air Quality Specialist  
Kevin Wing, Senior Air Quality Specialist

**Fifteen Years of Service**

Morgan Lambert, Deputy Air Pollution Control Officer  
Arnaud Marjollet, Director of Permit Services  
Lori Sheridan, Air Quality Inspector

6. REPORT ON DISTRICT CITIZENS ADVISORY COMMITTEE ACTIVITIES – Manuel Cunha, CAC Chair, gave a report to the Board on the highlights from the Citizens Advisory Committee (CAC) meeting held on June 7, 2016. He reported that Seyed Sadredin, Executive Director/APCO, provided detailed updates to CAC members on the following topics:

- The continued historic trend with respect to clean summer ozone air quality, with zero violations of the 84 parts per billion 8-hour ozone standard in the month of May for the first time in recorded history
- ARB's Oil and Gas Methane Rule
- District attainment plan-related issues, including the 2016 8-hour ozone plan to be presented for Governing Board consideration in June, proposed petitions to EPA to ask for new national tailpipe standards for trucks and locomotives to address the enormous emissions reductions needed to

meet the latest federal air quality standards, and upcoming PM2.5 attainment plans.

In addition, members received a presentation on a proposed application to the EPA for funding through the EPA's Targeted Air Shed Grant Program, following very successful efforts in past years. The District will be submitting six proposals in four different areas, each for the maximum of \$3 million and each with very good cost effectiveness. The four areas are agricultural tractor replacements, Burn Cleaner, heavy-duty trucks and Tune In Tune Up. Mr. Cunha reported the consensus of the CAC members was to support the District's efforts to bring funding to the Valley through the EPA's Targeted Air Shed Grant Program. Members also received an overview of recent action taken by the District's Governing Board regarding the potential inclusion of incentive-based measures in upcoming attainment plans, potential legal issues that have to be overcome, and approaches for seeking state and federal approval for such measures.

Mr. Cunha also gave a report to the Board on the highlights from the CAC meeting held on August 2, 2016. He reported that Mr. Sadredin provided detailed updates to CAC members on the following topics:

- Wildfires and the associated impacts on Valley's air quality and public health
- Cap and Trade revenue shortfall and ongoing state legislature negotiations
- ARB's Short Lived Climate Pollutant strategy aimed at reducing methane and black carbon reductions
- EPA's recent inaction with respect to the District's PM2.5 attainment plan for the 1997 PM2.5 Standard and resulting affects to the San Joaquin Valley

In addition, Mr. Cunha reported that staff solicited CAC member input for a legislative initiative to establish a new National Clean Air Investment and Cleanup Fund that would provide the scale of funding necessary to reduce emissions from mobile sources under state and federal jurisdiction and attain federal air quality standards. CAC members also received a presentation on potential changes to the District's very successful Truck Voucher Program.

7. APPROVE EMISSION REDUCTION AGREEMENT WITH KERN COUNTY TO FULLY MITIGATE CONSTRUCTION AND OPERATIONAL AIR QUALITY IMPACTS FROM FUTURE GROWTH IN THE OIL AND GAS INDUSTRY IN KERN COUNTY – Dave Warner, Deputy APCO, presented on an Emission Reduction Agreement with Kern County to ensure future oil and gas production activities within Kern County are fully mitigated. He reported this agreement fulfills a commitment by Kern County and the oil and gas industry under the 2015 Kern County Zoning Ordinance Focused on Oil and Gas Activities. The newly adopted county ordinance requires oil and gas production operations to undertake local projects that reduce emissions or pay a mitigation fee that will be

forwarded to the District to fund emission reduction projects to mitigate potential impact from growth in oil and gas production activities.

He reported it is estimated that mitigation funds generated under this agreement could range from \$2 to 3 million per year during the current decline in oil and gas production activity, and up to \$27 million annually under a maximum oil and gas production scenario. Utilizing the District's successful incentive grant programs, the funds provided to the District will be reinvested in local projects through awards to businesses, residents and municipalities to generate reductions in emissions.

Supervisor Wheeler asked if the District typically spends funds from these agreements in the same areas where emissions are created. Mr. Sadredin responded that the District always attempts to spend 100% of funds in the areas where emissions are generated, when projects are available, and reminded the Board that all awards require matching funds from the grant recipients. Supervisor Pedersen asked if the agreement would continue in perpetuity once approved or if there could be changes that may affect the timeline of the agreement. Mr. Sadredin responded that this is a 21-year ordinance adopted by Kern County and this agreement will go for at least the length of the ordinance. Ms. Gurrola asked about the process for this particular agreement. Mr. Sadredin responded that Kern County wanted to streamline the permitting process due to the State's involvement with these types of projects. From a District perspective, a key reason for pursuing this agreement is that it allows the aggregation of what would be small pots of funding for individual projects into amounts that are sufficient for the District to commit to using the funds to secure meaningful emission reductions to mitigate air quality impacts from the projects.

Supervisor Worthley commented that Kern County represents a significant portion of the oil reserves in the State of California. He asked if this agreement may be duplicated in other counties in the Valley with oil production entities. Supervisor Mendes responded that Fresno County may be looking at a similar agreement due to oil production in western Fresno County. Dr. Capitman asked if this agreement changes the District's role relative to project approval. Mr. Sadredin responded no and added that it brings in the dollars needed to mitigate emissions for those who care about public health, and streamlines the permit process and lets growth continue for those who care about the economic situation. He said Kern County does not have to mitigate these emission and those mitigated by this agreement go beyond what is required by law.

Dr. Sherriffs commented that this agreement is a win-win for the District and Kern County in terms of opportunities to improve air quality, and more monies for important grants. He said it is a great example of cooperation between public agencies and one that many might want to replicate. He asked how the District would monitor the successes and shortcomings of this agreement and asked that they be reported back to the Board. Mr. Sadredin responded the District takes great pride in transparency and reporting. He said this agreement requires the

District to keep track of reported emissions and the mitigations on a yearly basis. In addition, he said this information will be included as part of the District's annual report to the Board on ISR and VERAs. He also noted that once made, these reductions are permanent and although the emissions are temporary. Dr. Sherriffs asked for this information to be highlighted in the District's annual report to the Board on ISR and VERAs for the next couple of years.

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

- Suzanne Noble, WSPA
- Dennis Tristao, Kings County Farm Bureau and CA Safflower Growers Association
- Lauren Skidmore, Kern Residents for Sustainable Government
- Dolores Weller, CVAQ
- Willie Rivera, CA Independent Petroleum Association
- Roger Isom, CA Cotton Ginners and Growers Association
- Lorelei Oviatt, Kern County Planning and Natural Resources Department

Mr. Sadredin expressed his tremendous gratitude to Ms. Oviatt for her creativity and innovation, not only just with this groundbreaking project but for working with the District for well over 10 years on many successful projects in doing what needs to be done to ensure the economy doesn't suffer while accomplishing more emission reductions than otherwise required by any law or regulation. Supervisor Couch thanked Ms. Oviatt and Mr. Sadredin for working together with the oil and gas industry, who he also thanked for stepping up like they have. He said he was very proud to make the motion to approve this agreement. Dr. Sherriffs agreed it was time to move forward on this agreement. He said it is very important to track and be transparent with emissions. He suggested staff should report back quarterly or every 6 months versus annually.

*Moved:* Couch  
*Seconded:* Wheeler  
*Ayes:* Ayers, Capitman, Couch, Elliott, Gurrola, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley, Baines  
*Nays:* None

***Motion unanimously carried to approve Emission Reduction Agreement with Kern County to fully mitigate construction and operational air quality impacts from future growth in the oil and gas industry in Kern County***

8. ACCEPT AND APPROPRIATE \$900,000 IN ADDITIONAL REVENUE FROM THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY FOR THE DISTRICT'S TRUCK VOUCHER PROGRAM AND APPROVE CHANGES TO GUIDELINES TO EXPAND ELIGIBILITY – Todd DeYoung, Program Manager, presented this item which asked the Board to accept \$900,000 in funding from EPA's Diesel Emission Reduction Act (DERA) Program to fund truck

replacement projects through the District's highly successful Truck Voucher Program. Since 2012, the Truck Voucher Program has successfully provided over \$40 million to help replace more than 990 Valley-based heavy-duty trucks with new, cleaner trucks and this additional funding will facilitate the replacement of approximately 40 more trucks. In addition, Mr. DeYoung outlined several proposed enhancements targeted at broadening access to the program and increasing participation by Valley truck fleets, with a continued emphasis on assisting Valley small businesses in purchasing new, cleaner trucks. These enhancements include opening the program to large trucking fleets, expanding truck size and model year eligibility and eliminating outdated options for purchasing PM retrofits and certain used trucks. He explained the total allocation is comprised of project funds and administrative funds, which cover the District's cost to administer these funds.

Supervisor Mendes commented that he participated in this program before he joined the Board and said it is a good program. He said the program could use more even more funds and suggested raising the percentage of funding. Supervisor Pedersen commented on EPA review of this award and suggested not spending the funds until they are in hand. Mr. Sadredin responded it is the District's practice not to expend funds until the monies are in the bank. Dr. Sherriffs commented it was great to build on such an obviously successful program so that it may be offered to more people. He wondered if the proposed programmatic changes are needed due to the program's current over-subscribed state. Mr. Sadredin said due to changing circumstances and having to comply with all of the requirements of the State Truck and Bus Rule, these programmatic changes are meant to be proactive and responsive to ensure continued success.

Dr. Sherriffs asked if the Board should look at this program again in 6 months or so. Mr. Sadredin responded the District is a big proponent of continuous improvement and would be revisiting this program regularly. Dr. Sherriffs suggested using different criteria to help identify preference to the smaller trucking firms and to maximize the amount of money received in terms of trucks being replaced. Mr. Sadredin said staff is dealing with a very tight timeframe in terms of surplus reductions and the District's recommendation is to keep the program as first-come, first-served while continuing outreach to smaller businesses. Dr. Sherriffs said if the Board accepts staff recommendations, he suggested emphasizing outreach efforts to small, harder to reach trucking firms. Supervisor Walsh suggested, depending on the Board's action today, they should receive periodic updates on utilization and program progress from staff. Supervisor Mendes commented that the smaller trucks stay local all the time, and said staff is doing a great job and really gets this program and this is the fix that program needed.

Dr. Capitman amplified Supervisor Mendes' appreciation to staff. He voiced concern at the \$500,000 cap per agency could mean that as few as two companies could get the lion's share of these dollars. He wondered if it would be workable to lower the threshold. He said it was his understanding that the

original regulations required at least 50% of participant truck miles would be driven in the Valley. He asked if the mileage requirement might possibly be raised. Mr. Sadredin responded that he failed to mention that the funds accepted today would be added to the entire truck program, which is a \$13 million dollar program. He said this is just a small piece of overall funding and he congratulated staff for successfully competing for these additional funds. Regarding raising the mileage threshold, he said at this point staff's assessment is that would actually harm the reductions that could be achieved in the Valley by missing a lot of projects that provide meaningful reductions in the Valley even though they travel to Los Angeles or the Bay Area. Dr. Capitman asked that the Board continue to be informed of the reductions achieved.

Councilmember Gurrola voiced support for this program and emphasized the need to reach out to as many companies and small businesses as possible to gain participation from across the District. Mr. Sadredin emphasized that every quarter the District issues a full report of all grants issued, including reductions achieved, participant information and location to all Board members. This report is also available to the public. Councilmember Baines echoed the comments of his colleagues on the importance of continuing outreach to small businesses in the Valley.

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

- Manuel Cunha, Nisei Farmers League

Moved: Worthley

Seconded: Mendes

Ayes: Ayers, Capitman, Couch, Elliott, Gurrola, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley, Baines

Nays: None

***Motion unanimously carried to accept and appropriate \$900,000 in additional revenue from the Federal Environmental Protection Agency for the District's Truck Voucher Program and approve changes to program guidelines to expand eligibility***

9. CONSIDER OPTIONS FOR ADDRESSING PM2.5 CLEAN AIR ACT MANDATES IN LIGHT OF FEDERAL EPA INACTION ON DISTRICT'S 2015 PM2.5 PLAN AND ATTAINMENT DEADLINE EXTENSION REQUEST FOR THE 1997 PM2.5 STANDARD – Mr. Sadredin said this is a critical item in that the direction provided by the Board today will chart the District's course for years. He said unfortunately at the end of the day this issue is not really about clean air, and is more about maneuvering through all of the bureaucratic red tape that the Clean Air Act is imposing on the Valley. He said the Board is always on target in finding the most reductions the District can achieve in the shortest timeframe possible and there is no debate about that.



Mr. Sadredin provided detailed information describing the challenges the Valley is facing with respect to the federal mandates under the Clean Air Act for particulate matter. The total quantity of air pollution released into the atmosphere in the San Joaquin Valley has been reduced to an all-time low. Despite this significant progress, the antiquated provisions in the federal Clean Air Act impose deadlines that are impossible to meet. After reducing Valley air pollution by over 80% we have reached a point where the Valley cannot attain the latest federal standards even if all Valley businesses, agricultural operations, or trucks traveling through the San Joaquin Valley were eliminated.

While the bulk of the Valley's remaining emissions come from mobile sources outside of the District's regulatory authority, under the federal Clean Air Act, the responsibility to bring the region into attainment with the federal standards rests with the local air district and the region will be subject to sanctions that would be devastating to the Valley's economy if mobile sources under federal regulatory authority are not adequately controlled. These sanctions include a de facto ban on new and expanding businesses and the loss of billions of dollars in federal highway funding.

He reported further complicating the situation the Valley finds itself in with respect to the antiquated provision of the federal Clean Air Act, is recent inaction by the EPA. On July 1, 2016, without any advance warning or opportunity to address perceived deficiencies, EPA unexpectedly failed to act on the District's 2015 PM2.5 Plan and request for attainment deadline extension for the 1997 PM2.5 Standard. As a result, the Valley now faces an attainment deadline of December 31, 2015, which has already passed. Furthermore, the Valley is now required to adopt a new plan that achieves a minimum of 5% reduction in emissions every year until the Valley reaches attainment. Mr. Sadredin said if the Board is interested in pursuing legal action against EPA, due to their inaction, he suggested a Closed Session be scheduled at the next meeting to discuss, as legal action is not part of the recommendations today.

Mr. Sadredin outlined a set of proposed guiding principles and actions that are aimed at further reducing air pollution as expeditiously as possible while taking all reasonable actions to avoid or delay costly federal sanctions. In addition, Sheraz Gill, Director of Strategies and Incentives, outlined upcoming plan requirements and deadlines to which the District is subject. Supervisor Worthley asked if EPA had acted on the District's application was the 5-year extension a discretionary act by EPA or automatic. Mr. Gill responded it was discretionary.

Supervisor Walsh suggested the District resubmit the plan that EPA failed to act on to fulfill the requirements for the plan due in December 2016 for the 1997 standard. Mr. Sadredin responded the 1997 standard requires a different plan and due to the missed deadline, the District is subject to a new requirement of achieving 5% reductions which staff believes is doable. Supervisor Walsh asked if EPA inaction on future plans could trigger something else for the District. Mr. Sadredin responded the recent inaction triggered a series of requirements under

federal law that are enforceable by citizens. He said the likely scenario he envisions is that EPA may issue a finding at the beginning of next year that the District has failed to submit their plan by December 31<sup>st</sup> which will trigger a sanctions clock and then the District will submit a plan 4-5 months into the new year showing the 5% reductions. He said ironically, the 5% plan may be an easier plan to implement than the one EPA did not approve. Supervisor Walsh asked if there is a public review period involved in the new plan that would preclude the District from meeting the December 31<sup>st</sup> deadline. Mr. Sadredin responded affirmatively, adding that the District can not meet that deadline. He emphasized the sanction clock does not begin until EPA takes action to say the District did not meet the December 2016 plan deadline. However, he said by then he believes staff will have the 5% plan ready for Board consideration.

Supervisor Walsh suggested holding a Closed Session to review possible legal action on this matter. He also suggested telling the story of how the inactions of EPA caused this situation to the Councils of Government (COGs), Congress, Senate and state officials. In addition, he suggested telling the story of future implications of this situation.

Supervisor O'Brien asked if the 5% plan would suffice if the District was sanctioned on the 2006 standard. Mr. Sadredin responded for each standard, there is a different baseline year for emissions against which the 5% mandate must be satisfied. Supervisor O'Brien asked about the de facto ban on new and expanding facilities and if it would require businesses to purchase credits, where not enough may exist. Mr. Sadredin responded affirmatively, that it increases the amount of credits required which are costly and not even available in some cases. He asked about the 6-month window. Mr. Sadredin responded that if the 18-month window expires, then EPA must issue the first sanction, followed by the second sanction 6 months later. Supervisor O'Brien voiced agreement with Supervisor Walsh's suggested to hold a Closed Session to ensure the Board is informed of all available legal options. He also asked to make note of EPA's presentation to the Board at the May 2016 Study Session where they discussed how they were on the route to approving the District's plan. He voiced the importance of educating federal legislators, everyone in the Valley being on the same page and understanding how devastating this potentially could be for the Valley.

Supervisor Elliott voiced agreement with his colleagues in the Northern Region, and said he agreed with scheduling a future Closed Session to discuss potential legal options. He said the District has assumed EPA will do nothing and asked if there was any indication they might go ahead and take some action to either approve or disapprove the District's plan as submitted. Mr. Sadredin responded it doesn't look like they will take any action but perhaps at some point they will explain their reasoning. He referred to the comments received by EPA urge a plan that could eliminate composting in the Valley. He said the other comment was that the District's rule which gives farmers a menu option for their Conservation Management Practices does not meet the Most Stringent Measure

requirement for the 5-year extension. Supervisor Elliott said he is beginning to see that EPA has no concept of common sense and certainly no concept of common courtesy and responsible government. He stated his support for staff's recommendation number 2.

*Supervisor Elliott left at 11:24 a.m.*

Councilmember Gurrola commended staff for their in depth understanding of the multitude of plan requirements before them. She said she is amazed by the lack of communication from EPA and how they lied at the Study Session by saying they were planning to work with the District on their plan. She said the bottom line is that Valley residents and businesses that are going to be hurt by this inaction. She said this information certainly should be made public and voiced support for a future Closed Session item. Supervisor Pedersen shared his frustration that the real problem is that EPA is a ship sailing without a leader right now and that staff which the District has worked with in the past are gone. He suggested the District demand a face-to-face meeting with EPA's current Region IX Director to ask explain why this happened. He also voiced agreement for holding a future Closed Session and said the Board must explore all of their options.

Supervisor Worthley said it is his opinion that the Board has a more fundamental problem here and it is not about cleaning the air but it is about exercise of power. He said in this situation, the District has no jurisdiction over sources of emissions that contribute over 85% of the Valley's air quality problems and now EPA wants to penalize the District for not coming up with a standard that will be met over items they have no control over – and that is the height of tyranny. He voiced agreement with his colleagues comments regarding holding a Closed Session but said he is also not opposed to suggesting legal action during Open Session. He said the District would have to eliminate all fossil fuel sources to meet these standards. He also said he believes litigation must be a primary means of going forward as it is fundamental that one can only be responsible over that which you have control. He said he cannot “accept the likelihood that the Valley will become subject to federal sanctions and Federal Implementation Plan due to the antiquated provisions of the federal Clean Air Act.” Mr. Sadredin responded it is critical that the District be honest in their communication with Councils of Government, elected officials and Valley residents that at this point, barring some relief, the Valley will run out of options to maneuver these requirements. Supervisor Worthley agreed about being honest in the District's communications on these issues and suggested the term “educate” be used in the guiding principle rather than “accept”.

Dr. Capitman said this is complex and incredibly frustrating in both the lack of clarity involved in the inaction and the continued need to try to develop plans to control things outside the District's area of authority. He voiced agreement with his colleagues and their earlier comments. He said he is a big believer in common sense and said he does not believe it is helpful to state a set of

antagonistic guiding principles. He said he is entirely comfortable in the recommendation 2b; however, he would love to see a greater commitment to figuring out a way to bring EPA to the table with the District to discuss the composting and Conservation Management issues. He suggested using every mechanism available to have constructive communication. He voiced his disagreement for the “attack language” in item 5 as rhetoric. Mr. Sadredin said these guiding principles are not meant to be adversarial but are meant to reflect an objective representation of the current circumstances faced by the air district. Dr. Capitman clarified that the language he questioned relates to the language describing EPA’s potential response as unreasonable rather than the language in the guiding principles recommended by staff.

Supervisor Mendes made a motion that the Board move forward with staff’s recommendations. Mr. Sadredin asked the maker of the motion if he would like to include Supervisor Worthley’s change to the proposed guiding principle number 5 to remove the term “accept” and replace it with “educate” so that the principle will read *“The District **will educate Valley residents on the likelihood that the Valley will become subject to federal sanctions and Federal Implementation Plan due to the antiquated provisions of the federal Clean Air Act**”*. Supervisor Mendes responded affirmatively and Supervisor Wheeler seconded the motion.

Councilmember Pedersen said that it is clear that if the District does not take these actions, they are being led on the path of being slaughtered. He also voiced support for this motion. Dr. Sherriffs voiced support for changing the proposed guiding principle number 5 to read “cannot accept” rather than “accept”. He said he is still an optimist and noted that every plan the District has faced has felt like an insurmountable hurdle but the Valley has come so far in the last 30 years. He said he feels with the District’s past successes and incredibly hardworking staff, albeit a difficult marriage with EPA, there are many examples of EPA working hard to help the District and Valley succeed in improving air quality. Supervisor Wheeler voiced disappointment for EPA’s inaction.

Councilmember Baines thanked staff for taking something extremely complex and attempting to simplify it for the benefit of the Board and the public. He said what strikes him is that this has been a complete dereliction of duty on the part of a federal agency. He commented that most of the Board members are elected officials and have a clear sense of what is required of their positions and he can’t imagine what would happen in the City of Fresno if they had a responsibility and duty to act and just decided not to. He said he wholeheartedly supports Supervisor Pedersen’s comment to demand a face-to-face meeting with the current EPA management so they can explain what is going on. He suggested doing everything possible to make that happen as soon as possible. He said he is in complete agreement with setting a Closed Session to discuss legal options that are available and said it should be sooner rather than later. He suggested continuing the course that the District is currently on but said it is time to become much more aggressive in both messaging and actions. He said Dr. Sherriffs

made a great point that we are here for the protection of public health, and that commitment to public health is paramount and most important and this agency and the Board has clearly demonstrated their commitment to public health. He said it is high time that EPA does the same for the Valley. The District is here to make the public healthier and EPA needs to be part of the solution. He said he is in full support of the stated motion.

Mr. Sadredin said in respect to meeting with EPA management, he suggested the Board should meet with Janet McCabe, acting EPA Administrator in Washington, D.C. Councilmember Baines said the Board and staff should meet with EPA's decision makers whomever they should be to explain the current crisis in the Central Valley. Mr. Sadredin responded he would take that direction to set up a meeting with EPA officials either in the Valley or in Washington, D.C. Supervisor Pedersen emphasized the Board represents the people of the Valley. Supervisor O'Brien commented that all 8 Valley COGs are going to be in Washington, D.C. during the first week of September as the Regional Policy Council and that would be an ideal time to get more Valley voices together and on the same page.

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

- Dolores Weller, CVAQ
- Manuel Cunha, Nisei Farmers League
- Roger Isom, CA Cotton Ginners and Growers/Western Ag Processors
- Dennis Tristao, Kings County Farm Bureau
- Kevin Abernathy, Milk Producers Council and Dairy Cares

*Moved:* Mendes

*Seconded:* Wheeler

*Ayes:* Ayers, Capitman, Couch, Gurrola, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley, Baines

*Nays:* None

***Motion unanimously carried to adopt staff recommendations as written with the addition of the wording suggested by Supervisor Worthley for proposed guiding principle number 5.***

*At 12:10 p.m., the Chair, Councilmember Baines, announced that he would be leaving the meeting and the Vice Chair, Supervisor Mendes, would be acting Chair in his absence.*

10. AUTHORIZE UP TO \$1,100,000 IN DISTRICT FUNDING TO IMPLEMENT COMPREHENSIVE DUST MITIGATION STRATEGY IN PARTNERSHIP WITH THE CITY OF BAKERSFIELD AT THE BAKERSFIELD MUNICIPAL AIRPORT – Jon Klassen, Program Manager, presented this item which asked the Board to authorize up to \$1,100,000 in District funding to implement a comprehensive dust mitigation strategy in partnership with the City of Bakersfield at the Bakersfield

Municipal Airport in an effort to reduce particulate matter emissions that are impacting the Bakersfield-Planz air monitoring site and the surrounding region. Furthermore, the Board was asked to authorize the Executive Director/APCO to work with the City of Bakersfield to develop a plan to fund paving and ground covering of open land at the Bakersfield Municipal Airport and to execute a contract with the City of Bakersfield on behalf of the District with the Governing Board Chair's signature to provide up to \$1,000,000 (plus an additional 10% contingency) to complete the dust mitigation project as planned.

Supervisor Wheeler commented there are many free woodchips available in his jurisdiction. Mr. Sadredin responded it was a great suggestion and staff would pursue that option. Dr. Capitman asked if moving the helicopter landing spot were an option. Mr. Sadredin responded that is only one of the sources and that by itself would not resolve the issue. Mr. Klassen responded the helicopter landing area was under control of another agency regulating aviation matters. Councilmember Hanson asked how far the discussion with the City of Bakersfield has progressed regarding the placement of ground cover. Mr. Klassen responded a preliminary project plan and cost estimates have already been developed.

Public Comment: None

*Moved:* Worthley  
*Seconded:* Gurrola  
*Ayes:* Ayers, Capitman, Couch, Gurrola, Hanson, Mendes, O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley  
*Nays:* None

***Motion unanimously carried to authorize up to \$1,100,000 in District funding to implement comprehensive dust mitigation strategy in partnership with the City of Bakersfield at the Bakersfield Municipal Airport***

11. AUTHORIZE INITIATIVE TO SECURE ADDITIONAL STATE AND NATIONAL FUNDING TO SUPPORT FUTURE INCENTIVE-BASED STATE IMPLEMENTATION PLANS – Tom Jordan, Senior Policy Advisor, explained that despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, NOx emissions (the primary precursor for both ozone and PM2.5) in the San Joaquin Valley must be reduced by an additional 90% in order to attain the latest federal ozone and PM2.5 standards that now encroach on natural background levels. Mobile sources now account for approximately 85% of the Valley's NOx emissions and fall under federal and state jurisdiction. The District has little regulatory authority over mobile source emissions. The District's primary tool for reducing mobile source emissions is through incentive-based programs. A significant increase in incentive funds will be necessary to achieve the emissions reductions necessary to attain stringent federal standards. Similar to a recent plan introduced by the South Coast Air Quality Management District,

the Valley will likely need a billion dollars per year for the next ten to fifteen years to fund emission reductions in the mobile source sector. He outlined a six part strategy to bring significant state and federal resources to the region to reduce mobile source emissions:

1. Assess the magnitude and the timing of the funds needed by the Valley to generate the emission reductions necessary to reach attainment of the federal standards.
2. Work with the South Coast Air Quality Management District to identify areas where incentive-based measures can be integrated and reduce the overall cost for mobile sources that travel across both Districts.
3. Work with the South Coast Air Quality Management District and other interested parties to establish potential funding request targets for the state and federal government.
4. To garner broader support at the national level, identify other regions in the nation that could benefit from incentive funding.
5. Collaborate with South Coast Air Quality Management and pursue joint advocacy for funding at the state and federal level.
6. Work to build support for advocacy with business representatives and environmental and public health groups.

Mr. Sadredin added that on September 8, 2016, District's Board members Councilmember Baines, Supervisor Pedersen, Dr. Sherriffs and Supervisor Worthley are scheduled to meet with four or five South Coast Board members and staff of both agencies to identify ways to work collaboratively on this initiative. Supervisor Worthley commented that he is interested in the idea of working together to find mutually agreeable type of projects that can be beneficial to both agencies. Dr. Sherriffs asked when the Board would hear results from this initiative. Mr. Sadredin responded some of this information would be reflected in the District's upcoming Legislative Platform scheduled for Board consideration in January.

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

- Roger Isom, CA Cotton Ginners and Growers/Western Ag Processors
- Manuel Cunha, Nisei Farmers League
- Dennis Tristao, Kings County Farm Bureau

Moved: Walsh  
Seconded: Sherriffs  
Ayes: Ayers, Capitman, Couch, Gurrola, Hanson, Mendes,  
O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley  
Nays: None

***Motion unanimously carried to authorize initiative to secure additional state and national funding to support future incentive-based State Implementation Plans***

12. UPDATE ON THE 2016 WILDFIRE SEASON'S IMPACT ON VALLEY AIR QUALITY – Mr. Sadredin, given the late hour, asked the Board to review the written item and said staff would report back at a future meeting with further updates. Supervisor Mendes commented that he spent time at the Goose Fire in Fresno County and said he was pleasantly surprised at how well the state handles containment lines once the fires are turned over to them.
13. APPROVE AGREEMENT WITH CJ LAKE, LLC FOR FEDERAL LEGISLATIVE ADVOCACY FOR AN AMOUNT NOT TO EXCEED \$89,244 – Mr. Sadredin said this agreement with CJ Lake, LLC is one that is routinely presented to the Board as a consent item. He said there is no increase in proposed costs and this company has a good track record of doing everything the District and Board asks them to do. He said this year, in addition to some of the funding they were able to bring about, they did a good job of helping to move forward the District's Clean Air Act modernization efforts. In response to the Board's discussion at the May 2016 Study Session that they wanted the company to be more proactive in meeting the District's needs, the Board directed an Ad Hoc Subcommittee to meet with company officials, which they did and were satisfied with the outcome and recommended extending this contract one more year.

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

Moved: Hanson  
Seconded: Worthley  
Ayes: Ayers, Capitman, Couch, Gurrola, Hanson, Mendes,  
O'Brien, Pedersen, Sherriffs, Walsh, Wheeler, Worthley  
Nays: None

***Motion unanimously carried to approve Agreement with CJ Lake, LLC for federal legislative advocacy for an amount not to exceed \$89,244***

14. VERBAL REPORT ON AIR RESOURCES BOARD ACTIVITIES – Dr. Sherriffs reported on highlights from the California Air Resources Board (ARB) meetings of June 23 and July 21, 2016, including:
- The Board adopted the San Joaquin Valley Air Pollution Control District 2016 State Implementation Plan (SIP) for the 2008 federal 0.075 parts per



million 8-hour Ozone standard, demonstrating that the Valley will attain the standard by 2031, and found that the plan met all requirements of the federal Clean Air Act

- The Board heard a report from staff on proposed greenhouse gas emission standards for crude oil and natural gas production facilities, natural gas processing plants, natural gas gathering, boosting, and transmission compressor stations, and underground natural gas storage facilities
- The Board approved the Fiscal Year 2016-2017 Funding Plan for allocating approximately \$500 state million in funding to the Low Carbon Transportation and Fuels and Air Quality Improvement Program programs, as specified in the Governor's proposed State Budget
- The Board heard an informational presentation on the 2030 Target Scoping Plan Update
- The Board heard an overview from staff of a study being developed pursuant to Senate Bill 350 to assist in understanding and addressing barriers low-income consumers face to access zero-emission and near-zero emission transportation options throughout the state

15. EXECUTIVE DIRECTOR/APCO COMMENTS – Mr. Sadredin reported he would be speaking at the Bakersfield COG meeting this evening to discuss the items heard at today's meeting. He also offered to do the same for all other Valley COGs, Council Meetings and Boards of Supervisors meetings.

16. GOVERNING BOARD MEMBER COMMENTS – Supervisor Wheeler thanked staff for making his requested changes to the meeting presentations. Councilmember Ayers said he is the President of the South San Joaquin Valley League of Cities and has asked Mr. Sadredin to make a presentation at their next general membership meeting in October. He said he would be reaching out to local Board members and staff to request their attendance. Councilmember Gurrola announced that she would not be running for re-election on the Porterville City Council and November would probably be her last meeting as a member of the District's Governing Board.

## **ADJOURN**

Meeting adjourned at 12:53 p.m.

*The next scheduled meeting of the Governing Board is: Thursday, September 15, 2016. 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.*