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DATE: September 18, 2014

TO: SJVUAPCD Governing Board

FROM: Seyed Sadredin, Executive Director/APCO
Project Coordinator: Jaime Holt

RE: **ITEM NUMBER 17: RECEIVE AND FILE
SUMMARY AND ACTION ITEMS FROM THE 2014
GOVERNING BOARD STUDY SESSION**

RECOMMENDATION:

Receive and file summary and action items from the agenda topics discussed at the May 2014 Study Session and consider any changes or additions.

DISCUSSION:

In addition to regularly scheduled monthly Governing Board meetings, the District also periodically holds longer study sessions to allow Board members and the public to engage in more detailed discussions for educational and strategic planning purposes. This year, your Board held a study session in May at Bass Lake and the following items were on the agenda.

1. Adopt a Work Plan to Formulate a Strategy to Reduce School-site Vehicle Emissions

The Board discussed the importance of reducing emissions related to school traffic and the various means to identify the nature of the problem and potential solutions. The Board adopted a specific work plan to address this matter. The resulting no-idling work plan includes these components:

- Staff will develop various profiles for schools based on characteristics that may influence school traffic and related emissions including idling.

- Survey parents, school administrators and faculty to identify barriers to reducing school-related vehicle trips specific to each school profile.
- Continue outreach to promote an emissions-reduction program via Healthy Air Living Schools and media.
- Discuss with schools a potential first step for school regulation, which would be to require schools, with incentive support, to adopt a plan to educate parents and develop policies for school site idling and trip reduction.
- Working with county health departments, boards of supervisors and city councils to leverage current outreach being conducted regarding childhood obesity.

2. Update on Upcoming Ozone and Particulate Matter Attainment Plans

In addition to the many attainment plans that the District has already developed and implemented, the District is also mandated under Clean Air Act requirements to develop and adopt several new ozone and particulate plans in the next few years. The Board discussed the importance of addressing exceptional circumstances, such as the prolonged drought and stagnation experienced in the Valley over the winter of 2013, so that these abnormal and uncontrollable circumstances don't penalize the Valley during the planning process. This will be important in upcoming PM2.5 plans to address existing PM2.5 standards, as well as in the increasingly challenging EPA standards on the horizon. The District has been working with members of Congress on potential solutions for these exceptional circumstances. The Board also discussed how CAA subpart 4 differs from subpart 1, and the impact this will have on both existing and upcoming PM2.5 attainment plans.

ARB is in the process of revisiting its modeling for the District's *2007 Ozone Plan* (for the 1997 8-hour ozone standard), and results should be presented to the District Board in October 2014. Work is also under way for the plan to address EPA's 2008 8-hour ozone standard of 75 parts per billion (ppb), due in July 2016, even though EPA has not yet finalized its implementation rule to establish requirements for that plan. The District held a public workshop for this plan on May 23, 2014. While this plan is being developed, EPA will be proposing an even more stringent ozone standard, which will be close to the Valley's naturally occurring background. Further technology demonstration efforts and analysis into transboundary ozone will be particularly relevant under this upcoming ozone standard.

3. Explore the Feasibility and Potential Ways for Sharing the District's Successful STAR (Service, Teamwork, Attitude, Respect) Culture as a Model for Other Agencies

The District is committed to establishing and maintaining a workforce that not only produces high-quality technical work but also provides exceptional customer service to the public and the regulated community. Towards that end, the District has developed and implemented STAR (Service, Teamwork, Attitude, and Respect), a District-wide work culture program aimed at creating an atmosphere in which providing exceptional service, demonstrating effective teamwork, maintaining a positive attitude and showing

respect to others are an intrinsic part of each employee's job. The District STAR program is an ongoing, systematic approach to promoting excellent customer service and continuous improvement while enhancing employee performance, morale and interpersonal skills. The District often receives requests from elected officials, other agencies and members of the regulated community to share the success of the District's STAR culture and the means to achieve such a workplace.

The Board discussed the excellent customer service, positive staff morale, outstanding attitude, and exceptionally high level of productivity and innovation that is generated through the STAR culture. The Board recognized the STAR culture's value for the public in sharing it with other public agencies. The Board authorized District staff to explore the feasibility of sharing the STAR culture with other organizations through a variety of means including the preparation of a package of materials to help elected officials and others understand the potential benefits from instituting a STAR culture, and what it would take to launch and maintain a similarly successful culture.

4. Explore the Feasibility of Imposing Special Measures Under Extreme Weather Conditions

Although emissions that cause particulate matter and smog in the Valley are at record lows, abnormal, extreme weather conditions experienced in winter of 2013-14 in the Valley and throughout California led to significantly higher pollution concentrations and have raised key policy questions. The Board discussed the potential feasibility of instituting regulatory or other measures that may be triggered under extreme weather conditions to help reduce escalating levels of air pollution.

The District already regulates virtually every stationary source of emissions, from small service stations and dry cleaners to the largest industrial sources, with regulations that are the most stringent in the nation. Despite having the strongest set of regulations that apply to normal operations, the idea of imposing episodic control measures was discussed by the Board and the following options were considered.

- Ban use of drive-thrus
- Ban/restrict residential/commercial leaf blowers
- Outright ban on residential wood burning
- Ban or restrict industrial flaring

The Board discussed the effectiveness, associated cost and overall feasibility of these additional regulatory measures that would have been triggered under extreme weather conditions to help reduce escalating levels of air pollution.

The benefit associated with restrictions on drive-thru vehicle idling depends on how long it takes for vehicles to go through a drive-thru. For an average vehicle in the Valley, there is no net increase in emissions if the vehicle can get through a drive-thru in approximately two minutes or less. Beyond that, every minute that the vehicle idles in a drive-thru increases emissions. Therefore, except during the restaurant rush hours,

banning drive-thrus will not yield any reduction in emissions. In fact, it may result in an increase in emissions due to cold starts. For new development projects that may have restaurants with drive-thrus, the District's Indirect Source Review rule requires mitigation of the associated emissions. Encouraging the public to avoid drive-thrus on key days is consistent with the Health-Risk Reduction Strategy and Healthy Air Living outreach.

Given the totality of the circumstances, the Board concluded that banning drive-thrus is not expected to significantly reduce emissions. Furthermore, any such measure would be nearly impossible to communicate and enforce.

Like drive-thrus, leaf blowers are also very visible to the public, and are frequently cited as a source the District should regulate. The District is exploring potential strategies to require the use of best management practices and incentive grants for clean lawn-maintenance equipment to reduce leaf blower emissions. Encouraging the transition to low-emission lawn care practices is consistent with the District's Health-Risk Reduction Strategy and Healthy Air Living outreach. The District's Clean Green Yard Machine incentive program continues to provide funding for residents to replace their old gas lawn mowers in favor of nonpolluting electric lawn mowers. Additionally, the District is supporting the development and deployment of new zero-emission commercial lawn equipment.

The staff outlined the difficulties that will arise with a regulatory approach to banning or restricting the use of leaf blowers, particularly if such a measure were episodic. However, banning leaf blowers can result in a significant reduction of localized particulate matter emissions which will be consistent with the District's Health-Risk Reduction Strategy. The Board concluded that District should continue with its current initiatives to reduce lawn maintenance-sector emissions during normal operations rather than narrowing the focus to operations during extreme weather conditions.

As for an outright ban on residential wood burning during extreme weather conditions, the Board discussed the upcoming changes to the District's wood-burning regulation. These changes include lowering the threshold level of calling wood-burning curtailments for non-certified wood-burning devices (and allowing increased burning for clean, certified devices). If the curtailment level of 20 $\mu\text{g}/\text{m}^3$ of PM_{2.5} currently under consideration would have already been in place over the 2013-2014 wood-burning season, it would have prohibited wood burning far more often during the short clean-out periods between stronger stagnations events (see Table 1). Thus, the Board concluded that the lower curtailment level may be sufficient to address extreme weather conditions without adding a new section to the rule to specifically address such conditions.

With respect to flaring, staff presentation demonstrated that flaring is a highly effective control technology for volatile organic compound emissions, typically achieving 99 percent destruction efficiency. District Rule 4311 (Flares) includes stringent requirements for reducing emissions from flares and regulates flaring activity associated with oil and gas production, sewage treatment, incinerators, petroleum refining and

other sources. The District has provided documentation to EPA demonstrating the District rule is the most stringent rule regulating flaring emissions and EPA has approved the rule as meeting federal Clean Air Act requirements.

Furthermore, it is important to note that flares are necessary for safety during unforeseeable and unpreventable emergency situations. Any unreasonable restrictions on flaring have the potential to result in catastrophic consequences, which may lead to explosions and other dangers. Also, flaring normally involves destruction of valuable product streams that businesses try to avoid when feasible.

The Board concluded that the industrial flare emissions are already effectively controlled at Valley facilities through enforceable permit conditions and proactive actions by operators to reduce flare use. Because of the significant emissions reductions already achieved, flares now comprise just 0.4 tons per day of NO_x, or about 0.14 percent of the Valley's total NO_x emissions in 2014. Therefore, additional measures to reduce flaring would not contribute to decreased PM_{2.5} or ozone levels in extreme weather conditions. Further reductions in flare emissions are also not expected to result in significant reduction in public health risk. This is due to the fact that flares for oil and gas production, petroleum refining and natural gas production are located in rural and remote locations, and the vast majority are not near population centers.

The Board also discussed the feasibility of targeted outreach and targeted enforcement of existing regulations under extreme weather conditions and voted to pursue such efforts. Through targeted enforcement, the District will concentrate enforcement activities on sources of concern (such as open, outdoor burning restrictions, fugitive dust emissions from construction sights and state anti-idling restrictions for diesel trucks) on an episodic basis. Targeted outreach will inform the public of opportunities to reduce emissions and protect their health.

The Board also directed staff to inform the public and interested parties that the Board considered imposing additional special measures under extreme weather conditions including an explanation of the rationale and the scientific reasoning for the course of action taken by the Board.

5. Progress Report and Next Steps for District Commitment to Provide Neighborhood by Neighborhood Air Quality Information to the Public

Providing accurate, current air quality information to Valley residents is a high priority for the District. This is especially important since there are times when the Valley's meteorology, topography and geography overwhelm all clean air measures and lead to high pollution concentrations that may be unhealthy to sensitive individuals. High pollution concentrations also occur as a result of exceptional events, such as wildfires. The District's Real-time Air Advisory Network (RAAN) provides hour-by-hour, local air quality conditions. However, RAAN relies on data from monitors that typically measure worst-case concentrations that may not reflect air quality conditions at the neighborhood level.

The District has undertaken a three-phase approach to provide customized air quality information to Valley neighborhoods. During Phase I, the District evaluated multiple techniques and methodologies for calculating air quality for all neighborhoods in the Valley, determining that the use of modeled air quality concentrations and actual air monitoring data will provide the most accurate neighborhood-level information. In Phase II, the District will provide an online tool to the public that will allow residents to pinpoint their location and view historical air quality information for their neighborhood. The District expects a public launch of historical air quality trends by the end of 2014. Phase III, which will provide real-time air quality data at the neighborhood level, is expected by the end of 2015.

The District's Governing Board reiterated their support for providing more accurate air quality information on a neighborhood by neighborhood level. The Board emphasized the importance of using the best scientific information and performing additional temporary monitoring if necessary, similar to the Arvin saturation study, to establish neighborhood air quality information.

6. Discuss Potential Feasibility of Generating Additional Income by Renting Out Unutilized Warehouse Space in the Northern Region Office Building

The Governing Board heard a presentation from staff about the potential feasibility of renting out unutilized warehouse space in the Northern Region office. The Governing Board supported the notion of leasing the unused warehouse space to a qualified government or commercial tenant to provide maximum utilization of available District resources and generate additional revenues for the District. The presentation highlighted that there are issues that need to be investigated to ensure leasing the unused warehouse space would not interfere with District operations or quality of customer service to public and stakeholders, and would generate additional net revenue for the District.

Consistent with the core principle of efficiently using all available resources, and the District's entrepreneurial management style, the District Governing Board supported exploring feasibility of generating additional income by renting the unutilized space, and authorized staff to work with a professional realtor to explore all options and return to the Board with potential options for consideration.

7. Review and Adopt Proposed Revisions to the District's "Air Alert" Notification System for Implementation Beginning in the Summer of 2014

District staff presented an overview of the successful first iteration of Air Alert. The episodic call-to-action program was launched in 2011 to reduce emissions during critical periods during the summer months and to bring the Valley into attainment for the federal 1-hour ozone standard. After a historic summer in 2013, during which the Valley experienced zero violations of the 1-hour standard, the District has reached attainment of that standard. District staff explained that the Air Alert program was vital to this

achievement, and received incredible support from the public and the community due to the following factors:

- The limited number of Air Alert episodes that were called,
- The Valley-wide, multi-day nature of the episodes, which recognized the transport dynamic of ozone formation
- The linking of the episodes to the public pocketbook issue of the federal Section 185 penalty and the \$12 DMV fee
- The multi-faceted outreach campaign, which relied on face-to-face meetings with the public

The Air Alert program should not be confused with the District's many programs designed to help the public avoid exposure to poor air pollution; rather, the Air Alert program is an episodic call-to-action program designed to reduce pollution by demanding that Valley residents reduce their driving.

Based on the success of the first iteration of the program, the Board took action to continue the Air Alert program for implementation in the summer of 2014 based on the following criteria:

1. Declare Air Alerts on a Valley-wide basis for multi-day episodes when 8-hour ozone concentrations are expected to exceed 100 ppb anywhere in the Valley
2. Focus Air Alert messaging on personal economic benefits and costs associated with air pollution
3. Implement Air Alert multi-media outreach strategy by meeting with all TV, radio and print media outlets to launch the new Air Alert system and explain the new motivational drivers and ozone dynamics

Staff has developed an action plan to promote this second version of Air Alert which is being implemented throughout the Valley. Staff held numerous meetings with Valley media in early August, developed a media packet, planned a press conference and press releases to convey the following messages:

- Explain the new version of Air Alert including the need to keep peak ozone levels low while EPA reviews the District's request for 1-hour ozone attainment
- Highlight the relatively low 8-hour ozone values experienced over the past few months in spite of several weeks of triple-digit temperatures
- Reiterate the relationship between Valley investment and air quality improvements
- The Back-to-School window continues to be a challenging time for air quality. The increase in traffic added to recent summer emissions can push us to an exceedance.

8. Review and Consider Potential Options for Enhancing the District's Public Education Efforts Through the School Flag Program and the Real-Time Air Advisory Network (RAAN)

The District's Healthy Air Living Schools program has several elements, but the two primary ones are the Air Quality Flag program and the RAAN program. Both of these are voluntary and include guidelines for schools, which can be used to craft policy to keep student indoors on days with poor air quality. The flag program is based on the daily, county-wide AQI forecast for the worst location within a county for the following day. Conversely, RAAN is based on hourly air quality information as reported by the monitor closest to a school and gives schools much greater flexibility in making decisions regarding outdoor activity.

District staff explained that the use of both the flag program and RAAN is confusing for some schools, parents and the media as the hourly air quality level indicated in RAAN does not always match the daily flag color. This confusion was magnified during the recent extreme winter weather conditions, when some educators become confused and incorrectly thought that the flags needed to be changed hourly to match RAAN.

After considering several options, the Board voted to move forward with deemphasizing the flag program and ceasing to fund it with schools. Instead, focus would be placed on the RAAN program as the District-sponsored outreach tool for students. Additionally, the Board requested that staff investigate the feasibility of schools, perhaps with financial support from the District, installing and utilizing some type of visual indicator, such as an electronic billboard, to communicate the RAAN levels as they change throughout the day. The Board also instructed staff to work with local media so that there is a better understanding of the difference between the daily AQI forecast and the RAAN system. The intent is to encourage the public to utilize RAAN as their primary source for immediate air quality information.

9. Explore Potential Means to Offer Compliance Assistance to New Businesses Locating in Valley

This item was postponed for consideration at the Board's regularly scheduled meeting in June 2014.

10. Circumstances Affecting the Viability of the Biomass Industry and Additional Means for Disposal of Agricultural Waste

Representatives of the biomass industry approached the District and indicated that, given current energy policy in California, there is a concern that biomass facilities, which are one of the primary alternatives to agricultural burning, are in jeopardy. The biomass plants in the Valley are nearing the end of their long-term contracts with utilities and find themselves in a position where the power that they provide is not the type of power that utilities are seeking (baseload vs. intermittent), and that the prices being offered for new contracts are often too low to support their operations.

At the study session, the Governing Board heard presentations from staff, the biomass industry and the agriculture industry concerning the challenges with maintaining a viable biomass industry in the San Joaquin Valley. The biomass power industry is the primary alternative to open burning of agriculture wood waste material. Some of the challenges cited include state energy policy that is hostile to the biomass industry, a lack of communication and long-term planning among interest groups, and a lack of feasible alternatives to open burning of agricultural materials.

The Governing Board directed staff to work with representatives from the agricultural and biomass industries by implementing the action plan below, to find solutions to the challenges faced by the industry:

- Define biomass facilities that meet the District's criteria for assistance
- Determine the need and develop funding sources to maintain the financial viability of the biomass plants
- Develop legislative solutions to create funding streams and correct policies that have put the biomass plants in jeopardy
- Identify options for banking GHG emissions that are reduced by biomass power plants
- Develop a strategic plan for improving communication and coordination among biomass plants, chippers/fuel providers and the agricultural industry
- Pursue alternatives to utilize biomass material through the District's Technology Advancement Program, the California Energy Commission and the Department of Energy

11. Proposal for Implementing a Programmatic Approach to Streamline the District's Processes as a Commenting Agency Under the California Environmental Quality Act

Cities, counties and other permitting agencies throughout the San Joaquin Valley, prior to issuing a discretionary permit, are required under the California Environmental Quality Act (CEQA) to request comments from the Valley Air District regarding the air quality impacts of the proposed project, applicable air quality rules and potential mitigation of significant impacts on the Valley's air quality. Providing such air quality information to these CEQA "Lead Agencies" is critical to improving air quality by identifying avoidable impacts and encouraging reductions in impacts through air-friendly designs and feasible mitigations.

However, this commenting role currently consumes about 7000 hours of District staff time per year, in spite of the implementation of a significant number of streamlining efforts in its CEQA commenting duties. In addition, the District's comments are only received and considered after a project is designed, and often developers and Lead Agencies find it difficult to incorporate air-friendly project design elements at such a late date.

District staff recommended a series of efforts that would, if implemented, result in a programmatic approach to providing these comments, as opposed to a project-by-project approach. In addition, the comments, in the form of templates posted on the District's webpage and targeting various types of projects, would be available earlier in the project-design process, and would therefore have a greater likelihood of being utilized in the early design phases of a project.

The goal of the effort would be to assess interest in, develop and execute such a programmatic approach to increase efficiency and effectiveness of the District's current processes used in fulfilling its role as a commenting agency, and to assist Lead Agencies in improving efficiency and effectiveness of their air quality-related CEQA efforts. However, to take full advantage of these efficiencies, Lead Agencies must enter into formal agreements with the District to assure proper use of the templates as the District's official CEQA comments on a particular project.

In response to Board questions, District Executive Director Seyed Sadredin explained that the success of implementing the program would be measured by whether District comments are incorporated earlier in the CEQA and design phases of future projects, and by the efficiency gains realized by the District and the Lead Agencies that sign up. He also explained that the District's intention will be to hold one workshop in each region of the Valley, in which staff would explain the concept and ask for input from Lead Agencies and other interested parties.

Mr. Sadredin also clarified that this streamlined, programmatic approach would not apply to projects with projected significant impacts on the Valley's air quality. Such projects will continue to receive the District's full attention, including project-specific comments and efforts to fully mitigate the air quality impacts.

District Counsel Annette Ballatore-Williamson assured the Board that such a streamlined commenting approach is consistent with CEQA law. Lead agencies are required by CEQA to request our comments, and the MOU between the District and a Lead Agency will clarify that by accessing and downloading the template comments, and entering them into the public record, the Lead Agency will have complied with the CEQA requirement to request comments from the District.

The Board unanimously approved the proposal, and directed staff to ensure close communication and ongoing partnerships with participating CEQA Lead Agencies throughout the Valley. To that end, the District will hold workshops and other group meetings to gather information about Lead Agency needs and ideas, beginning in the fall of 2014. District staff will then develop commenting templates for various types of projects, and work with the Lead Agencies to develop and enter into agreements starting in the summer of 2015. When implemented, these agreements will reduce the time spent on such projects by each agency, expedite project development, and improve project design and therefore Valley air quality.

12. Approve District's Action Plan for Promoting the Use of Clean Passenger Vehicles in the San Joaquin Valley

The Governing Board heard a presentation from staff on the District's comprehensive, and multi-faceted plan to promote the use of clean passenger vehicles in the San Joaquin Valley. The presentation highlighted the plan's strategies to promote the use of electric vehicles and other advanced vehicle technology throughout the Valley, where feasible, while recognizing that a one-size-fits-all approach will not work in the Valley. Because the Valley has unique challenges and conditions that differ greatly from other parts of the state, this plan focuses significant effort on solutions for low-income, disadvantaged communities in which electric or other advanced vehicle technology may not necessarily be the answer. The plan recognizes and promotes the significant benefits of getting residents out of high-emitting or gross-polluting vehicles and into traditional vehicles that are significantly cleaner. This plan also recognizes and takes advantage of recent statewide interest and legislative activities geared towards reducing emissions from passenger vehicles in low-income, disadvantaged communities and provides model, real-world solutions to address these issues in the Valley.

During the discussion, the Board was very supportive of the District's existing efforts to target reductions from existing passenger vehicles through programs such as the District's award-winning Tune In, Tune Up program and expressed their continued support for these types of programs.

As part of approving this item, the Board approved the San Joaquin Valley Plug-In Electric Vehicle Readiness Plan, which is a comprehensive document that identifies barriers to widespread electric vehicle adoption, as well as provides solutions for Valley residents and jurisdictions. The Board heard a presentation from the District's partner in preparing this plan, the California Center for Sustainable Energy (CCSE), in which CCSE provided their perspective on the Valley's efforts and remaining challenges to more widespread adoption of electric and other advanced vehicle technologies.

In addition to the electric vehicle readiness plan, the Board approved a new grant program for the installation of public charging infrastructure. The Board also approved continued support for District programs targeted at assisting residents in low-income, disadvantaged communities such as the Tune-In, Tune-Up Program, as well as continued legislative advocacy to bring resources to the Valley.