

District Highlights

June 19, 2014 Actions by the Governing Board

Tune In Tune Up Vehicle Repair and Replacement Program Approved

The Governing Board approved \$4 million for the continued implementation of the award-winning Tune In Tune Up Vehicle Repair Program. This successful partnership with Valley Clean Air Now (Valley CAN) provides funding for Valley residents to make smog-related repairs to their existing vehicles. To date, the District has held more than 40 weekend repair events, and repaired over 7,600 vehicles at a combined cost-effectiveness of \$7,500 per ton of emissions reduced. In addition to the repair program, the Governing Board approved up to \$500,000 for the implementation of an expanded vehicle replacement component under Tune In Tune Up. This program utilizes the District's existing weekend repair events to identify suitable candidates for replacement using several key criteria, including model year, registration status and emissions level. In lieu of vehicle repair, owners of identified vehicles are offered up to \$5,000 to retire their existing vehicles and replace those vehicles with newer, cleaner vehicles from a participating dealership. This program has laid the foundation and provided the California Air Resources Board with "proof of concept" for a successful vehicle replacement program as they consider changes to the underperforming statewide Enhanced Fleet Modernization Program (EFMP). Additionally, with a successful replacement program, the District will be able to secure a significant portion of the \$3 million currently available through State EFMP funding that is not currently being utilized.

Voluntary Emissions Reduction Agreement with High Speed Rail Authority

In a unanimous decision, the Governing Board voted to hold the High Speed Rail (HSR) Authority accountable for emissions it may create during construction of the HSR system. The Board approved a Memorandum of Understanding (MOU) with HSR that requires full mitigation of all emissions from HSR construction throughout the San Joaquin Valley, at a cost to HSR of about \$35 million, or more if necessary for full mitigation. The Board made clear that this decision was not an endorsement of high speed rail, but rather was the only mechanism available to assure that the air quality impacts of the project, if it is to be built, are fully mitigated and that such mitigation can be quantified, verified, and enforced by the Air District.

The Board also approved the first Voluntary Emissions Reduction Agreement (VERA) under the MOU for construction of a section of the HSR system between Madera and Fresno, the first segment scheduled to be constructed. Under this VERA, HSR will invest up to \$1.7 million (or more if necessary for full mitigation of this segment) in District-managed emissions reductions projects that will mitigate construction emissions associated with that segment. To achieve the emissions reductions, the District will employ its proven and well-respected Emission Reduction Incentive Program, with every penny of mitigation funds invested in grants to fund a wide variety of emissions reduction projects, like helping farmers replace old tractors and irrigation pumps, or small truck fleet operators replace old trucks with new, cleaner versions.

2014 RACT SIP Demonstrates that Stringent Emissions Controls are in Place in the Valley

The Governing Board approved the 2014 RACT SIP (Reasonably Available Control Technology State Implementation Plan), which evaluated District regulations for major sources of ozone precursors. As defined under the Clean Air Act, RACT must be economically and technologically

feasible. EPA's tough 2008 8-hour ozone standard requires the District to submit the 2014 RACT SIP to EPA by July 2014, and to submit the 2016 Ozone Plan to satisfy other planning requirements by July 2016. The District built its 2014 RACT SIP analysis upon other recent District attainment plans and RACT analyses, including recent EPA determinations that District rules satisfy RACT requirements. The 2014 RACT SIP concludes that RACT is already in place in the Valley, and that District rules exceed RACT requirements. The District will continue evaluating opportunities to further reduce emissions under its upcoming 2016 Ozone Plan.

District Supports Biomass Industry as Alternative to Ag Burning

At the May 5-6, 2014 Study Session the Governing Board adopted a set of guiding principles and an action plan to assist in keeping the biomass power industry viable and to explore potential alternatives for disposal of agricultural waste. At the Study Session, representatives of the Biomass Energy Alliance requested that the District take positions on two pieces of legislation that affect the biomass energy industry. Consistent with their request, the District adopted a position in support AB 2363 (Dahle), which is sponsored by the biomass industry, and would make biomass more competitive by fully accounting for the costs associated with intermittent sources of renewable power (solar and wind) when comparing them to other sources of power, and a position in opposition to SB 1139 (Hueso) that gives preferential treatment to geothermal power by requiring that utilities purchase specified amounts of geothermal power.

District to Explore Potential Incentive Opportunities for New Businesses Locating in the Valley

The Governing Board directed staff to explore opportunities to incentivize clean technology businesses to site or expand in the San Joaquin Valley, and evaluate existing disincentives. Given the significant challenges faced by the Valley in attaining federal air quality standards, the District is federally mandated to adopt and implement the most stringent regulations in the nation. The District always works closely with Valley stakeholders to ensure cost-effective regulations. However, the cost of complying with these regulations could be a critical factor in the decision-making process for new entities that wish to do business in the Valley and for existing businesses that wish to expand. Citing the Board's long-held policy position that a strong economy is necessary to achieve the emissions reductions required to achieve clean air, the Board provided direction to staff to engage economic development corporations, cities, counties, and other stakeholders throughout the Valley to evaluate factors that lead to potential competitive disadvantages for new and expanding businesses, especially for small businesses. The Board also directed staff to explore potential incentives for encouraging clean technologies in the San Joaquin Valley and reducing associated costs, such as through the use of the District's diverse and state-leading incentive grant programs.

June Healthy Air Living Tip

Longer, sunnier days and vehicle emissions are key contributors to the formation of ozone – the major component of summertime smog – in the San Joaquin Valley. During this upcoming ozone season, emissions from on-road mobile sources are projected to approach
220 tons of NOx and 61 tons of VOC per day!

Ref: http://www.valleyair.org/Air_Quality_Plans/AQ_Final_Adopted_Ozone2007.htm

Tip: Do your part in helping to reduce the amount of pollution created in our Valley. Minimize the use of your car by utilizing strategies such as linking car trips, bringing your lunch to work, and using online services. Whenever possible, carpool or use public transit for your work commute.

For more clean air tips, click on www.healthyairliving.com

April District Activities

Outreach and Communications

- In April, Outreach and Communications attended Earth Day events, gave presentations, assisted in the creation of the annual CAPCOA annual report and conveyed that information to multiple media entities.
- OC staff responded to 22 media calls and 70 public calls and emails, attended 17 events and presentations, and issued two news releases in April.

Grant and Incentive Programs

- The District received 307 incentive program applications in April. 22 were for the Wood Stove Change-Out Program and 92 were for the Heavy Duty Engine Program.
- \$3,693,054 was placed under contract in the Heavy Duty Engine Program in April and 196 claims were paid.
- In April, \$787,623 was paid out in REMOVE II program claims.
- \$36,000 was paid in Burn Cleaner program claims in April and 59 claims were processed.

April 2014	Applications	Grants Offered		Grants Executed		Amount Paid	
Program	Number Received & Entered	Number of Contracts sent out	Sum of Grant Funding	Number of Contracts Executed	Sum of Grant Funding	Number of Claims paid	Sum of Grant Funding
Heavy Duty	92	96	\$4,473,286.26	98	\$3,693,054.57	196	\$6,440,253.45
School Bus	1	6	\$382,271.52	3	\$17,631.52	47	\$612,982.77
On-Road Prop 1B	0	54	\$12,675,000.00	31	\$5,690,000.00	1	\$25,000.00
Lawn and Garden	19	17	\$3,529.50	17	\$3,529.50	17	\$3,529.50
REMOVE	167	629	\$463,222.16	629	\$436,202.16	2,314	\$787,623.85
Burn Cleaner	22	28	\$17,000.00	28	\$17,000.00	59	\$36,000.00
Technology Advancement	0	0	\$0.00	0	\$0.00	2	\$145,819.44
Public Benefit	6	7	\$1,415,260.29	11	\$821,066.60	10	\$188,178.00
Totals	307	837	\$19,429,569.73	817	\$10,678,484.35	2,646	\$8,239,387.01

Reductions from Executed Contracts (tons)			
Nox	PM	ROG	Total
1,045	24	57	1,126

Operations Overview

- **Compliance** completed 3,373 inspections in April. 166 NOV's were issued. Mutual settlement case completions totaled 257.
- **Permits** received 192 applications in April. 310 permits were issued.
- **Strategies and Incentives** received 21 smoking vehicle reports in April.
- **The District** received 143 environmental documents in April.

May District Activities

Outreach and Communications

- In May, Outreach and Communications attended Bike to Work Month events throughout the Valley. Website upgrades continued, and staff organized and supported the annual Governing Board two-day study session.
- OC staff responded to seven media calls and 161 public calls and emails, attended 25 events and presentations, and issued a health cautionary statement in May.

Grant and Incentive Programs

- The District received 335 incentive program applications in May. 18 were for the Wood Stove Change-Out Program and 107 were for the Heavy Duty Engine Program.
- \$4,391,468 was placed under contract in the Heavy Duty Engine Program in May and 142 claims were paid.
- In May, \$659,503 was paid out in REMOVE II program claims.
- \$14,850 was paid in Burn Cleaner program claims in May and 27 claims were processed.

May 2014	Applications	Grants Offered		Grants Executed		Amount Paid	
Program	Number Received & Entered	Number of Contracts sent out	Sum of Grant Funding	Number of Contracts Executed	Sum of Grant Funding	Number of Claims paid	Sum of Grant Funding
Heavy Duty	107	128	\$4,258,202.95	122	\$4,391,468.55	142	\$4,123,587.62
School Bus	0	6	\$249,113.52	8	\$500,370.16	27	\$460,212.78
On-Road Prop 1B	0	18	\$2,841,000.00	19	\$6,155,000.00	0	\$0.00
Lawn and Garden	32	18	\$3,814.50	18	\$3,814.50	19	\$4,164.50
REMOVE	175	247	\$161,912.78	242	\$196,772.78	1,227	\$659,503.18
Burn Cleaner	18	15	\$8,250.00	15	\$8,250.00	27	\$14,850.00
Technology Advancement	0	1	\$486,229.00	0	\$0.00	2	\$40,650.00
Public Benefit	3	9	\$1,693,063.57	6	\$259,633.69	15	\$277,609.34
Totals	335	442	\$9,701,586.32	430	\$11,515,309.68	1,459	\$5,580,577.42

Reductions from Executed Contracts (tons)			
Nox	PM	ROG	Total
983	43	54	1,080

Operations Overview

- **Compliance** completed 2,901 inspections in May. 154 NOVS were issued. Mutual settlement case completions totaled 266.
- **Permits** received 138 applications in May. 261 permits were issued.
- **Strategies and Incentives** received 15 smoking vehicle reports in May.
- **The District** received 135 environmental documents for review in May.

Upcoming Meetings

Governing Board*

9 a.m. Thursday, Aug. 21

Citizens Advisory Committee*

10 a.m. Tues., Aug. 5

Environmental Justice Adv. Grp.

5 p.m. Thurs., June 26

*Meetings are held in the Fresno office Governing Board Room and via video teleconference to the Modesto and Bakersfield offices. Details: www.valleyair.org *Webcast*