April 21, 2016 Actions by the Governing Board

Winter of 2015-16 was the Cleanest on Record for the Valley

During the 2015-2016 wood burning season, the San Joaquin Valley experienced the cleanest PM2.5 concentrations and air quality in recorded history across the months of November to February. This accomplishment comes on the heels of the Valley experiencing the cleanest ozone season on record in 2015, which set a number of new ozone records across a variety of metrics. With a return to more normal meteorological conditions, and with ongoing emissions reductions achieved through the District’s control strategies, the Valley is back on track to meeting federal PM2.5 standards.

Winter of 2015-16 marked the second season under the recently amended wood-burning rule, which significantly increased the number of no-burn days for high polluting wood-burning devices, and allowed for a substantial increase in burn days for clean wood-burning devices. This winter season also included the successful implementation of the Burn Cleaner program with over $4 million in funding for over 2,500 vouchers issued for residents to upgrade to clean wood-burning devices. These regulatory and incentive-based strategies combined with the District’s multi-faceted public education and outreach program led to the Valley’s historically clean winter as summarized below:

- Recorded the greatest number of “Good” AQI days across all of the counties in the District
- Recorded the lowest number of “Unhealthy for Sensitive Groups” AQI days across all of the counties in the District
- For the first time in Valley history, recorded zero “Unhealthy” or worse AQI days across all of the counties in the District during the wood burning season
- Recorded the fewest number of days the Valley exceeded the federal 24-hour average PM2.5 standard of 35 μg/m3
- Recorded zero exceedances of the 65 μg/m3 federal 24-hour PM2.5 standard
- Recorded the lowest average PM2.5 concentration across all counties during the months of the wood burning season

More Cap and Trade Funds to the Valley for Innovative Tractor Trade-Up Pilot Program

The Valley Air District Governing Board accepted $500,000 in funding from the California Air Resources Board to fund an agricultural equipment trade-up pilot project.

In seeking this competitive funding the District proposed a trade-up program to achieve a bigger bang for the buck as compared to the traditional tractor replacement incentive program that provides funds for a new tractor when the older trade-in tractor is destroyed. Under the new trade-up program, the older tractors that are equipped with emission controls are refurbished and provided to growers with much older high polluting tractors.

If this program is successful, the District expects to receive significant additional state funding for the implementation of a much larger program.
State Auditor Releases Report on District Fees and Expenditures

The District has always believed that routine audits of public agencies are imperative, and that well-crafted audit reports can serve to enhance public accountability and transparency, and advance good government by identifying and promoting good business practices. This is especially true for an agency like the District which has been entrusted with large sums of public funds and the responsibility to improve quality of life for a large segment of the state’s population.

The final audit report released on April 5, 2016 reaffirms the District’s long held position that its permit fees, although very low, when used in conjunction with supplemental revenues are adequate to maintain an active and effective program. The audit report does not propose any changes or recommendations concerning the District’s fees. The audit report notes that the District routinely assesses the costs and needed revenues for administering an active and effective air quality management program. With a strict adherence to the zero-based budgeting principles, significant investment in automation, and implementation of countless streamlining and efficiency measures, the District has been able to achieve low administrative overhead and great productivity in all program areas and therefore reduced costs.

The District Governing Board approved sending letters of appreciation to the State Auditor’s office and Assemblymember Cooper, who requested the audit, thanking them for their roles in the audit process.

March District Activities

Outreach and Communications

- The District spent March distributing the Annual Report to the Community, redesigning the Daily Air Quality Forecast Page, revamping the kid’s curriculum, and conducted media training for District employees.
- In March, District staff responded to 12 media calls and 35 public calls and 11 emails, issued two news releases and attended 13 events and presentations.

Grant and Incentive Programs

- In March, the District received 428 incentive program applications. 149 were for the Wood Stove Change-Out Program and 94 were for the Heavy Duty Engine Program.
- In March, $5,287,236.54 was placed under contract in the Heavy Duty Engine Program and 98 claims were paid.
- In March, $896,817.66 was paid out in REMOVE II program claims.
- In March, $655,431 was paid in Burn Cleaner program claims and 421 claims were processed.

<table>
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<th>March 2016</th>
<th>Applications</th>
<th>Grants Offered</th>
<th>Grants Executed</th>
<th>Amount Paid</th>
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<td>Number Received &amp; Entered</td>
<td>Number of Contracts sent out</td>
<td>Sum of Grant Funding</td>
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Operations Overview

- Completed 3,526 inspections in March, and 159 NOVs were issued. Mutual settlement case completions totaled 182.
- Received 155 permit applications in March, and 269 permits were issued.
- Received 10 smoking vehicle reports in March.
- Received 176 environmental documents in March.

Upcoming Meetings

- Governing Board*: 9:00 a.m. Jun. 16, 2016
- Citizens Advisory Committee*: 10:00 a.m. Jun. 7, 2016

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