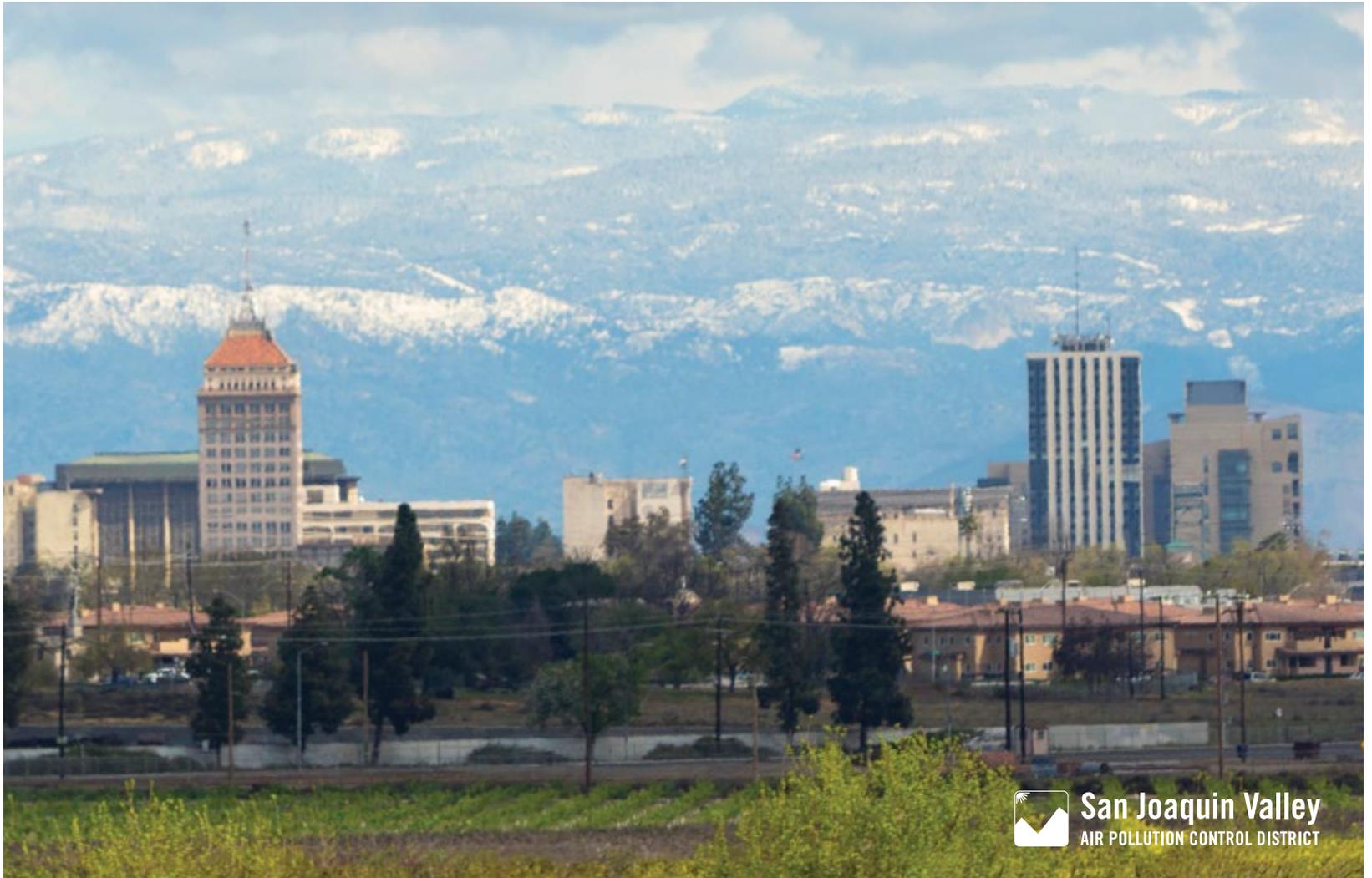




REPORT *to the* **COMMUNITY**
2019-20



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

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A message from the **AIR POLLUTION CONTROL OFFICER**

On behalf of the Valley Air District's Governing Board, it is my pleasure to present to all Valley residents this year's Report to the Community. Our hope is that this report will provide Valley residents with an easy to follow and concise account of our progress, the challenges that remain, and ongoing efforts to achieve cleaner air in the San Joaquin Valley.

The good news is that 2019 was the cleanest year on record for both PM2.5 and ozone, and the Valley moves closer to meeting our air quality goals. Building on past efforts to improve public health for residents throughout the Valley, the District worked hard over the past year beginning to implement a new plan for improving air quality and meeting the newest federal air quality standards for fine particles. Consistent with the Valley's long track record of innovation and home-grown solutions, this plan contains a range of new air quality strategies in partnership with local businesses, clean air grants, and other innovative measures across every sector that push the deployment of new technologies and will reduce air pollution significantly in the years to come. While air quality in the past year has continued the decades' long trend of improvement, significant challenges remain to reach the ever-tightening federal air quality standards. The Valley Air District will continue to seek additional reductions from local stationary sources under our authority, while working collaboratively with the EPA and CARB to bring about new measures and investments to reduce emissions from mobile sources, such as trucks and passenger vehicles, which now make up more than 85% of the Valley's remaining air pollution.

One of the biggest challenges that has faced the Valley and nation in recent history has been the COVID-19 pandemic and its impact on all aspects of life. These have been challenging and unprecedented times, yet it has been the resourcefulness and ingenuity of all of us living in the Valley that has allowed us to weather this storm. Here at the District, we took swift action to protect the health and well-being of both our employees and our stakeholders, while continuing to provide essential public health services to the public. Looking forward, we understand the major disruption to the Valley and nation's economy caused by the pandemic, and will continue engaging with the public and those we regulate to understand the still evolving situation and associated impacts, and work together to meet our air quality obligations.

As we continue to move closer to attaining the important health-based air quality standards still before us, difficult challenges in meeting our goals remain. At the District, we are committed to meeting those challenges with ingenuity, hard work, and confidence that, with the cooperation of our residents and businesses, we will reach our collective public health goals.

SAMIR SHEIKH
Executive Director
Air Pollution Control Officer



GOVERNING BOARD



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CRAIG PEDERSEN
Kings County



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CHRISTINA FUGAZI
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BUDDY MENDES
Fresno County



KRISTIN OLSEN
Stanislaus County



ALVARO PRECIADO
City of Avenal



MONTE REYES
City of Porterville



ALEXANDER C SHERRIFFS, MD.
Appointed by Governor



TOM WHEELER
Madera County



CHRIS VIERRA
City of Ceres

ABOUT THE DISTRICT

The San Joaquin Valley Air Pollution Control District is a regional public health agency responsible for air quality management in the eight counties of the San Joaquin Valley air basin: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and the Valley air basin portion of Kern.

The District works with local, state and federal government agencies, the business community and the residents of the Valley to reduce emissions that create harmful air quality conditions.

THE DISTRICT'S MISSION

The San Joaquin Valley Air Pollution Control District is a public health agency whose mission is to improve the health and quality of life for all Valley residents through efficient, effective and entrepreneurial air quality management strategies. Our Core Values have been designed to ensure that our mission is accomplished through commonsense, feasible measures that are based on sound science.

THE DISTRICT'S VISION

The District's vision is healthful air that meets or exceeds air quality standards for all Valley residents. The District is a leader in air pollution control. Valley residents take pride in our collective efforts to continuously improve air quality.

\$560,648,900
INCENTIVE GRANTS

\$60,433,035
OPERATIONS

DISTRICT
BUDGET

Nearly 90% of the District's overall 2019-20 budget is comprised of funds specifically for voluntary grants and incentives. The District wants to express our gratitude to our many partners that helped secure a record amount of state and federal funding for the Valley for voluntary clean air projects.

CORE VALUES

PROTECTION OF PUBLIC HEALTH

The District shall continue to strive to protect the health of Valley residents through efforts to meet health-based state and federal ambient air-quality standards, based on science and prioritized where possible using health-risk reduction strategies.

ACTIVE AND EFFECTIVE AIR POLLUTION CONTROL EFFORTS WHILE SEEKING TO IMPROVE THE VALLEY'S ECONOMIC PROSPERITY AND GROW OPPORTUNITIES FOR ALL VALLEY RESIDENTS

District staff shall work diligently to adopt and fully implement cost-effective air pollution-control measures, provide meaningful incentives for reducing emissions, and develop creative alternatives for achieving emissions reductions.

OUTSTANDING CUSTOMER SERVICE

District staff shall work to provide excellent customer service for stakeholders in activities including: rule and plan development; permitting and emissions inventory functions; compliance activities; financial and grant-funding transactions; and responses to public complaints and inquiries.

INGENUITY AND INNOVATION

The District values innovation and ingenuity in meeting the challenges we face. Examples of this spirit of innovation include developing programs that provide new incentives for emissions reductions, and providing alternate compliance strategies that supplement traditional regulatory efforts and generate more emissions reductions than could otherwise be reasonably obtained.

ACCOUNTABILITY TO THE PUBLIC

The District serves, and is ultimately accountable to, the people of the Valley for the wise and appropriate use of public resources, and for accomplishing the District's mission with integrity and honesty.

OPEN AND TRANSPARENT PUBLIC PROCESSES

The District shall continue to provide meaningful opportunities for public input and be responsive to all public inquiries.

RECOGNITION OF THE UNIQUENESS OF THE SAN JOAQUIN VALLEY

The Valley's meteorology, topography and economy differ significantly from those in other jurisdictions. Although it is valuable to review and evaluate efforts of other agencies, we must consistently look for solutions that fully consider the Valley's unique needs.

CONTINUOUS IMPROVEMENT

The District works to continually improve its internal operations and processes, and strives to streamline District operations through optimally utilizing information technology and human resources.

EFFECTIVE AND EFFICIENT USE OF PUBLIC FUNDS

The District shall continually strive to efficiently use all resources and to minimize costs associated with District functions.

RESPECT FOR THE OPINIONS AND INTERESTS OF ALL VALLEY RESIDENTS

The District shall respect the interests and opinions of all Valley residents and fully consider these opinions, seeking collaboration with federal, state, and local agencies, agriculture, businesses, community groups and residents in carrying out the District's mission.

ROBUST PUBLIC OUTREACH AND EDUCATION ON VALLEY AIR QUALITY PROGRESS AND CONTINUING AIR QUALITY EFFORTS

As we move forward in achieving our mission, the District shall continue its ongoing efforts to educate the public about air quality, and the significant clean air investments and air quality progress that have been made in the Valley.



INNOVATIVE AIR QUALITY IMPROVEMENT STRATEGIES LEAD TO SUCCESS

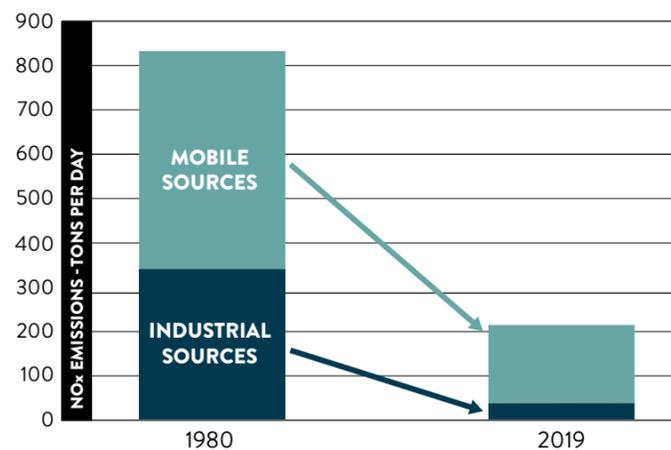
AIR QUALITY IMPROVES DESPITE UNMATCHED CHALLENGES

The Valley's challenges in meeting national ambient air quality standards are unmatched in the nation due to the region's unique geography, meteorology and topography. The Valley sits in a bowl surrounded by mountains and has a climate that is conducive to creating and trapping pollution. While the Valley does not see the levels of emissions that are seen in other more populous areas of the state, such as Los Angeles or San Francisco, these natural features result in one of the most complex air quality realities in the nation. In addition, these natural factors are exacerbated by the presence of two major transportation corridors connecting northern and southern California. The Valley is also home to a fast-growing population and many of the most disadvantaged communities in the state. Mobile source emissions now contribute more than 85% of the remaining NOx emissions and fall under the jurisdiction of the CARB and the EPA. However, these same challenges have led to decades of innovation and entrepreneurship resulting in the air quality improvements we have experienced.

PARTNERING WITH RESIDENTS AND BUSINESSES TO REDUCE EMISSIONS

The District places a great value on full public participation in the development and adoption of air quality management strategies, and applauds the significant sacrifice and investment Valley residents and businesses have made over the years to improve air quality. The District has collaborated with Valley businesses and the agricultural sector to modernize equipment and processes, at times becoming the first area in the nation to pilot clean air innovation projects successfully. Working with Valley businesses, municipalities, schools and others, the District has successfully worked to improve clean vehicle technology and advance the deployment of zero and near-zero trucks, buses, locomotives and other mobile sources. Valley residents can take pride in the efforts they have made to both provide direction and insight into the development of District rules and plans; as well as making personal decisions to drive less, telecommute, upgrade their residential wood burning device, and make lifestyle changes to improve air quality.

MAJOR REDUCTIONS IN POLLUTION



SIGNIFICANT WORK REMAINS

While much progress has been made in the Valley to improve air quality, important work remains. The region faces tough new federal air quality mandates and the economic downturn related to COVID-19 may decrease the funding available from both public and private sectors to invest in clean air projects. The District is committed to collaborating with all partners to continue to see air quality improvements and overcome the challenges that face the Valley.

BRINGING RESOURCES TO THE VALLEY

The key to seeing further improvements in air quality will be the District's continued efforts to bring state and federal funding into the Valley to incentivize early adoption of novel and innovative technology aimed at reducing emissions. By bringing funding into the Valley, businesses and residents are able to invest in zero and near-zero equipment and vehicles that would otherwise be out of reach.

WORKING WITH THE PUBLIC ON AIR QUALITY STRATEGIES

Given the need to achieve significant new emissions reductions to meet federal air quality standards, the District is implementing the strategies detailed in the recent 2018 PM2.5 Plan. The District has initiated a public engagement process to ensure robust and meaningful participation by residents and businesses in developing these clean air strategies. Building upon existing strategies, the 2018 PM2.5 Plan calls for new measures to further reduce air pollution from industrial sources such as boilers, steam generators, internal combustion engines, glass manufacturing facilities, agricultural conservation management practices, and other sources. Additionally, the District's new PM2.5 plan commits to using technology advancement efforts, grant funding, and

new survey and registration information to pursue reductions from commercial underfired charbroilers and residential wood burning within urban boundaries in hot-spot areas of Madera, Fresno and Kern counties.

To achieve the significant emission reductions needed, the plan also includes incentive-based measures to accelerate the deployment of new clean vehicles, equipment and technologies across a wide variety of sectors that will require \$5 billion in new incentive funding investment by the 2024 and 2025 clean air timelines in the plan. In the new plan, CARB has committed to secure and provide the necessary incentive funding and to achieve additional emission reductions from mobile sources.

2019 EMISSION REDUCTIONS			
	PLAN COMMITMENTS	REDUCTIONS ACHIEVED	PERFORMANCE
NOx	9.48 tons per day	18.70 tons per day	97% above target
VOC	40.46 tons per day	47.32 tons per day	17% above target
SOx	0.83 tons per day	4.85 tons per day	484% above target
PM2.5	7.60 tons per day	14.95 tons per day of PM equivalent	Exceeding reductions by 96.8% through PM precursors

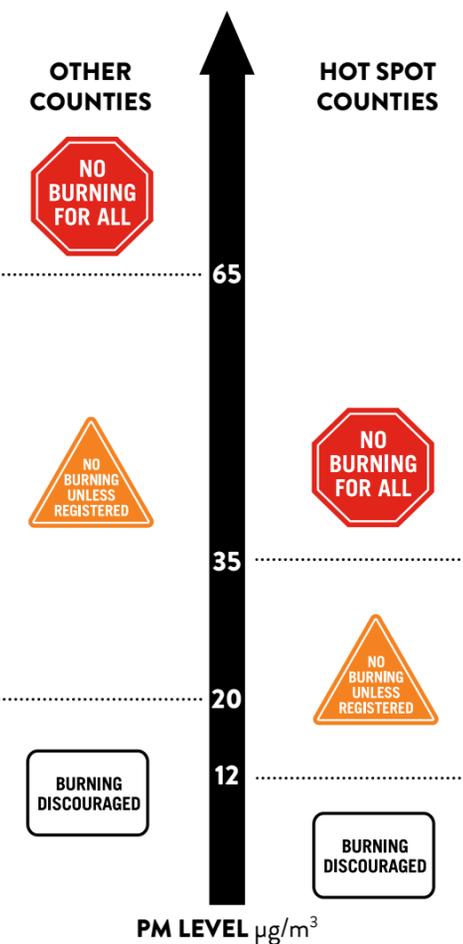
ENHANCEMENTS TO RESIDENTIAL WOOD BURNING EMISSIONS REDUCTION STRATEGY

In 2019, the District Governing Board approved new amendments to Rule 4901, which established more stringent curtailment levels in the Hot Spot Counties (Madera, Fresno, and Kern). The amended rule reduced the Level 1 wood burning curtailment threshold from a 20 $\mu\text{g}/\text{m}^3$ to 12 $\mu\text{g}/\text{m}^3$, and the level 2 curtailment from a of 65 $\mu\text{g}/\text{m}^3$ to 35 $\mu\text{g}/\text{m}^3$, or a PM10 concentration of 135 $\mu\text{g}/\text{m}^3$ or greater. For the remaining counties, the District maintained the curtailment thresholds established in 2014. These thresholds were coupled with further enhancements to Rule 4901 and the District's Burn Cleaner Program, which increased funding for replacing wood-burning devices with natural gas devices in the Hot Spot Counties and added electric heat pumps as a cleaner option.

The 2019 amendments also included a number of Valleywide rule enhancements, including new requirements for significant remodels of a fireplace or chimney that required the removal of open hearth fireplaces or replacement to cleaner devices, only allowing seasoned wood to be burned, enhanced compliance during transfers of residential real property, further restrictions on installations of new wood burning devices, and enhanced visible emission limitations.

The District's Burn Cleaner Program has funded the replacement of thousands of high polluting wood burning devices with cleaner burning devices, with the majority of devices being replaced with natural gas devices.

The 2019-2020 winter season was the first season operating under the latest amendments to Rule 4901, with lower residential wood burning curtailment thresholds for Hot Spot Counties, contributing to the significant improvement in air quality during the 2019-2020 winter season.



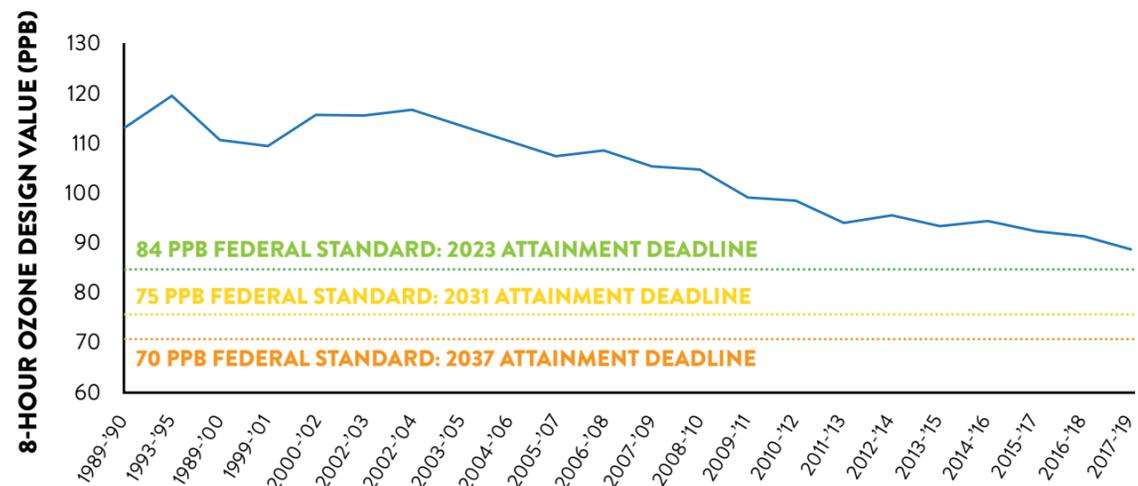


SUMMER OZONE SEASON BEST ON RECORD

The San Joaquin Valley experienced record improvements across several key 8-hour ozone metrics in 2019, including the fewest number of days exceeding the 84 ppb, 75 ppb, and 70 ppb federal standards, and the Valley's lowest federal "design value" (official metric used to determine whether an area is in attainment of federal standards). The Valley's progress in lowering ozone pollution concentrations has been achieved despite being influenced from many challenging factors, including long strings of high summertime temperatures, extreme wildfires in recent years, and extended periods of atmospheric stability where pollution easily builds in the bowl of the Valley.

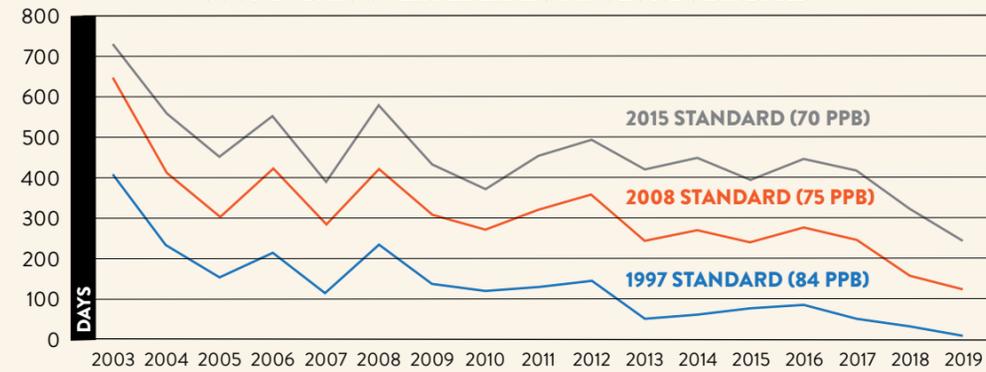
These improvements would not be possible without the success of the District's control strategy through its various attainment planning efforts, robust incentive programs, strong public education efforts, commitment and significant investment from Valley businesses and residents, the agricultural community, and other stakeholders in doing their part to reduce emissions.

- › 2019 was a record-setting year for ozone progress with the **fewest exceedances of the 84 ppb and 75 ppb standards since 1990**, with only 8 exceedances of the 84 ppb standard (91% reduction since 1990) and 65 exceedances of the 75 ppb standard (58% reduction since 1990)
- › In 2019, the Valley continued to demonstrate ongoing ozone progress by achieving a **new record low design value of 88 ppb, which is now only 4 ppb away from attaining the 84 ppb standard**. The 2019 design value represents a 31 ppb reduction since a peak in this value in 1995
- › **Peak ozone values in 2019 alone were below the federal standard**, demonstrating the Valley's progress in attaining the 84 ppb standard



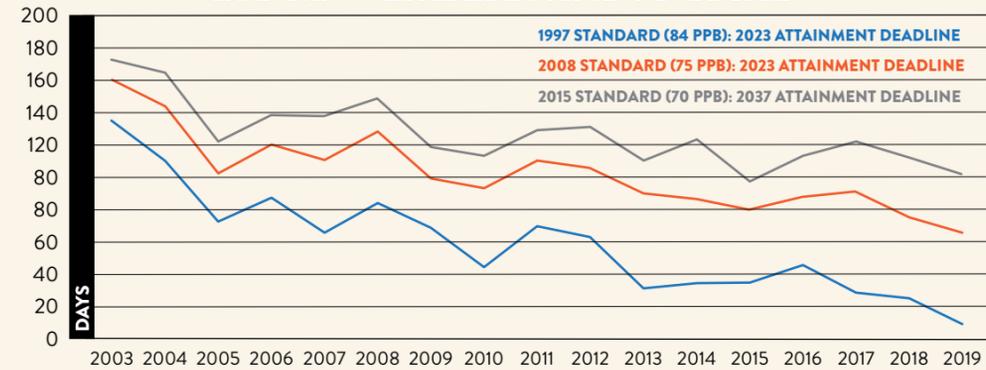
◀ A design value is a statistic that describes the air quality status of a given location relative to the level of the National Ambient Air Quality Standards (NAAQS).

COUNTY DAYS OVER FEDERAL 8-HR OZONE STANDARD



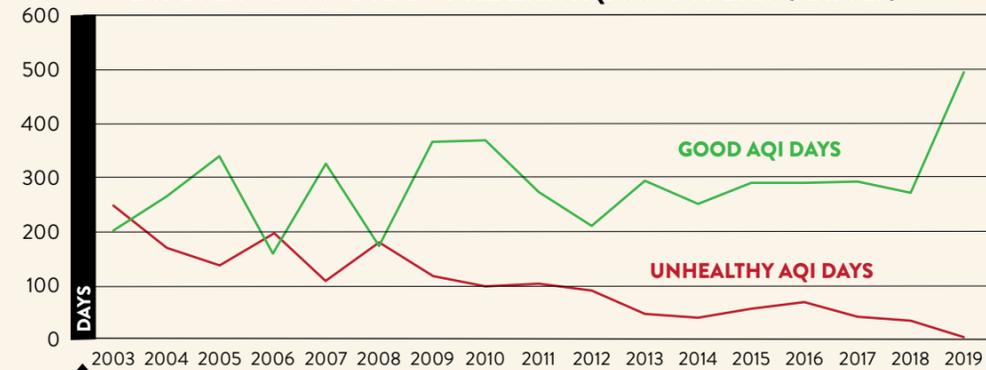
One measure of air quality progress is the number of days when the Valley exceeded a federal ozone standard. To better understand how the Valley population's exposure to ozone levels exceeding the 8-hour ozone standards has changed over time, the figure displays the decreasing trend in the number of county days where Valley residents experience concentrations above the federal 8-hour ozone standard. The figure summarizes the number of days per year since 2003 that ozone levels across Valley counties have exceeded the 8-hour ozone standards of 84 ppb, 75 ppb, and 70 ppb. 2019 had the fewest number of exceedances of the 84 ppb, 75 ppb, and 70 ppb standards since 2003, with only 12 exceedances of the 84 ppb standard (97% reduction since 2003) and 125 exceedances of the 75 ppb standard (81% reduction since 2003).

BASIN DAYS OVER FEDERAL 8-HR OZONE STANDARD



In addition to observing the trend of days when the counties across the Valley have exceeded the federal 8-hour ozone standards, as displayed above, another way to view these changes over time is to focus on the number of days each year when any county in the Valley exceeded a standard. This more stringent metric shows how the Valley has progressed towards attaining the federal ozone standards as a region. In 2019, the Valley experienced a record low number of days when the federal 8-hour ozone standards of 84 ppb and 75 ppb were exceeded, with only 8 days when any air monitoring site in the Valley exceeded the 84 ppb standard.

OZONE SEASON GOOD AND UNHEALTHY AQI COUNTY-DAYS (MAY-SEP)

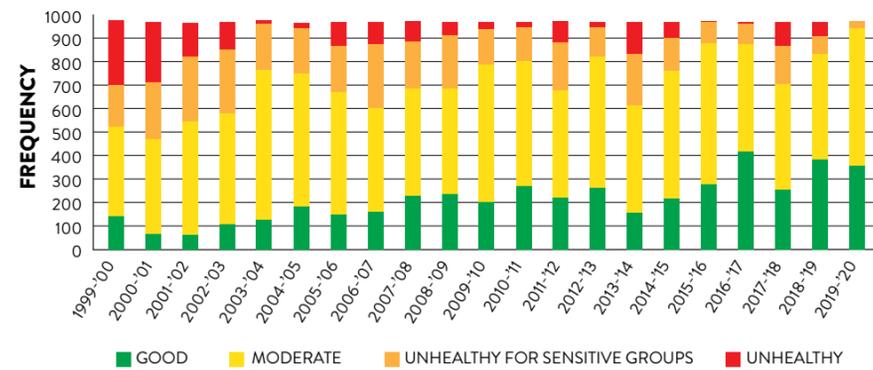


Since 2003, the number of "good" air quality index (AQI) days in each county has steadily improved, while the number of "unhealthy" days has decreased. After 2008, "good" days always outpaced "unhealthy" days, despite stagnant drought conditions and severe wildfires in the past decade. In 2019, the number of "good" county days reach the highest point in recorded air quality history, while the number of "unhealthy" days is the lowest ever.

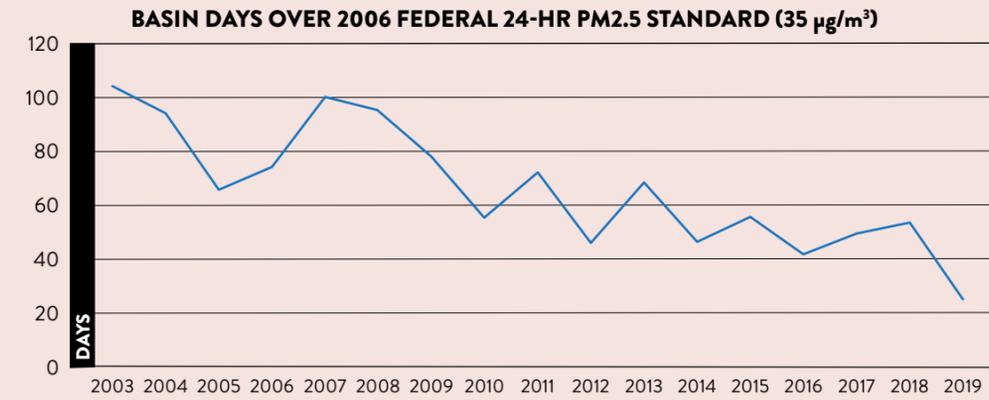


WINTER PM2.5 LEVELS CLEANEST ON RECORD

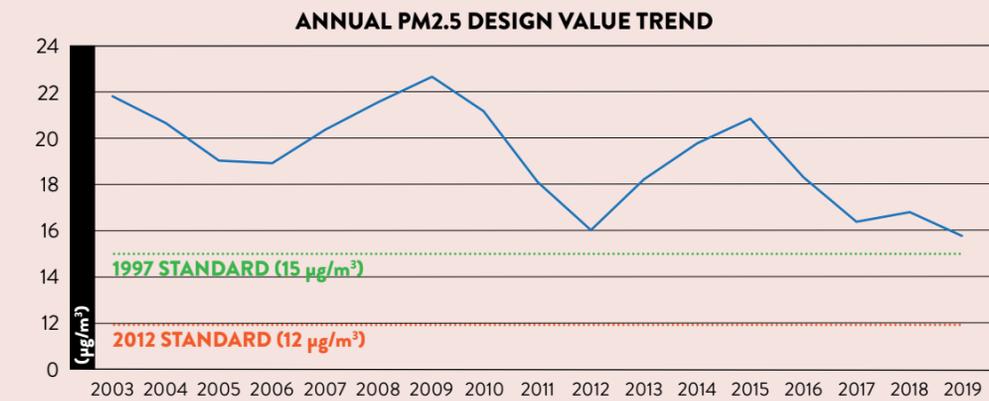
During the 2019-2020 winter season (November through February), the Valley continued to demonstrate significantly improved air quality. Despite experiencing one of the driest winter seasons on record, the Valley continued to progress towards attaining the federal PM2.5 standards. These continued improvements in air quality would not have been possible without the emissions reductions achieved under the District's control strategy as well as the commitment from the Valley's residents and businesses to reduce emissions in their daily activities.



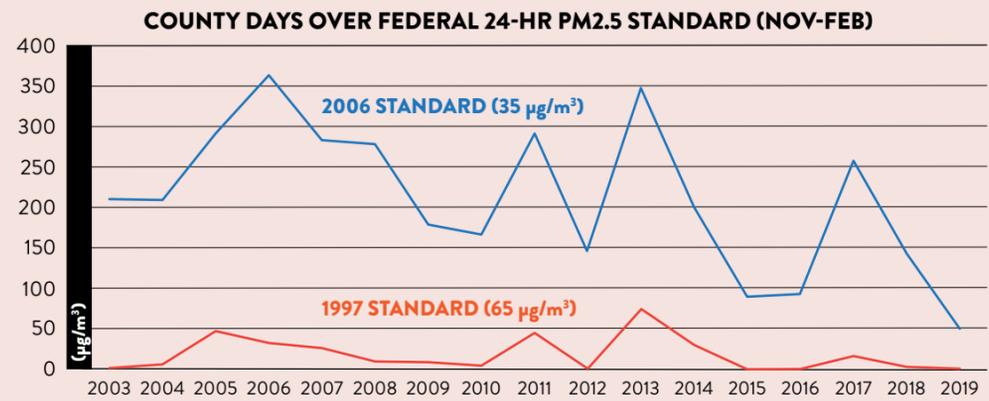
- › For the first time, **recorded zero "Unhealthy" AQI days anywhere in the Valley for PM2.5** during the months of the wood burning season
- › Recorded the **lowest average PM2.5 concentration** across all counties during the months of the wood burning season
- › Recorded the **lowest number of days the counties throughout the Valley exceeded the 35 µg/m³ federal 24-hour PM2.5 standard**
- › For the third time ever, recorded **zero exceedances of the 65 µg/m³ federal 24-hour PM2.5 standard** during the winter season



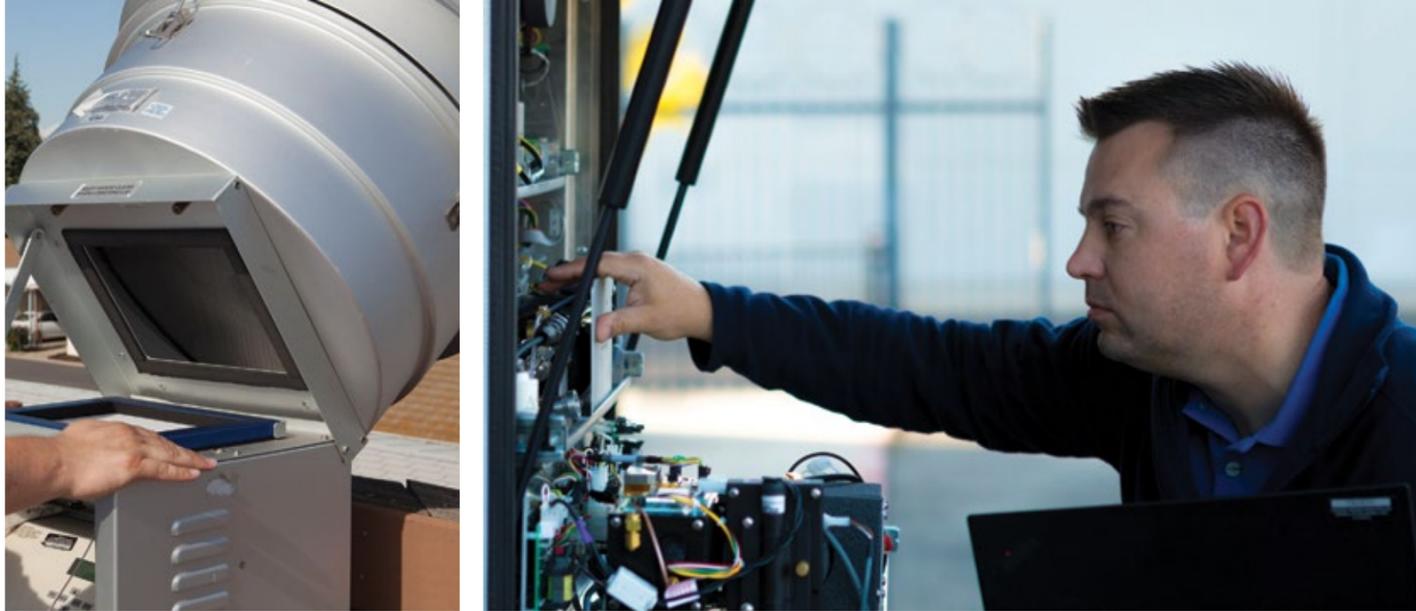
The chart above shows the decreasing trend in number of days that anywhere in the Valley experienced an exceedance of the most stringent federal PM2.5 standard. Since 2003, the number of days over 35 µg/m³ has declined from 104 basin-days to 25 basin-days, a 75% decrease. This progress towards attainment of the latest PM2.5 standard has occurred despite recent record-breaking wildfires and extreme drought conditions, both which contribute to increased ambient PM2.5. In 2019, the Valley experienced the fewest ever number of days over the 35 µg/m³ standard.



The annual 3-year design value is the official metric used by the EPA to determine whether a region meets the federal standards. As demonstrated here, the Annual PM2.5 design values for the Valley have trended downward since 2003, with significant setbacks in 2008, 2015, and 2018 due to wildfires and extreme drought conditions, both which contribute to elevated PM2.5 values and significantly affect public health. Despite these impacts, the 2019 design value, which includes annual average values from 2017-2019, is the lowest ever annual design value for the Valley, and continues progress toward attainment of the 15 µg/m³ and 12 µg/m³ standards.

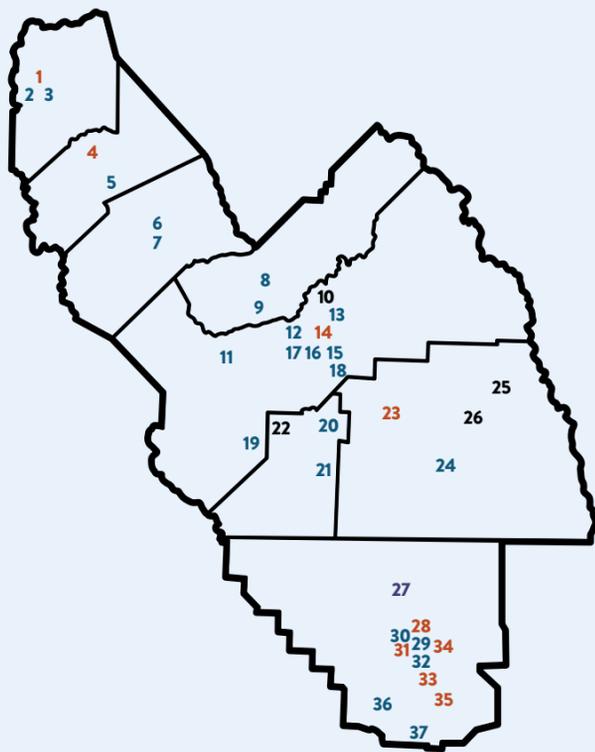


The number of county days that exceed the federal 24-hour PM2.5 standards during the high-PM2.5 winter months of November-February have trended downward since 2003. The 2019-2020 winter season saw zero exceedances of the 65 µg/m³ standard, and the fewest exceedance of the stringent 35 µg/m³ standard. In fact, as of the end of 2019, the Valley is now in attainment of the 65 µg/m³ 24-hour PM2.5 standard.



EXTENSIVE AIR MONITORING EFFORTS INFORM VALLEY RESIDENTS

The District operates an extensive network of air quality monitors to support its mission of improving air quality and protecting public health. Using air quality readings from its real-time monitors, the District generates a daily Air Quality Index (AQI) forecast for each Valley county and hourly Real-time Air Advisory Network (RAAN) notices for schools and Valley residents. The District also rigorously analyzes collected air quality data to help chart the future path to ozone and PM2.5 attainment.



SAN JOAQUIN COUNTY	KINGS COUNTY
1 Stockton-Hazellon: G, M, P, F, T	20 Hanford: G, F, M, P
2 Tracy-Airport: G, M, P, F	21 Corcoran: F, M, P
3 Manteca: P, F, M	Other ¹ : Tachi Yokut Tribe
STANISLAUS COUNTY	22 Santa Rosa Rancheria: G, M, P
4 Modesto-14th St: G, M, P, F	TULARE COUNTY
5 Turlock: G, M, P, F	23 Visalia-Church St: G, F, M, P
MERCED COUNTY	24 Porterville: G, F, M
6 Merced-M St: P, F	Other ²
7 Merced-Coffee: G, F, M	25 Lower Kaweah: A, G, M
MADERA COUNTY	26 Ash Mountain: A, G, M, F
8 Madera City: G, P, F, M	KERN COUNTY
9 Madera-Pump Yard: G, M	27 Shafter: G, M
FRESNO COUNTY	28 Oildale: G, M, P
Other ¹ : Monache Tribe/Foothill Yokut Indians	29 Bakersf-Golden/M St: F, P
10 Table Mountain AMS+: G, F, P, M	30 Bakersf-Westwind: G, M
11 Tranquillity: G, F, M	31 Bakersf-Calif Ave: A, G, M, P, F, T
12 Fresno-Sky Park: G, M	32 Bakersf-Muni: G, M
13 Clovis: G, M, P, F	33 Bakersfield-Airport (Plan2): F
14 Fresno-Garland: G, M, P, F, T, N, L	34 Edison: G, M
15 Fresno-Pacific: F	35 Arvin-Di-Giorgio: G, M
16 Fresno-Drummond: G, P, M	36 Maricopa: G, M
17 Fresno-Foundry Park Ave: G, M	37 Lebec: F, M
18 Parlier: G, M	
19 Huron: F, M	

MONITORING OPERATION

- Sites operated by the District
- Sites operated by the District & CARB
- Sites operated by CARB
- Sites operated by other agencies: 1-Tribal, 2-National Park Service
- + Air Monitoring Station (AMS)

MONITORING DESIGNATIONS

- A Acid Deposition
- F Fine Particulate (PM2.5)
- G Gaseous
- M Meteorological
- P Particulate (PM10)
- N National Core
- T Toxins
- L Lead

VALLEY SOURCES OF EMISSIONS

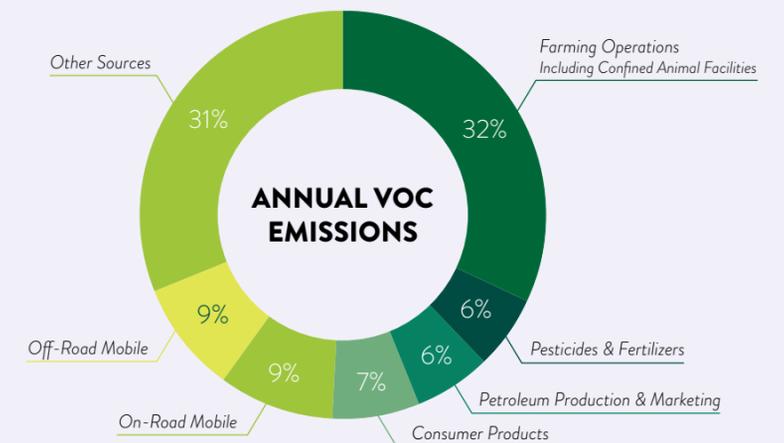
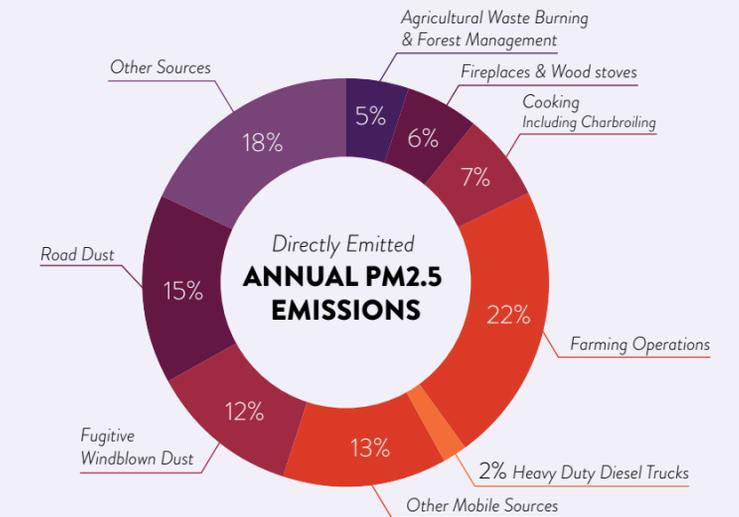
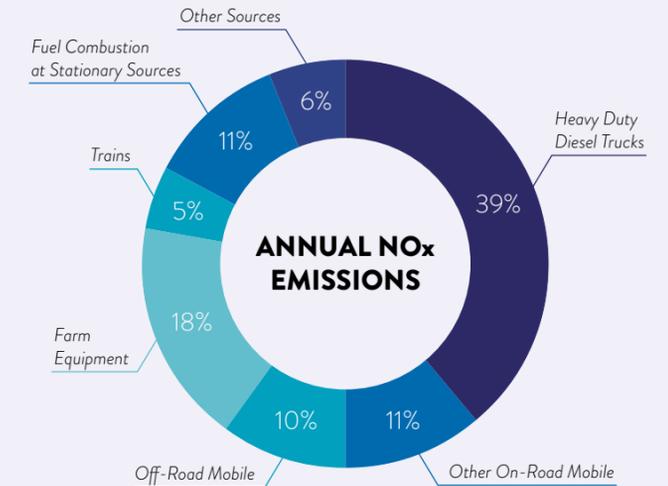
Each year, the District collects emissions and process data from more than 6,000 facilities and other information sources, calculates each facility's annual emissions, and reports the emissions to the California Air Resources Board. This emissions inventory is used to calculate total Valley emissions and acts as a cornerstone of the District's efforts to reduce air pollution through attainment plans and emission control strategies.

Despite major improvements in air quality, the Valley still faces significant challenges in meeting the federal, health-based, 8-hour ozone and PM2.5 standards. These challenges are the result of the Valley's unique geography, topography and climate, which create ideal conditions for forming and trapping air pollution.

Ozone is the major component of the Valley's summertime "smog," and it affects human health and vegetation. Ozone is not emitted directly into the air, but is created by photochemical reactions between oxides of nitrogen (NOx) and volatile organic compounds (VOC) in the presence of sunlight.

Particulate matter (PM) consists of tiny particles of solids or liquids (except pure water) that are suspended in the atmosphere. Particulate matter includes PM2.5 (particles less than 2.5 micrometers in diameter) and PM10 (particles less than 10 micrometers in diameter). PM can be emitted directly (primary PM, such as dust or soot), and can form in the atmosphere through photochemical reactions or gaseous precursors (secondary PM). Much of the Valley's ambient PM10 and PM2.5 is secondary PM, formed in atmospheric reactions of NOx.

In the San Joaquin Valley, due to our climate and the chemical composition of air pollutants, NOx is the primary culprit in the formation of both ozone and PM2.5. More detailed information on emissions is provided in the District's air quality plans, available at www.valleyair.org.



**SOUTH CENTRAL
FRESNO COMMUNITY
STEERING COMMITTEE**

55

COMMITTEE
MEMBERS

22

MEETINGS

EMISSION REDUCTIONS

46

MEASURES
ADOPTED

1,662

TONS of NO_x

278

TONS of PM_{2.5}

**NEW COMMUNITY
ENGAGEMENT EFFORT
IN VALLEY COMMUNITIES**

Despite years of major regional air quality improvements, concern has been expressed by the California legislature about potential localized impacts of air pollution in disadvantaged communities throughout the state. In answer to that concern, Assembly Bill (AB) 617, signed into law in July 2017, initiated a statewide effort to monitor and reduce air pollution and improve public health through new community-focused actions in communities that experience socioeconomic and environmental burdens from exposure to air pollutants. For communities selected by the California Air Resource Board (CARB) for AB 617 implementation, resources are provided to implement community-specific air quality monitoring networks, develop and implement emission reduction programs, improve community access to air quality and emissions information, and invest substantial funding in the community through voluntary incentive funding measures.

In October 2018, CARB selected South Central Fresno and Shafter as first-year communities for the implementation of AB 617 in the San Joaquin Valley. Since then, the District has worked closely with the Community Steering Committees (CSC), CARB, and other agencies to develop and launch monitoring and emissions reduction programs in both communities. These CSCs were comprised of community residents, businesses, environmental advocates, and local government representatives. Throughout 2019, the South Central Fresno and Shafter communities met with the District and CARB over dozens of evening meetings to develop and implement these programs, which are designed to identify sources of pollution, reduce emissions and mitigate exposure to pollution in the designated communities. Both the South Central Fresno and the Shafter Community Emissions Reduction Programs were adopted by the District Governing Board in September 2019 and officially approved by CARB in February 2020. The measures identified in the Community Emissions Reduction Programs consist of partnerships between the District, CARB, and dozens of other local agencies. Implementation of the programs is in full swing, and each regularly scheduled community-driven meeting focuses on key measures within the adopted plans.



**SHAFTER COMMUNITY
STEERING COMMITTEE**

29

COMMITTEE
MEMBERS

20

MEETINGS

EMISSION REDUCTIONS

51

MEASURES
ADOPTED

1,718

TONS of NO_x

265

TONS of PM_{2.5}



STOCKTON COMMUNITY STEERING COMMITTEE

Under state law, CARB was required to select additional communities for action under the second round of funding for AB 617 by January 1, 2020. The District Governing Board officially recommended the community of Southwest Stockton as a potential second-year community after conducting an extensive public engagement process to seek input from Valley residents, businesses, agencies, and other stakeholders through multiple public workshops. The community of Stockton was officially selected by CARB in December 2019.

Stockton is the largest metropolitan area in the Northern Region of the District, with a current estimated population over 310,000. A number of heavily trafficked freeways pass through the City of Stockton, including interstate 5 and highways 99 and 4, contributing a significant amount of PM_{2.5} emissions in the community. Specifically, the selected community is a densely populated community within the City of Stockton directly impacted by large freeways, the Port of Stockton, freight locomotives, industrial sources, and emissions traveling downwind from the northern portion of the city.



MONITORING

In order to meet the defined objectives, the community air monitoring network for each community was designed to measure the local impacts of a number of pollutants of concern through high-grade air monitoring technology. Through a number of consensus-building exercises, the District worked with each community to develop community monitoring networks that are scalable, portable, and provide real-time data, capture sources that may be impacting the community within the geographic boundary, and rapidly react to unanticipated pollution impacts.

**EQUIPMENT IS COLLECTIVELY
MONITORING:**

PM_{2.5}, Ozone, Black Carbon, Carbon Monoxide, Nitrogen Monoxide, Nitrogen Dioxide, Pesticides, Nitrogen Oxide, Volatile Organic Compounds, Sulfur Dioxide, Toxics & Meteorology



FIXED STAND-
ALONE PM_{2.5}
MONITORS



SEMI-MOBILE
COMPACT MULTI-
POLLUTANT SYSTEMS



MOBILE AIR MONITORING



SEMI-MOBILE TRAILERS

OVER \$250 MILLION IN CLEAN AIR GRANTS INVESTED

\$4,497,644 ▶
AG BURN
ALTERNATIVES
181 PROJECTS



◀ **\$768,159**
AG ENGINES
38 PUMPS

\$12,276,235 ▶
AG TRUCK
REPLACEMENTS
137 AG TRUCKS



◀ **\$91,528,875**
AG VEHICLE
REPLACEMENTS
1423 TRACTORS

\$14,600,093 ▶
AG-UTVS
1276 UTVs



◀ **\$1,658,917**
LOW-DUST
HARVESTERS
29 REPLACEMENTS

\$3,947,588 ▶
CHARGE UP!
EV INFRASTRUCTURE
630 CHARGERS



◀ **\$362,841**
CGYM COMMERCIAL
LAWN EQUIPMENT
135 UNITS

\$157,562 ▶
CGYM RESIDENTIAL
LAWN EQUIPMENT
933 UNITS



◀ **\$4,318,038**
PUBLIC BENEFIT
PROJECTS
251 FLEET VEHICLES

\$10,003,324 ▶
HEAVY DUTY
DIESEL TRUCKS
250 TRUCKS



◀ **\$18,368,917**
LOCOMOTIVE
ENGINES
10 TRAINS

\$12,741,338 ▶
SCHOOL BUSES
60 BUSES



◀ **\$129,210**
VANPOOL VOUCHERS
336 VOUCHERS

EMISSION REDUCTIONS

FINE PARTICULATE MATTER (PM2.5)	NITROGEN OXIDES (NO_x)	VOLATILE ORGANIC COMPOUNDS
↓ 4,253 TONS	↓ 10,497 TONS	↓ 1,706 TONS

PARTNERING WITH AG TO DEPLOY CLEAN FARM EQUIPMENT

As a direct result of the District's advocacy efforts working closely with Valley stakeholders, the District was able to secure significant new funding for the Valley that will greatly assist in achieving the emissions reductions necessary for the 2018 PM2.5 Plan that was approved by CARB on January 24, 2019. Assembly Bill 856 appropriated \$112 million statewide to reduce emissions from the agricultural sector. The San Joaquin Valley as the top agricultural producing region in the state received 80% of the total funding.

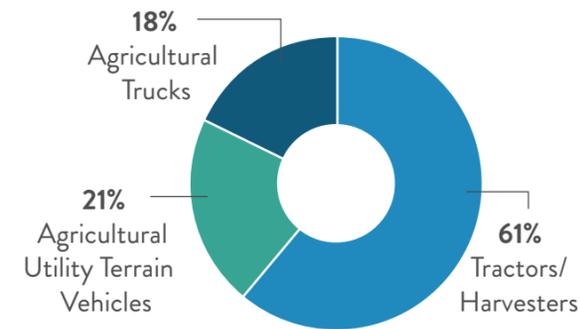
The Funding Agricultural Replacement Measures For Emission Reduction, known as the FARMER program, has allowed the District to expand the already highly successful agricultural tractor replacement program and offer three new incentive programs for the agricultural community. The first new program the District launched under the FARMER program was the Ag Utility Terrain Vehicle Replacement Program, which provides incentives for the replacement of existing diesel or gasoline-powered UTVs with new, zero-emission UTVs. The second program the District launched was the Ag Truck Replacement Program, which provides incentives for the replacement of heavy-duty trucks that operate at agricultural operations. The third program the District launched was the first of its kind in the nation, Agricultural Tractor Trade-Up Program, which is a multi-step program that allows large farming operations the ability to trade-up their tier 3 tractor to a new Tier 4f tractor and give their tier 3 tractor to a small farmer in the Valley. The small farmer in turn crushes their tier 0 tractor and takes possession of the tier 3 tractor for a minimal cost.



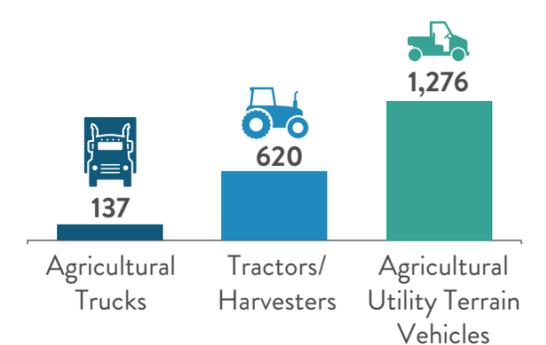
\$69.5 MILLION in FARMER implemented projects

2,033 number of projects

Dollars Invested by Project Type



Implemented Projects



Emissions Reduced

GREENHOUSE GASES (GHG)	FINE PARTICULATE MATTER (PM2.5)	NITROGEN OXIDES (NO_x)
↓ 47,300 MTCO ₂ e*	↓ 199 TONS	↓ 3,446 TONS

* Metric tons of carbon dioxide equivalent



DRIVE CLEAN IN THE SAN JOAQUIN

Under the umbrella of the Drive Clean in the San Joaquin Program, the District offers a suite of incentives that help Valley residents use cleaner passenger vehicles.

REPAIRS, REPLACEMENTS AND REBATES IN 2019

4000+
REPAIRS

REPAIR PROGRAM

The vehicle repair program is operated through Tune In Tune Up weekend events in partnership with Valley Clean Air Now. The program has a history of success and excels at reaching residents in disadvantaged communities who otherwise may not be able to afford costly vehicle repairs. Reaching this key demographic is essential as the emission reductions are most needed in low-income communities, which are historically home to the greatest percentage of high-emitting vehicles.

At a Tune In Tune Up weekend event, participating vehicles are tested to determine the likelihood of that vehicle failing the required biennial smog test. Owners of vehicles that fail this initial screening are provided a voucher that is redeemable at participating smog shops for up to \$650 in emissions-related repairs plus the cost of smog checks and diagnostic time. Once the vehicle is repaired, a confirmatory smog test is conducted which can then be used for vehicle re-registration purposes.

950+
REPLACEMENTS

REPLACEMENT PROGRAM

Through the vehicle replacement program, older high-emitting vehicles are replaced with new, cleaner and more fuel-efficient models. Depending on income level, if you reside in a disadvantaged community, and type of vehicle purchased, incentives for these programs range from \$2,500 to \$9,500. The higher incentives available through this program are provided for those who purchase plug-in hybrid or battery electric vehicles.

Aside from being able to apply at Tune In Tune Up events, Valley residents can apply directly online, where they can easily submit documents required to complete their application and track their progress through the program. As part of the District's ongoing efforts to expand program outreach in 2019, especially to residents of the many rural communities throughout the Valley, evening workshops were held during the weekday at local restaurants and community facilities to give residents the opportunity to learn about the program, its benefits, and how to apply. These workshops allow residents to work one-on-one with program staff to submit applications.

3300+
REBATES

REBATE PROGRAM

Through the development of the San Joaquin Valley Plug-in Electric Vehicle Readiness Plan, the District recognized that a one-size-fits-all approach will not work in the Valley because of the region's unique geography and its disproportionately higher population of disadvantaged communities in comparison to the rest of the state. By providing significant incentives for Valley residents to purchase or lease these clean vehicles, the District is eliminating one of the key barriers toward greater acceptance and adoption of this technology: the up-front cost. The District's Drive Clean in the San Joaquin rebate program provides Valley residents up to \$3,000 toward the cost of purchasing or leasing plug-in electric vehicles, plug-in hybrid vehicles and other alternative fuel vehicles. The District's rebates, coupled with various other state, federal, and utility rebates and tax incentives, provide Valley residents with the most beneficial suite of incentives for clean passenger vehicles in the entire state.

TUNE-IN & TUNE-UP GOES VIRTUAL

NEED FOR ADAPTATION OF PROGRAM MODEL

In March of 2020, COVID-19 forced the Valley Air District and its program partner Valley Clean Air Now (Valley CAN) to cancel their in-person Tune In & Tune Up (TITU) smog repair events which help Valley residents identify and resolve emissions related issues in their vehicles. Frequent in-person events rotating throughout the Valley's eight counties had been found to be an effective means of encouraging program engagement among hard-to-reach populations who often avoid interacting with authority.

While canceling was necessary given the need for social distancing, a lack of events left low-income vehicle owners without needed assistance for vehicle emissions repairs that are required in order to renew vehicle registration. Instead, a "Virtual TITU" was developed to inform consumers of emissions assistance opportunities via radio advertising and social media. Customers throughout the San Joaquin Valley could call and qualify for a voucher at any time, but intensive marketing would be focused on one specific city every one or two weeks, allowing consistency with the usual program approach.

The new model, which was developed and implemented within several weeks, operates remotely by connecting customers to smog shops and electronically processing TITU vouchers. The program maintains a bilingual phone bank from 6am to 10pm daily and monitors an online interest form (www.valleycan.org) to allow all-hours inquiries from customers for repair vouchers and smog appointments.

Testing and emissions repairs at smog shops continued to be done in person. However, smog shops adopted new procedures to minimize direct contact with customers and prevent transmission of COVID-19, which included putting single-use plastic covers on the steering wheel and driver's seat and wiping down all surfaces post-testing and repair.

RESULTS TO DATE

In short, the shift to a Virtual TITU model has resulted not only in a quick recovery from the abrupt shutdown, but to a notable increase in customer response for the TITU smog repair program to date. This has been accomplished primarily through traditional outreach efforts adapted by necessity to social distancing. In fact, this virtual model was recently recognized by UCLA's *Luskin Center for Innovation* as the benchmark for other programs throughout the state.

Through the first month of virtual model launch, the voucher award rate has quadrupled the previous in-person model pace. Whether this markedly higher pace of voucher awards will be maintained or simply reflects short-term pent-up demand, this rapid recovery to well above the previous pace under the longstanding in-person event model is remarkable. Additionally, the program relaunch has had a profound impact on smog shops. Two thirds of the 38 smog shops supporting the program are located in disadvantaged census tracts. Several shops had previously closed due to lack of business, but have reopened thanks to TITU business.

The Valley Air District made a time-sensitive and strategic decision to expand the reach of Tune In & Tune Up while maintaining the strict public health standards necessary during the current pandemic.



CLEAN AIR INCENTIVES HELP VALLEY COMMUNITIES



ELECTRIC SCHOOL BUSES COME TO THE VALLEY

Transitioning older school buses into new zero-emission buses is a critical piece in improving the Valley's air quality and public health. The District proudly partnered with Fowler Unified School District to deploy the first electric school bus under Assembly Bill (AB) 617 Community Air Protection Program that will serve students attending Malaga Elementary School and other Fowler Unified schools. This project provided the cleanest possible transportation technology-- in this case a zero-emission school bus-- to protect the health of school children, who are among the most vulnerable when it comes to air pollution.

VALLEY WELCOMES WORLD'S CLEANEST DIESEL LOCOMOTIVES

The District partnered with CARB and the San Joaquin Valley Railroad to replace four uncontrolled diesel locomotives from the 1960's and 70's with the world's cleanest diesel locomotives. These new locomotives are serving Fresno, Bakersfield, Goshen, Exeter, Huron, Lemoore, Buttonwillow and many other Valley communities, including areas identified as AB 617 communities. The project was a great example of a public-private partnership that benefits our local communities and businesses by allowing them to upgrade to the best available technology, as well as reduce emissions.



BOLD AND TRANSFORMATIVE EFFORT SERVES AS MODEL FOR THE WORLD

The District has partnered with Frito-Lay, a division of PepsiCo, to implement the "Frito-Lay Zero and Near-Zero Emission Project" in Modesto, California; a bold and transformative effort that will yield a world-renowned showcase for economically and environmentally sustainable manufacturing, warehousing, and distribution. Supported in part by CARB's California Climate Investments, this project aims to completely replace the use of all diesel-powered freight equipment, which includes heavy-duty tractors, medium heavy-duty trucks, yard trucks and forklifts, at one of Frito-Lay's largest food production, warehouse and regional distribution facilities. This will be accomplished via the use of zero-emission technology everywhere feasible, and near-zero emissions technology and renewable fuels everywhere else. The project will integrate an incredible array of commercially available and pre-commercial zero emission and near-zero emission technologies in a number of applications. In addition to the fleet vehicles, an on-site compressed natural gas fueling station providing renewable fuel has been constructed and on-site solar and energy storage systems will be installed to better serve the energy needs of the manufacturing facility and warehouses.



SHARED MOBILITY PROJECT SERVE VALLEY RURAL COMMUNITIES

The District successfully launched a pilot project to address the problem of limited access to affordable clean transportation in the Valley's rural and often disadvantaged communities. Bringing together a variety of public and private partners, the District has been able to implement a \$2.25 million program that includes multiple components such as electric vehicle carsharing, a volunteer ride program, and multimodal travel planning with reservations and payments made through a mobile app. Operating in multiple rural locations throughout the Valley, this innovative program provides a much needed service in an air-friendly way. With over 50,000 miles traveled by Valley residents through this program, customers can easily plan, pay and ride to a wide range of locations at a very low cost. As one rider put it, "My volunteers are priceless and have changed my world. My husband and I can now get to our medical appointments without sacrificing groceries to pay for Uber."



AG COLLABORATION SPURS INNOVATION

ALTERNATIVES TO THE OPEN BURNING OF AGRICULTURAL MATERIALS

In 2018, the District developed and implemented the Alternatives to Open Agricultural Burning Incentive Pilot Program. This program provides financial incentives to growers of orchard crops to dispose of their agricultural materials with alternative measures, such as using chipped material as mulch or soil incorporation. The incentive amounts range from \$300 to \$600 per acre of agricultural material removed, up to a maximum of \$60,000 per recipient per year. The growers chip or shred their orchard material, then either incorporate the material back into their soil or spread the mulch over the top. To date, the District has received a strong response and has allocated \$4.5 million to more than 180 separate projects totaling more than 8,500 acres, representing a wide range of crop types, including nectarines, olives, almonds, plums, citrus, walnuts and peaches.

LOW-DUST NUT HARVESTERS

Consistent with the Governing Board's long-standing track record of pursuing effective emission reduction strategies in partnership with the Valley agricultural community, the District developed and implemented a pilot incentive program to deploy and further evaluate low-dust harvesting technology on a broad scale in the San Joaquin Valley. This program funds the deployment of low-dust harvesting equipment in a variety of applications throughout the Valley. The results of this pilot program are being used to further inform research in this area, and to determine whether this model can be used to cost-effectively reduce localized PM emissions in and around Valley communities. To date, the District has allocated more than \$1.6 million in funding for the replacement of 29 pieces of conventional harvesting equipment with new, low-dust harvesting equipment throughout the Valley.

TECHNOLOGY ADVANCEMENT PROGRAM

Achieving Valley-wide attainment of the health-based federal ambient air quality standards will require significant additional emissions reductions, and the development and deployment of transformative zero and near-zero emissions technology over the coming decades, particularly in the mobile source sector. Through the Technology Advancement Program (TAP), District staff have been actively working with technology providers, other agencies, and Valley stakeholders to identify and support the next generation of transformative technologies necessary to achieve the District's clean air goals.

Since inception, there have been four rounds of TAP funding, with over 137 proposals for clean-technology projects received. The District has selected 35 of these projects for funding support totaling \$12.6 million. In the past year, District staff have streamlined the TAP application process to allow for ongoing submittals of requests for support of advanced technology concepts. Recent updates to the proposal submittal process have expanded the reach of the program to new technology developers and will allow for the support of additional demonstration concepts in the Valley.

Through the TAP, District staff have supported innovation in dairy digester technologies through the CDEA's Dairy Digester Research and Development Program (DDRDP). The District has also supported the CDEA's Alternative Manure Management Program resulting in innovative projects to reduce methane emissions from dairies without installing digester systems. The DDRDP has provided \$183 million since 2014 for 108 dairy digester projects in the Valley, and with nearly no new criteria pollutant emissions.

VALLEY ADVOCACY at the State and Federal Level

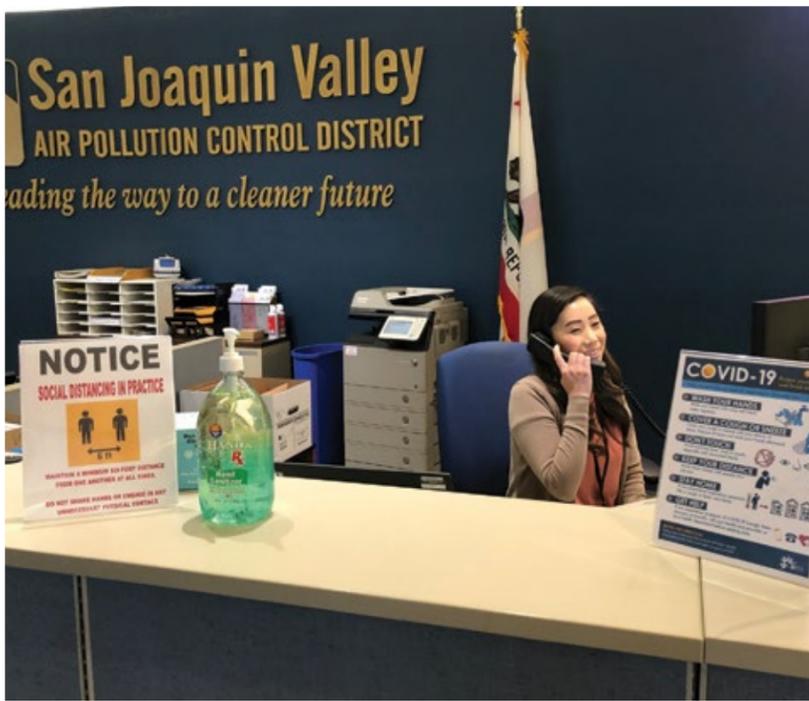
The District's 2019 legislative activities were extremely productive. At both the state and federal level, the District has been able to continue to build on recent efforts to bring resources to the Valley that will greatly assist in achieving the enormous emissions reductions necessary for our State Implementation Plans aimed at attaining the federal health-based standards. At the state level, the District was successful in securing additional funding for the implementation of new state AB 617 mandates, new incentive funding to achieve early emission reductions in disadvantaged communities, and the majority of new state FARMER program funding.

The following provisions in the 2019 budget legislation are particularly beneficial to the Valley:

- \$245 MILLION** Statewide for COMMUNITY AIR PROTECTION (*District anticipated to receive \$50.5 million*)
- \$65 MILLION** Statewide for AGRICULTURAL DIESEL ENGINE REPLACEMENT AND UPGRADE (*District anticipated to receive 80% of funds*)
- \$34 MILLION** METHANE REDUCTION (*Dairy Digesters mostly in the San Joaquin Valley*)
- \$65 MILLION** ENHANCED FLEET MODERNIZATION PROGRAM (EFMP) AND EFMP PLUS-UP, SCHOOL BUS REPLACEMENT, AND LOW-INCOME CLEAN VEHICLE REBATE PROGRAM. The Valley contains 20 of the 30 most disadvantaged communities. This funding is targeted at those communities.
- \$182 MILLION** HYBRID AND ZERO-EMISSION TRUCK AND BUS VOUCHER INCENTIVE PROJECT (*HVIP*). This is a statewide program that the Valley traditionally takes advantage of.
- \$50 MILLION** AIR DISTRICTS' AB 617 IMPLEMENTATION

At the federal level, the District built upon our past success in protecting and securing funding through the Diesel Emission Reduction Act (DERA) program, the Targeted Air Shed program, and Environmental Quality Incentives Program (EQIP) funding for farm equipment replacement in the Farm Bill.

This past year, the District also strengthened relationships with key policymakers at federal agencies to pursue administrative solutions and policies to assist in addressing the Valley's air quality challenges. The District worked closely with EPA to develop administrative solutions related to Clean Air Act implementation as well as the U.S. Forest Service to help move forward new initiatives with respect to enhanced forest management.



CONTINUING TO PROVIDE ESSENTIAL PUBLIC SERVICES DURING PANDEMIC

The COVID-19 pandemic changed life for all of us in the San Joaquin Valley and brought with it unprecedented and difficult challenges. As an essential public health agency and member of the Valley community, the District had a responsibility to continue providing essential public services while keeping our employees and our communities safe. By continuing to monitor and communicate air quality information to the public, respond to complaints, work with businesses to fulfill their air quality needs, keep our vendors and grantees paid, and maintain other essential services; the District was able to continue playing a role in protecting the public's health and quality of life.

We also took into account the major disruption to the Valley and nation's economy caused by the COVID-19 pandemic. Throughout the crisis, the District worked closely with those that we regulate to understand the evolving situation and associated impacts, and develop options for meeting air quality obligations in recognition of these challenges.

Our actions and responses have been, and continue to be, based on closely monitoring the situation from local, state, and federal public health authorities, including:

- > Centers for Disease Control,
- > California Department of Public Health,
- > The California Governor's Office,
- > The President of the United States, and
- > Our local agencies, including all eight Valley counties and multiple Valley cities.

The District also used its strong relationships with Valley Public Health Officers to assist in developing its response to the pandemic. In response to recommendations from public

health authorities, the District took a number of steps to adjust our operations with a focus on safety and ensuring business continuity. The District temporarily closed the offices to the public and encouraged stakeholders to continue to reach out to us via phone, email, fax, or traditional mail for service. Rigorous procedures for cleaning and disinfecting our offices, and recommended health screening and social distancing protocols for limited in-person interaction were all instituted. Telecommuting options were significantly expanded for employees, and all public meetings were shifted to online meetings and teleconferences.

The District rapidly developed and implemented measures aimed at maintaining continuity of critical essential services including:

- > Air quality monitoring, forecasting, burn management
- > Enforcement of air quality regulations and complaint response
- > Permitting/grant administration

Economic assistance measures were promoted to help residents and businesses hurt by the economic downturn, and expedited permitting on a case-by-case basis to support requests from businesses and organizations within the Valley that engage in projects to aid in the response to the COVID-19 pandemic.

Looking ahead, the District will continue to work closely with the public and affected stakeholders in responding to the new realities created by the pandemic. The District plays a critical role in the San Joaquin Valley in providing important services aimed at improving air quality and protecting public health, and will continue to seek innovative ways of fulfilling its mission, even during these difficult times.

District STAR Work Culture Focused on Excellence

The District is committed to establishing and maintaining a workforce that provides not only high-quality technical work, but also exceptional customer service. Our customers include the public, the regulated community, other agencies, and fellow employees. The principles of STAR create an atmosphere in which providing exceptional service, demonstrating effective teamwork, maintaining a positive attitude, and showing respect to others is a key part of every employee's job. To foster a culture of excellence, the District believes in continuous improvement and embraces change. Towards that end, the District empowers and encourages employees to take initiative by offering solutions and volunteering to participate in implementing desired changes.

SERVICE

We strive to provide excellent service in our relations with all our internal and external customers.

TEAMWORK

We work for the District as a team and not just for a program, department, or region.

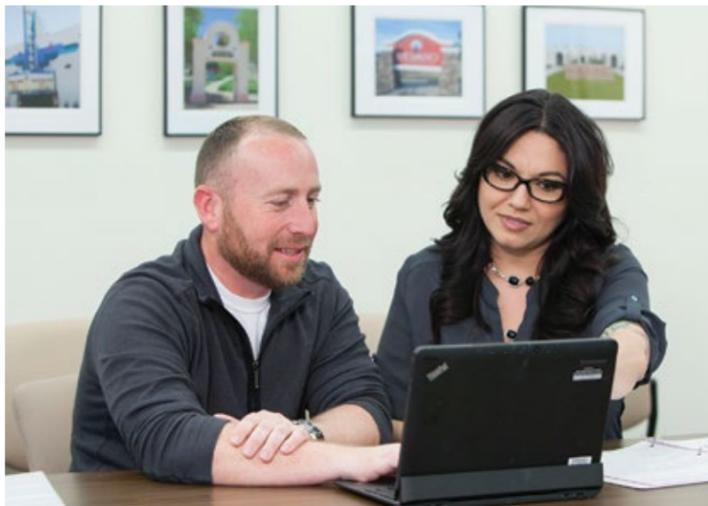
ATTITUDE

We strive to be pleasant in our relations with coworkers, subordinates, superiors and all our customers.

RESPECT

We respect the opinions and interest of all Valley residents, and fully consider their opinions in our efforts to carry out the District's mission. We always speak positively and respectfully about our fellow District employees, the organization, and those we serve.

We serve the public with integrity, honesty, and full accountability and take pride in our effective and efficient use of resources.



INSIDE THE DISTRICT

Codified in the District's Core Values, accountability is one of the most important aspects of all of the District's operations, goals and strategies. The District is accountable to the public for every dollar spent and every regulation adopted. It is accountable for demonstrating quantifiable progress toward clean air, and it is accountable for conducting day-to-day business in the most effective, efficient and innovative ways possible.

The District's track record demonstrates these values. It is given the highest marks by auditors and other agencies. It consistently sets a high bar for air quality improvements that other air management agencies emulate. It also sets the gold standard for customer service.

In addition to the sections presented earlier in this report regarding air quality improvement strategies, air quality trends and voluntary incentive grants, the District offers you the following operational information about how it is cleaning the air, saving money and implementing continuous improvement in all of its undertakings, continuing the tradition of excellence that the Valley's stakeholders have come to expect.

HUMAN RESOURCES

The District performs the full range of human resource support activities including the recruitment, classification and pay, records management, labor relations, training, and management/supervisory support. The District is responsible for minimizing risk through employee benefits, workers' compensation and well programs. Over the past year, the District has worked in collaboration with federal, state and local health agencies to adjust operations as necessary to respond to COVID-19.

INFORMATION TECHNOLOGY SERVICES

The District continued its work to provide the latest technology to assist the public in doing business with the District. Among the projects accomplished in the past year was the addition of several new online portals for the public to use when applying for grants, upgrades to District grants management and human resources management systems, air monitoring station improvements, upgrades and enhancements to staff laptops and phones, and continual maintenance and upgrades to various internal systems to ensure efficiency and availability.

LEGAL

The in-house District Counsel's office works cooperatively with all departments to ensure legal compliance with the myriad of federal, state and local regulations applicable to the District, and to enforce the District's rules and regulations designed to achieve and maintain healthy air quality for our Valley. Recently, the District Counsel played a key role in ensuring the District's response to COVID-19 was appropriate and took into account the safety and well-being of both District employees and customers.



ADMINISTRATION

The Administrative Services Division is responsible for all finance, grants administration and a variety of general services-related functions of the District. The finance functions include preparation and control of the District's budget; responsibility for accounting and auditing of all District revenues and expenditures; preparation of financial statements and incentive reports as well as other grant financial management, including state and federal grant reporting. The grants and incentive team is responsible for the development, implementation and ongoing administration of various incentive grant programs. The general services functions of the Administrative Services Department include responsibility for facilities management, fleet maintenance, purchasing and risk management.

INDEPENDENT AUTHORITY COMMENDS DISTRICT FOR FISCAL TRANSPARENCY

The District was proud to once again be awarded the Government Finance Officers' Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR).

GFOA is an internationally recognized organization that offers guidance and support to local and state government budget and finance professionals throughout the United States and Canada. In July 2019, GFOA presented the "Certificate of Achievement for Excellence in Financial Reporting," the GFOA's highest form of recognition in governmental accounting and financial reporting, to the District for its fiscal year 2017-18 CAFR.

Receiving this award represents a significant recognition by an expert independent authority of the Board's commitment to meeting the highest principles of governmental reporting and transparency to the public, and excellence in exercising fiduciary responsibilities.





PERMITTING

WORKING WITH BUSINESS

The District works cooperatively with Valley businesses and assists them in complying with the Valley's air pollution regulations, which are some of the most stringent in the nation. To date, the District administers permits and registrations for more than 43,000 stationary sources of air contaminants at more than 14,000 facilities in the Valley.

AUTHORITIES TO CONSTRUCT & PERMITS TO OPERATE

Stationary sources of air pollution, from dry cleaners' and auto body shops to power plants and oil refineries, must obtain air permits from the District before constructing or operating. The permitting process involves two major steps:

The applicant must first apply for an Authority to Construct (ATC) permit. The application review process is an important opportunity for all interested parties — the project proponent, the District and the interested public — to assess a project's compliance with federal, state, and local air pollution regulations prior to beginning construction. To obtain an air permit in the Valley, the District requires the best available air pollution control equipment as well as mitigation of emission increases.

Once the applicant has properly installed the equipment authorized under the ATC permit and successfully completed an initial compliance inspection as well as any required emissions testing, when applicable, a Permit to Operate is issued.

FEDERALLY MANDATED OPERATING PERMITS (TITLE V)

As of 2019, the District has issued Title V permits to more than 232 facilities considered to be "major sources" of air pollution. Federal law requires major sources to obtain Title V permits, which are designed to expand public and Environmental Protection Agency participation in the permitting process for the largest emitters of air contaminants.

EMISSIONS INVENTORY

Each year, the District collects emissions and processes data from more than 6,000 facilities and other information sources, calculates each facility's annual emissions, and reports the emissions to the California Air Resources Board. This emissions inventory then acts as a cornerstone of the District's efforts to reduce air pollution through attainment plans and emission control strategies.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

CEQA is the state law that requires environmental impacts to be assessed on projects and disclosed to the public, and also requires significant impacts be mitigated to a less than significant level when feasible. District staff carefully review land developers' project proposals, new stationary source permits, and attainment plans and rules for compliance with CEQA requirements. Consistent with its commitment to continuous improvement and exceptional customer service, the District has implemented enhancements to its public notification system to allow members of the public to automatically receive CEQA project-specific information upon request. The District also has developed streamlined, web-based tools to assist land use agencies and developers with implementing CEQA requirements.

SMALL BUSINESS ASSISTANCE (SBA)

Exceptional customer service is not only one of the District's core values, it also is ingrained in our work culture. A great example of this is the District's SBA program, whose mission is to provide dedicated assistance to Valley businesses that lack the resources or expertise needed to efficiently obtain air permits or otherwise comply with District requirements. Our SBA staff provide expert advice on technology options, application processes, cost-efficient methods to comply with

District requirements, as well as many other air quality issues. Interested parties can contact the District SBA staff through hotline telephone numbers in the Northern, Central, and Southern regions of the Valley.

AIR TOXICS PROGRAM

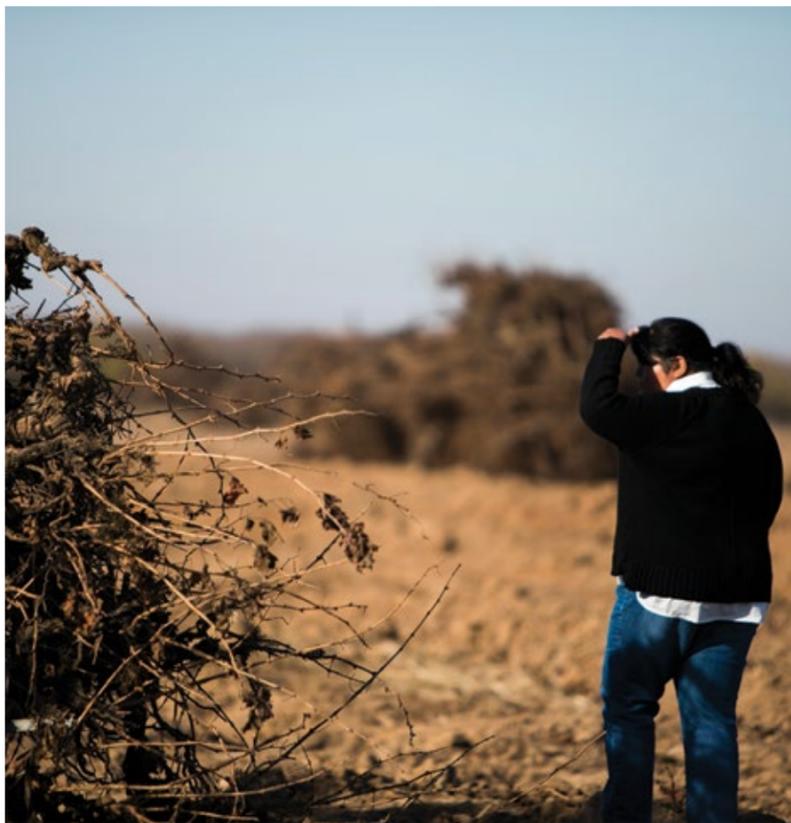
The District performs a number of tasks aimed at reducing the risks of toxic air pollution. The District implements state and federal air toxic control regulations, maintains an inventory of toxic air contaminant emissions from Valley sources, and assures that those emissions, and any proposed air toxics emission increases from new or modified sources, do not cause a significant risk to the residents of the Valley. Every year, the District publishes an extensive report of the air toxics program, and makes this report available to the public on the District's website.

INDIRECT SOURCE REVIEW (ISR)

Indirect sources are buildings or facilities, such as new residential housing or shopping center developments, that attract mobile sources of emissions but may not directly emit air pollution. The District's ISR program assesses the potential indirect emissions created by a development project, quantifies the mitigation proposed by the applicant, and may assess a development mitigation fee if insufficient mitigation measures are proposed by the applicant. Each year, the District publishes a report of ISR activity, and the emissions reductions generated by the program, and makes this annual report available to the public on our website.

PERMITS SERVICES

1,990	Authority to Construct permits issued
51	New Permits to Operate issued
386	Permit-Exempt Equipment Registrations issued
25	New Title V permits issued
1,497	Title V permit renewals issued
642	Title V permit modifications
601	Conservation Management Practices plans issued
153	Emission Reduction Credit certificates issued or transferred
720	Toxic air contaminant risk-management reviews performed
6,125	Annual emissions inventory statements and surveys processed
2,816	California Environmental Quality Act (CEQA) review requests processed
689	CEQA comment letters sent
321	CEQA documents prepared
356	Indirect Source Review applications approved
330	Facilities subject to the Employer Trip Reduction Implementation Plans Rule
285	Employer Trip Reduction Implementation Plans (eTRIP)



ENFORCEMENT

Compliance with federal, state, and local air quality rules and regulations is ensured by operating a robust inspection program along with a full range of educational and compliance assistance activities.

INSPECTIONS

The District routinely conducts detailed inspections and audits equipment at new and existing facilities to ensure compliance with applicable rules and regulations. Categories of sources include petroleum and chemical refining, oil production, gasoline dispensing, dry cleaning, power plants, manufacturing, and agriculture. Other emission-producing activities are also inspected, such as asbestos demolitions and renovations, construction, residential wood burning, agricultural burning, hazard-reduction burning, and idling diesel trucks.

AIR POLLUTION COMPLAINTS

The District responds to approximately 3,000 air pollution complaints from the public each year. These complaints are often the initial indicator of air quality issues in a community. Therefore, the District places the highest priority on responding to complaints and operates an on-call program to ensure timely response to complaints, even during non-business hours.

COMPLIANCE ASSISTANCE AND EDUCATION The District provides a full range of educational and compliance assistance activities to proactively aid facilities and individuals in complying with air quality rules and regulations. This assistance and education is provided through training classes, certification programs, bulletins, email blasts, workshops, and one-on-one meetings.

SOURCE TESTING AND MONITORING

The District monitors emissions from facilities using a variety of methods, including vans outfitted with specialized monitoring equipment, hand-held portable emissions analyzers and leak detectors, and staff certified to read visible emissions. When non-compliance is suspected, an immediate test can verify emissions activity and often leads to timely corrective action. In addition to compliance and enforcement work, the District also performs testing and monitoring in support of permitting, rule development, planning, emission inventory, and technology advancement efforts.

ENFORCEMENT ACTIONS

When violations of rules and regulations are discovered, the District delivers an appropriate level of enforcement action to ensure an expeditious return to compliance, and assesses monetary penalties to deter future violations. Disputed cases are generally handled in-house and settled through a mutual settlement process. On the rare occasion that a case cannot be settled, the case may be transferred to District Counsel for formal legal actions. In 2019, the District processed more than 2,331 notices, transferred 325 cases to District Counsel, and collected more than \$6.7 million in settlements.

CONSERVATION MANAGEMENT PRACTICES (CMP) PLANS

The District is responsible for regulating and updating more than 6,084 CMP plans designed to decrease air pollution emissions from agricultural operations.

HEARING BOARDS

The Hearing Boards are quasi-judicial panels that act independently of the District. They are authorized by state law to provide temporary relief from District rules and regulations if strict conditions prescribed under the California Health and Safety Code are met. Any excess emissions associated with the temporary relief granted by the Hearing Boards represent only a very small fraction of the Valley's total emission inventory and cannot, by law, be likely to interfere with the attainment and maintenance of health-based air quality standards or cause a public nuisance. In 2019, 74 variance petitions were heard at 46 hearings.

EMPLOYER-BASED TRIP REDUCTION (eTRIP)

This innovative regulation requires large businesses to develop strategies to promote and encourage carpooling and alternative transportation for their employees. To date, employers have submitted and implemented eTRIP plans at 330 worksites in the Valley.

As an employer subject to the eTRIP rule, the District has been a role model for other facilities subject to the eTRIP rule. In fact, the District has implemented considerably more measures than required by the rule, significantly reducing Vehicle Miles Traveled. This experience has been critical in giving District staff valuable insight on how to provide the best possible customer service to help other employers implement the rule requirements.

COMPLIANCE

37,541	Units inspected
2,936	Public complaints investigated
2,297	Open burn sites inspected
5,718	Incentive funding units (i.e. trucks, engines) inspected
2,927	Asbestos projects reviewed and inspected
328	Employer worksites subjected to the Employer Trip Reduction Implementation Plans (eTRIP) Rule



AIR QUALITY SESSIONS

A selection of air quality basics to add to your collection



Valley Air District
Sponsored - Paid for by San Joaquin Valley Air Pollution Control District

Go green this holiday season—replace your gas/diesel-powered landscape maintenance equipment with new electric-powered landscape maintenance equipment through our Clean Green Yard Machine (CGYM) Commercial Rebate Program. Click below to learn about eligibility.



Valley Air District
Sponsored - Paid for by San Joaquin Valley Air Pollution Control District

The Valley Air District is seeking involvement from interested residents, businesses and other members of the community to help the District understand the specific needs of the Southwest Stockton community and develop effective clean air strategies. Join us!



OUTREACH & COMMUNICATIONS

The District's Outreach and Communications (OC) Department is comprised of a talented group of professionals with expertise in public relations, media, graphics, web design, audio-video production and event organization. Innovative, creative and effective, the OC team strives to provide clear communications to educate the public, local businesses and media about the District's mission, message and outreach campaigns.

The Outreach team invests a good deal of time providing vital air quality information to a variety of entities through presentations, event collaboration, school outreach, oral and written communication, health fairs, clubs and public events. These appearances (also available virtually) are vital outreach tools for the District to build lasting relationships with Valley communities.

Effectively and accurately representing the District's position on virtually any subject or policy, with polish and professionalism, the OC team skillfully delivers public information through radio, television and webcast appearances. In both English and Spanish, the staff contributes commentary for press releases and other materials frequently featured in the Valley's largest, most-read publications and websites.

During the past year, the District coordinated multiple regional press events to showcase successful clean air projects, including: unveiling the world's cleanest diesel locomotives to replace four tier 0 locomotive switchers; showcasing a brand new all-electric school bus at Malaga elementary in the Fresno AB 617 area; and celebrating Frito Lay's work to replace all of its existing diesel-powered freight equipment with zero-emission and near-zero emission technologies at its Modesto manufacturing site.

HEALTHY AIR LIVING SCHOOLS

With a mission of empowering schools to promote healthy outdoor activities while protecting students during air quality episodes, the District encourages schools to enroll in the Healthy Air Living Schools Program. Through this program, schools commit to using the Real-time Air Advisory Network (RAAN) to adjust outdoor activities when air quality reaches certain levels. Other tools provided to participating schools include RAAN widgets for school websites, the "Valley Air" app for smart devices, "no-idling" signage to be posted near pick-up areas, air quality presentations to students and parent groups, Healthy Air Heroes activity kits for students in kindergarten through sixth grade, and kids' calendars.

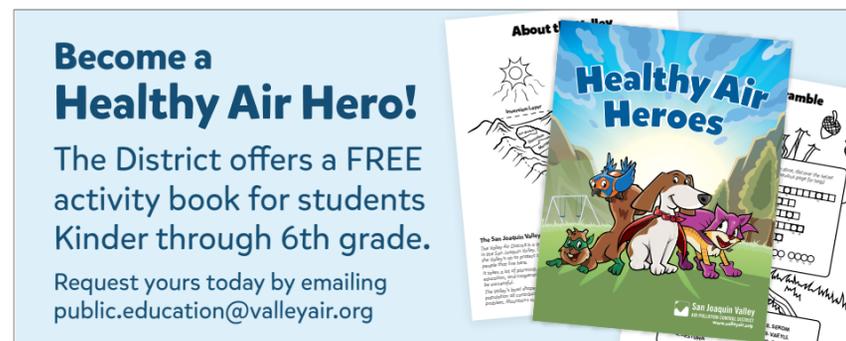
Through frequent and ongoing communication, the program keeps track of and responds quickly to participating school needs. During episodes of extremely poor outdoor air quality, phone calls, text messages and emails are sent to all Valley school contacts, encouraging them to take recommended actions to protect students.

BY THE NUMBERS

120	Media Calls
1001	Public Calls
35	News Releases
110	Presentations/Outreach Events

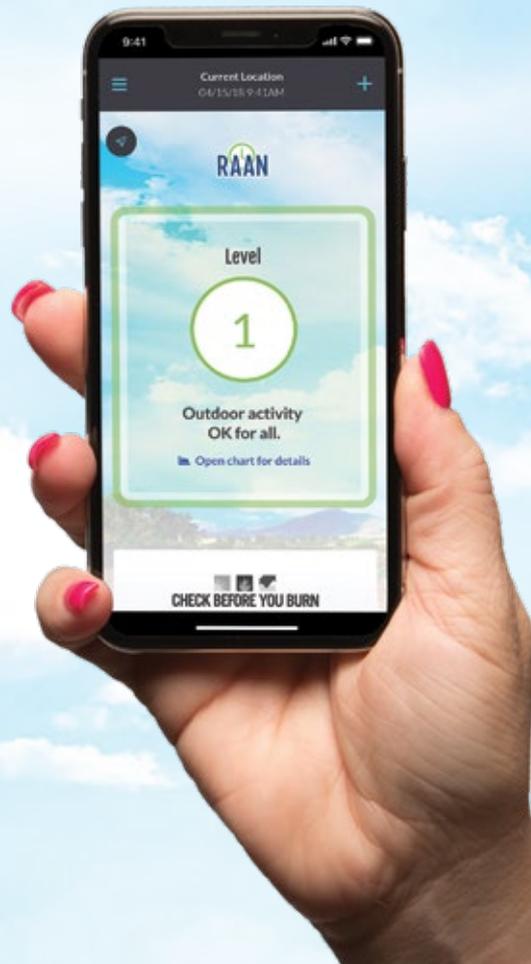
HAL SCHOOLS PROGRESS

- > 1,009 schools actively use RAAN in the San Joaquin Valley
- > District staff have collected current contact information for 1,725 individual school personnel at schools and school districts across the Valley
- > 284 schools or school districts have online RAAN information displayed in the form of a widget on their public web pages



Download the Valley Air app

- › The official “Valley Air” app is designed for neighborhoods and communities in the San Joaquin Valley.
- › Keep track of current air quality in your favorite neighborhoods.
- › Receive hourly air quality data provided by the Real-Time Air Advisory Network (RAAN).
- › Report Air Quality Complaints - submit confidential air pollution complaints
- › Check Before You Burn - View the daily residential wood burning status for your county during the winter season
- › Air Alerts - receive alerts during unique air quality episodes



DOWNLOAD - IT'S FREE! | www.valleyair.org/app



BAD SMELL? UNUSUAL SMOKE? DUST?

The Valley Air District investigates thousands of complaints each year and the public plays a key role in ensuring regulations are followed. Simply call one of the toll-free complaint lines, visit www.valleyair.org/complaints, or use the “Report Air Quality Issues” feature on the free “Valley Air” app.

Complaints are a high priority and are investigated as soon as possible, including after hours and on weekends.

FILE A COMPLAINT

Northern Region: 1-800-281-7003
San Joaquin, Stanislaus and Merced counties

Central Region: 1-800-870-1037
Madera, Fresno and Kings counties

Southern Region: 1-800-926-5550
Tulare and the Valley portion of Kern counties

Complaints about Smoking Vehicles
1-800-559-9AIR or 1-800-559-9247



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT
1990 East Gettysburg Ave.
Fresno CA 93726

CONTACT US:

Central Region Office 559.230.6000
Northern Region Office 209.557.6400
Southern Region Office 661.392.5500
www.valleyair.org | www.healthyairliving.com

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 @valleyairdistrict