Note: Effective at the end of business 1/15/09, the Bakersfield office will move to:

34946 Flyover Court
Bakersfield, CA  93308
Ph: 661-392-5500

- 2009 Governing Board Chair Chris Vierra welcomed Henry J. Forman, PhD, to the Board as the first Health and Science representative appointed by the Governor. Dr. Forman is a professor in the School of Natural Sciences at UC Merced and is associate editor of “Free Radical Biology & Medicine.” He received a BA in chemistry from Queens College in NY and earned a PhD in biochemistry from Columbia.

- District Health Science Advisor David Lighthall, PhD, assessed recent studies on the costs of air pollution and benefits of reaching attainment. He discussed the studies’ methodology and clarified the meaning of the term “value of a statistical life.” Lighthall questioned whether a quantitative estimate of lives saved because of cleaner air would be more helpful in the formulation and evaluation of District policies and rules than the more abstract economic assessment. Lighthall also noted that the central challenges facing air quality agencies include finding a balance between public health protection, economic viability to a region and individual rights.

- The Governing Board approved an amendment to the District’s Transportation Congestion Relief Program (TCRP). The District received a $25 million grant from Caltrans to implement the Valley Emergency Clean Air Project (VECAP). The program, which is nearing completion, has funded projects to clean up agricultural engines, locomotives, on- and off-road equipment, school buses and the installation of truck-stop idle reduction equipment. SB23 requires the District to administer a voluntary program to replace high polluter vehicles with lower, donated emission vehicles. Interest from the VECAP funds will be used to implement this state-mandated program.

- The Board heard a staff report on methodologies used to assess the economic feasibility and socioeconomic impact of new regulations. The report noted that the District performs detailed cost effectiveness and socioeconomic analyses as a part of the rule development process. To the extent possible, the District works to find the most cost effective approaches to reducing emissions and to minimize any significant economic impacts.

- The Governing Board took three actions today to expand the San Joaquin Valley Air Basin’s air monitoring network. First, the District accepted the donation of a monitoring station in Lebec by the Tejon Ranch Company and took ownership of a new station in Tranquillity in western Fresno County. Second, the Board approved the contract for building a new particulate matter monitoring station in Madera. Third, the Board added an Instrument Technician position to the Air Monitoring staff to meet the workload demands of the network expansion. The air monitoring network will continue to be augmented over the next year to meet federal mandates triggered by the Valley’s ongoing population growth, with new stations coming online in Tulare and San Joaquin counties.

- The Governing Board approved amendments to Rule 1020 (Definitions). The amendments eliminate some restrictions on the use of compounds, methyl formate and tertiary-butyl acetate which do not contribute to smog. Under the amended rule, a facility operator may apply to the District to modify their permits to allow the use of these compounds. To ensure that the use of
these materials does not pose a significant risk to Valley residents, the District will perform a health risk assessment prior to modifying a facility’s permits to allow the use of these compounds.

December 2008 District Activities

Outreach and Education

- The Kid’s for Clean Air contest for 4th and 5th graders is a major outreach effort of this winter’s Check Before You Burn program. District staff have made presentations to teachers, principals and superintendents to enlist their support and more than 1,000 contest kits have gone out to schools in the eight counties. Students participate by getting family and friends to fill out forms pledging to adopt clean-air behaviors such as not burning trash and riding their bikes to school. The contest ends Feb. 26, and classrooms that achieve the highest participation will win a $250 teacher resource grant and an iPod Shuffle for each student.

- Twenty-thousand free 2009 Healthy Air Living Kids bilingual calendars were distributed in December and January. Five thousand of the highly anticipated Hmong language calendars also were given out, primarily during Hmong New Year celebrations.

- Outreach and Communications responded to 73 media calls and 439 public calls in December. A news release to Valley media reminded residents to check air quality before they burned their fireplaces during the holidays. Staff participated in 10 outreach events last month.

Grant and Incentive Program

- The District received 44 incentive program applications in December.
- $3,461,254.04 in Heavy-Duty Engine Program and REMOVE II Program grant funds were placed under contract in December.
- $1,385,627.48 was paid out in Heavy-Duty Engine Program claims.
  - Ag Engines – 34        $1,131,719.48
  - On Road – 1            $  238,908.00
  - On-Road 1B – 3         $  15,000.00

Heavy-Duty Emission Reductions (tons)

- NOx    750
- PM     1,113
- ROG    40
Total: 1,903

- In the REMOVE II Program, $73,400 in claims was paid in December.

December Operations Overview

- The District received 109 environmental documents for review in December.
- Planning held four rule and plan workshops and three rules were adopted.
- Compliance conducted 1,264 inspections in December. 266 NOVs were issued and 212 cases were settled.
- Permits received 201 applications in December and 396 permits were issued that month.
- ERIP received 36 smoking vehicle reports.

Upcoming Meetings

<table>
<thead>
<tr>
<th>Governing Board</th>
<th>Citizens’ Advisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 a.m. Thurs., Feb. 19, 2009</td>
<td>10 a.m. Tues., Feb. 3, 2009</td>
</tr>
</tbody>
</table>

Please see www.valleyair.org for meeting agendas and other details.