

District Highlights

August 18, 2016 Actions by the Governing Board

District Governing Board Establishes the Path for the Valley's Future Actions in Response to Unreasonable Federal Mandates and Recent Inaction by EPA: Valley Cities and Counties May Be in Danger of Losing Billions of Dollars in Federal Highway Funds

The Governing Board received detailed information describing the challenges the Valley is facing with respect to the federal mandates under the Clean Air Act for particulate matter. The total quantity of air pollution released into the atmosphere in the San Joaquin Valley has been reduced to an all-time low. Despite this significant progress, the antiquated provisions in the federal Clean Air Act impose deadlines that are impossible to meet. After reducing Valley air pollution by over 80% we have reached a point where the Valley cannot attain the latest federal standards even if all Valley businesses, agricultural operations, or trucks traveling through the San Joaquin Valley were eliminated.

While the bulk of the Valley's remaining emissions come from mobile sources outside of the District's regulatory authority, under the federal Clean Air Act, the responsibility to bring the region into attainment with the federal standards rests with the local air district, and the region will be subject to sanctions that would be devastating to the Valley's economy if mobile sources under federal regulatory authority are not adequately controlled. These sanctions include a de facto ban on new and expanding businesses and a loss of billions of dollars in federal highway funding.

Further complicating the situation the Valley finds itself in with respect to the antiquated provision of the federal Clean Air Act, is recent inaction by the EPA. On July 1, 2016, without any advance warning or opportunity to address perceived deficiencies, EPA unexpectedly failed to act on the District's 2015 PM2.5 Plan and attainment deadline extension request for the 1997 PM2.5 Standard. As a result, the Valley now faces an attainment deadline of December 31, 2015 which has already passed. Furthermore, the Valley is now required to adopt a new plan that achieves a minimum of 5% reduction in emissions every year until the Valley reaches attainment.

The Board adopted a set of guiding principles and actions that are aimed at further reducing air pollution as expeditiously as possible while taking all reasonable actions to avoid or delay costly federal sanctions. The Board directed the staff to engage in a comprehensive outreach effort to educate Valley residents and policy makers concerning the above federal mandates, District actions, and potential costly consequences that the Valley resident and municipalities may face in the event federal sanctions cannot be avoided. The Board also scheduled a close session to discuss potential legal action against the EPA.

For a detailed information concerning this complex matter please refer to Agenda Item #9 for the August 18, 2016 Governing Board Meeting

http://www.valleyair.org/Board_meetings/GB/agenda_minutes/Agenda/2016/August/final/09.pdf.

Emission Reduction Agreement with Kern County to Mitigate Future Growth in Oil and Gas Production Activities

The District Governing Board approved an Emission Reduction Agreement with Kern County to ensure future oil and gas production activities are fully mitigated. This agreement fulfills a commitment by Kern County and the oil and gas industry under the 2015 Kern County Zoning Ordinance Focused on Oil and Gas Activities. The newly adopted county ordinance requires oil and gas production operations to undertake local projects that reduce emissions or pay a mitigation fee that will be forwarded to the District to fund emission reduction projects to mitigate potential impact from growth in oil and gas production activities.

It is estimated that mitigation funds generated under this agreement could range from \$2 to 3 million per year during the current decline in oil and gas production activity, up to \$27 million annually under a maximum oil and gas production scenario. Utilizing the District's successful incentive grant programs, the funds provided to the District will be reinvested in local projects through awards to businesses, residents, and municipalities to generate reductions in emissions.

District Accepts \$900,000 from EPA to Replace Old, High Polluting Trucks in the Valley

The District Governing Board accepted \$900,000 in funding from EPA's Diesel Emission Reduction Act (DERA) Program to fund truck replacement projects through the District's highly successful Truck Voucher Program. Since 2012 the Truck Voucher Program has successfully provided over \$40 million to help replace more than 990 Valley-based heavy-duty trucks with new, cleaner trucks and this additional funding will facilitate the replacement of approximately 40 more trucks. In addition to accepting the funding, the Governing Board approved several enhancements targeted at broadening access to the program and increasing participation by Valley truck fleets, with a continued emphasis on assisting Valley small businesses in purchasing new, cleaner trucks. These enhancements include opening the program to large trucking fleets, expanding truck size and model year eligibility and eliminating outdated options for purchasing PM retrofits and certain used trucks. The total allocation is comprised of project funds and administrative funds, which cover the District's cost to administer these funds.

District's Adopts New Initiative to Secure State and Federal Fund for Pollution Control

Despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, NO_x emissions (primary precursor for both ozone and PM_{2.5}) in the San Joaquin Valley must be reduced by an additional 90% in order to attain the latest federal ozone and PM_{2.5} standards that now encroach on natural background levels. Mobile sources now account for approximately 85% of the Valley's NO_x emissions and fall under federal and state control. The District has little regulatory authority over mobile source emissions. The District's primary tool for reducing mobile source emissions is through incentive-based programs. A significant increase in incentive funds will be necessary to achieve the emissions reductions necessary to attain stringent federal standards. Similar to a recent plan introduced by the South Coast Air Quality Management District, the Valley may also need a billion dollars per year for the next ten to fifteen years to fund emission reductions in the mobile source sector. Towards that end, the Board adopted a six part strategy to bring significant state and federal resources to the region to reduce mobile source emissions:

1. Assess the magnitude and the timing of the funds needed by the Valley to generate the emission reductions necessary to reach attainment of the federal standards.
2. Work with the South Coast Air Quality Management District to identify areas where incentive-based measures can be integrated and reduce the overall cost for mobile sources that travel both Districts.

3. Work with the South Coast Air Quality Management District and other interested parties to establish potential funding request targets for the state and federal government.
4. To garner broader support at the national level, identify other regions in the nation that could benefit from incentive funding.
5. Collaborate with South Coast Air Quality Management and pursue joint advocacy for funding at the state and federal level.
6. Work to build support for advocacy with business representatives and environmental and public health groups.

June District Activities

Outreach and Communications

- The District spent June compiling illustrations and activities for the new kid's activity kit, launching the new AQI Forecast page, communicated with media about the early start to ozone season, and shared message about District's formal petition to EPA to adopt tougher national standards on mobile sources.
- In June, District staff responded to 24 media calls and 57 public calls and 30 emails, issued six news releases and attended 2 events and presentations.

Grant and Incentive Programs

- In June, the District received 468 incentive program applications. 71 were for the Wood Stove Change-Out Program and 107 were for the Heavy Duty Engine Program.
- In June, \$4,918,637.60 was placed under contract in the Heavy Duty Engine Program and 110 claims were paid.
- In June, \$1,036,420.20 was paid out in REMOVE II program claims.
- In June, \$239,660.27 was paid in Burn Cleaner program claims and 137 claims were processed.

	June 2016	Applications	Grants Offered		Grants Executed		Amount Paid	
Key	Program	Number Received & Entered	Number of Contracts sent out	Sum of Grant Funding	Number of Contracts Executed	Sum of Grant Funding	Number of Claims paid	Sum of Grant Funding
Burn Cleaner	Burn Cleaner	71	77	\$134,000.00	78	\$135,000.00	137	\$239,660.27
Heavy Duty	Ag Engine	6	8	\$166,743.32	1	\$13,000.00	9	\$140,137.58
	Off-Road	86	32	\$1,118,200.00	58	\$2,610,017.54	55	\$1,986,900.00
	On-Road DERA VIP	0	1	\$19,583.55	1	\$19,583.55	10	\$166,395.43
	On-Road Prop 1B	0	48	\$2,385,000.00	14	\$755,000.00	0	\$0.00
	On-Road TVP	13	17	\$831,163.85	17	\$831,163.85	23	\$1,033,448.31
	School Bus Replacement	0	0	\$0.00	1	\$85,808.00	2	\$84,136.76
	School Bus Retrofit	0	3	\$397,947.03	9	\$698,522.30	5	\$16,974.74
	School Bus Tank Replacement	2	0	\$0.00	1	\$125,120.98	6	\$80,779.01
Lawn Garden	Lawn Mower Replacement	61	28	\$5,699.50	28	\$5,699.50	38	\$7,848.49

Public Benefit	Alt-Fuel	7	2	\$194,169.38	12	\$513,808.54	71	\$1,265,397.37
Remove II	Alt-Fuel/Hybrid Vehicle Rebate	0	0	\$0.00	0	\$0.00	1	\$14,896.00
	Bicycle Infrastructure	0	2	\$11,454.00	0	\$0.00	0	\$0.00
	Car Crushing	0	0	\$0.00	0	\$0.00	13	\$377,627.13
	Charge Up	10	0	\$0.00	1	\$10,000.00	0	\$0.00
	VVIP - Commuter Subsidy	66	3103	\$147,690.00	3103	\$147,690.00	2,203	\$67,897.10
	E-Mobility	0	0	\$0.00	1	\$300,000.00	0	\$0.00
	Drive Clean - Light and Medium Duty	146	163	\$450,000.00	163	\$450,000.00	210	\$576,000.00
TAP	Technology Advancement	0	1	\$400,000.00	1	\$400,000.00	0	\$0.00
	Totals	468	3485	\$6,261,650.63	3489	\$7,100,414.26	2,783	\$6,058,098.19

Reductions from Executed Contracts (tons)			
Nox	PM	ROG	Total
455	38	44	537

Smoking Vehicles	13
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Operations Overview

- Completed 2,502 inspections in June, and 141 NOVs were issued. Mutual settlement case completions totaled 156.
- Received 213 permit applications in June, and 264 permits were issued.
- Received 13 smoking vehicle reports in June.
- Received 167 environmental documents in June.

July District Activities

Outreach and Communications

- The District spent July creating a Naming Campaign for the characters in the new kid's activity book, launching the new Wild Fire Page, and communicating to the public how they can protect their health this wild fire season.
- In July, District staff responded to 24 media calls and 92 public calls and 33 emails, issued one news release and attended 7 events and presentations.

Grant and Incentive Programs

- In July, the District received 346 incentive program applications. 87 were for the Wood Stove Change-Out Program and 64 were for the Heavy Duty Engine Program.
- In July, \$5,032,115.20 was placed under contract in the Heavy Duty Engine Program and 15 claims were paid.
- In July, \$287,295.32 was paid out in REMOVE II program claims.
- In July, \$65,616.40 was paid in Burn Cleaner program claims and 37 claims were processed.

	July 2016	Applications	Grants Offered		Grants Executed		Amount Paid	
Key	Program	Number Received & Entered	Number of Contracts sent out	Sum of Grant Funding	Number of Contracts Executed	Sum of Grant Funding	Number of Claims paid	Sum of Grant Funding
Burn Cleaner	Burn Cleaner	87	70	\$110,500.00	70	\$110,500.00	37	\$65,616.40
Heavy Duty	Ag Engine	2	3	\$52,669.25	5	\$100,875.51	0	\$0.00
	Off-Road	43	39	\$1,911,200.00	61	\$3,533,500.00	0	\$0.00
	On-Road DERA VIP	0	3	\$100,000.00	2	\$50,000.00	0	\$0.00
	On-Road Prop 1B	0	27	\$1,350,000.00	40	\$1,925,000.00	0	\$0.00
	On-Road TVP	18	22	\$1,060,931.25	22	\$1,060,931.25	15	\$700,548.62
	School Bus Replacement	1	3	\$240,743.98	0	\$0.00	0	\$0.00
	School Bus Retrofit	0	1	\$36,946.16	1	\$36,946.16	0	\$0.00
	School Bus Tank Replacement	0	5	\$279,624.80	1	\$35,996.40	0	\$0.00
Lawn Garden	Lawn Mower Replacement	27	54	\$11,513.99	54	\$11,513.99	38	\$8,099.00
Public Benefit	Alt-Fuel	9	16	\$1,023,021.08	2	\$199,371.03	0	\$0.00
Remove II	Bicycle Infrastructure	0	2	\$159,766.00	1	\$7,207.00	0	\$0.00
	Car Crushing	0	0	\$0.00	0	\$0.00	6	\$153,265.32
	Charge Up	2	11	\$112,000.00	0	\$0.00	0	\$0.00
	VVIP - Commuter Subsidy	49	1854	\$106,020.00	1854	\$106,020.00	201	\$6,030.00
	Drive Clean - Light and Medium Duty	108	131	\$360,664.78	131	\$360,664.78	47	\$128,000.00
	Totals	346	2241	\$6,915,601.29	2244	\$7,538,526.12	344	\$1,061,559.34

Reductions from Executed Contracts (tons)			
Nox	PM	ROG	Total
645	36	27	708

Smoking Vehicles	24
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Operations Overview

- Completed 2,075 inspections in July, and 106 NOVs were issued. Mutual settlement case completions totaled 144.
- Received 117 permit applications in July, and 189 permits were issued.
- Received 24 smoking vehicle reports in July.
- Received 167 environmental documents in July.

Upcoming Meetings

Governing Board*
9:00 a.m. Sept. 15, 2016

Citizens Advisory Committee*
10:00 a.m. Sept. 6, 2016

Enviro. Justice Adv. Grp.
5:30 p.m. Oct. 27, 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*