

Agenda Date: June 17, 2004  
Agenda Placement: Admin  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Linda Beard, 961-8853

SUBJECT: Minutes of the March 2004 South Central Coast BCC Meeting

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### RECOMMENDATION:

Receive and file the attached draft minutes from the March 10, 2004 meeting of the South Central Coast Basinwide Control Council.

### DISCUSSION:

The Health and Safety Code (Section 40900) requires that each air basin, which is comprised of two or more air pollution control districts, establish a basinwide air pollution control council. This council is intended to promote coordination of air pollution control efforts throughout the air basin. The council receives reports on rule development and planning efforts, the anticipated effect of state and federal actions, and other issues of interest.

The South Central Coast BCC meets quarterly and consists of one Board Member, appointed by the Air Pollution Control Board, from each of the following Districts: San Luis Obispo County, Santa Barbara County, and Ventura County. As you may recall, Cynthia Brock was appointed by your Board at the January 15, 2004 meeting to represent Santa Barbara County on this Council.

The attached minutes summarize the June South Central Coast Basinwide Control Council meeting. We plan to make it a practice to provide such minutes to your Board on a regular basis.

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**SOUTH CENTRAL COAST BASINWIDE  
AIR POLLUTION CONTROL COUNCIL**

**Santa Barbara County APCD  
260 North San Antonio Road, Suite A  
Santa Barbara, CA 93110-1315  
805/961-8800**

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**TECHNICAL ADVISORY COUNCIL**

**Douglas W. Allard, APCO**  
Santa Barbara County APCD

**Larry R. Allen, APCO**  
San Luis Obispo County APCD

**Michael Villegas, APCO**  
Ventura County APCD

**COUNCIL MEMBERS**

**Cynthia Brock, Chair**  
Mayor, City of Goleta  
Santa Barbara County  
**James Heggarty, Vice Chair**  
Council Member, City of Paso Robles  
San Luis Obispo County  
**Ernie Villegas**  
Council Member, City of Fillmore  
Ventura County

**MINUTES**

**March 10, 2004**

Present:

Council Members: Cynthia Brock, Santa Barbara County  
Ernie Villegas, Ventura County  
James Heggarty, San Luis Obispo County

Staff Doug Allard, Santa Barbara County  
Larry Allen, San Luis Obispo County  
Mike Villegas, Ventura County  
Terry Dressler, Santa Barbara County  
Tom Murphy, Santa Barbara County  
Bobbie Bratz, Santa Barbara County  
Linda Beard, Santa Barbara County

Others: Colby Morrow, Southern California Gas Company

**CALL TO ORDER**

The meeting was called to order at 10:05 a.m.

1. Approval of Minutes of June 11, 2003

Heggarty/Brock Minutes approved.

Abstain: E. Villegas

## 2. Implications of SB700 (Agricultural Sources of Air Pollution)

Terry Dressler reported that until recently, agricultural sources were exempt from permit requirements. He said California would not be in compliance with federal law unless these agricultural exemptions were eliminated. He stated that SB700 was passed by the Legislature to remedy this exemption status. He outlined the provisions of the bill as follows:

- Effective 1/1/04 all agricultural exemptions were repealed except for vehicles.
- Requires districts to permit agricultural sources that exceed 50% in actual emissions of the major source threshold (This goes beyond the federal limit.) Each district, depending on its attainment status, has its own definition for a "major source". Ventura's limit is 25 tons and Santa Barbara and San Luis Obispo limits are 100 tons.
- Sources with potential to emit pollution over major threshold must submit applications before 1/1/05.
- Serious non-attainment areas must adopt Best Available Control Technologies (BACT) before 1/1/06.
- Large animal feeding facilities (approximately 7,500 head) must comply by 7/1/06.
- Wineries may be required to obtain permits depending on the volume of production since fermenting grapes emit alcohol/ethanol.

Mr. Dressler stated that Santa Barbara County APCD was in the process of gathering information and was meeting with the agricultural commission. He said a one-page fact sheet was being developed which would survey agricultural sources to formulate an emissions inventory. He also stated that CAPCOA had an ad hoc committee working on the implementation of SB700 and that San Joaquin Valley was taking a leadership role. He concluded by saying that identifying agricultural sources which would require permits will be a very difficult process since there are many factors to consider.

## 3. Update on Federal and State Actions:

- State budget outlook

Larry Allen reported that the passage of the \$15 billion bond helped to stabilize the budget, but believed that there would still be large cuts. He said that the ARB may lose 92 positions – half through attrition and half from lay-offs. Mr. Allen said that the situation at the ARB could affect its support functions to the local districts. He stated that the vehicle license fee roll-back hurt district funding. He said that any increases in state fees would adversely affect local districts ability to raise fees.

- Update on State regulations

Larry Allen said that Executive Order S-2-03, issued by Gov. Swarzenegger on 11/17/03, put a 180-day hold on processing of any proposed regulation that had not been formally signed off on by the Office of Administrative Law. In addition, he said that all state regulatory agencies were required to suspend or postpone the effective date of any adopted, amended or repealed regulations not yet effective, and all of these would be carefully scrutinized before moving forward. Mr. Allen said that ARB is holding workshops in preparation for adoption of its rules when the Executive Order is lifted.

He also reported that at the 1/22/04 meeting of ARB, San Luis Obispo County was redesignated a federal attainment area for the state ozone standard. He said it was the first district in the state to reach attainment as a result of its Clean Air Plan.

- Federal eight-hour ozone standard

Tom Murphy reported on a recent letter to the Region 9 Administrator of EPA from ARB regarding recommendations for area designations under the federal 8-hour ozone air quality standard. He said that ARB was asking EPA to change some proposed area designations and boundaries consistent with the most recent air quality data, to clarify some area descriptions, and to help on a transportation conformity issue vital to rural areas which will be designated nonattainment for the first time under the 8-hour ozone standard. Mr. Murphy also discussed the loss of CMAQ funding for areas in attainment which could adversely affect an area's ability to maintain attainment. Ernie Villegas suggested that a letter be sent to Senators Boxer and Feinstein and to Congresswoman Capps from the Basinwide Control Council encouraging federal transportation program legislation which would ensure an equitable distribution of transportation funds among the states and also requested a change in CMAQ funding guidelines.

A motion was made by Mr. E. Villegas, seconded by Mr. Heggarty, and approved unanimously directing Tom Murphy to draft letters to be sent to our legislators from the BCC regarding these funding issues. Colby Morrow of Southern California Gas Company requested that she receive a copy of the letter to distribute to other interested parties.

The issue of 105 funding was also discussed, and it was recommended it be addressed at the next meeting.

#### 4. New Source Review Reform

Doug Allard stated that New Source Review (NSR) is an important permitting tool for new sources of air pollution requiring businesses to use BACT when building or modifying existing facilities. He said that recently EPA made changes to NSR, resulting in a less stringent rule. Mr. Allard said that a number of states sued EPA, California being one of them, seeking prohibitions against weakening the state's NSR rule. As a result, SB 288 was passed prohibiting air districts from weakening rules in anyway. Mike Villegas reported that Ventura County was developing an NSR rule which would be a test case for NSR reform.

#### 5. Marine Vessel Retrofit Program

Doug Allard reported that marine emissions were a major unrecognized and unregulated source of air pollution. He said that due to growth of global trade, NOx emissions from marine vessels off the coast of Santa Barbara County would increase from one-third in 1999 to two-thirds in 2015. Mr. Allard said that 90% of the vessels are foreign-flagged making it more difficult to regulate this source of pollution. He said a large majority of these ships are container vessels, burning bunker fuel which is very "dirty". Mr. Allard listed some solutions:

- Implement tough new standards for new vessels
- Retrofit existing vessels; by establishing a "Carl Moyer" type program
- Lobby U.S. to impose global standards; give EPA enforcement authority

Mr. Allard said that a ship owned by Matson Shipping was slated to be the first retrofit project which would take at least one year to complete. He said that it is very cost effective equaling \$1,000/ton. Mr. Heggarty suggested that port fees be charged as an incentive to clean-up marine vessel emissions.

6. Ventura APCD Enforcement Case

Mike Villegas reported that Ventura County APCD and CARB settled a lawsuit against Pacific Custom Materials based on excess emissions of sulfur dioxide and particulate matter, and other permit violations. Mr. Villegas said the settlement required Pacific Custom Materials to improve monitoring to ensure compliance with their permit, to retrofit heavy-duty diesel construction equipment to reduce emissions of diesel particulate, and to make monetary payments totaling \$350,000. He also reported that a criminal complaint against Halaco Engineering Company resulted in a fine of \$7,500 and formal probation for 36 months requiring Halaco to obey all laws, improve compliance monitoring, and hire a consultant to assist in complying with their permit.

7. Ethanol in Gasoline

Continued until next meeting.

8. Other Business

Meeting Schedule for 2004

The meeting schedule was set as follows: June 9, September 8, December 8.

9. Adjourn

The meeting was adjourned at 12:05 p.m.