

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CAL/EPA HEADQUARTERS
BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA 95814

THURSDAY, NOVEMBER 20, 2014
9:10 A.M.

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APPEARANCES

BOARD MEMBERS

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Ms. Sandra Berg

Mr. Hector De La Torre

Mr. John Eisenhut

Mayor Judy Mitchell

Mrs. Barbara Riordan

Supervisor Ron Roberts

Supervisor Phil Serna

Dr. Alexander Sherriffs

Professor Daniel Sperling

STAFF

Mr. Richard Corey, Executive Director

Ms. Lynn Terry, Deputy Executive Director

Dr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. La Ronda Bowen, Ombudsman

Ms. Jennifer Gress, Legislative Director, Office of
Legislative Affairs

Ms. Karen Magliano, Assistant Chief, Air Quality Planning
and Science Division

APPEARANCES

STAFF

Ms. Eileen McCauley, Manager, Atmospheric Processes
Research Section, Research Division

Ms. Beth White, Manager, On-Road Compliance Assistance
Section, MSCD

ALSO PRESENT

Mr. Ken Alex, Director, Office of Planning and Research

Mr. Randal Friedman

Mr. Jeff Morales, CEO, High Speed Rail Authority

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PROCEEDINGS

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3 CHAIRPERSON NICHOLS: The November 20th, 2014,
4 public meeting of the Air Resources Board will come to
5 order.

6 And we will begin the meeting as we always do
7 with the Pledge of Allegiance to the flag.

8 (Thereupon the Pledge of Allegiance was
9 Recited in unison.)

10 CHAIRPERSON NICHOLS: Madam Clerk, would you
11 please call the roll?

12 BOARD CLERK JENSEN: Dr. Balmes?

13 BOARD MEMBER BALMES: Here.

14 BOARD CLERK JENSEN: Ms. Berg?

15 BOARD MEMBER BERG: Here.

16 BOARD CLERK JENSEN: Mr. De La Torre?

17 BOARD MEMBER DE LA TORRE: Here.

18 BOARD CLERK JENSEN: Mr. Eisenhut?

19 BOARD MEMBER EISENHUT: Here.

20 BOARD CLERK JENSEN: Supervisor Gioia?
21 Mayor Mitchell?

22 BOARD MEMBER MITCHELL: Here.

23 BOARD CLERK JENSEN: Mrs. Riordan?

24 BOARD MEMBER RIORDAN: Here.

25 BOARD CLERK JENSEN: Supervisor Roberts?

1 BOARD MEMBER ROBERTS: Here.

2 BOARD CLERK JENSEN: Supervisor Serna?

3 BOARD MEMBER SERNA: Here.

4 BOARD CLERK JENSEN: Dr. Sherriffs?

5 BOARD MEMBER SHERRIFFS: Yes.

6 BOARD CLERK JENSEN: Professor Sperling?

7 BOARD MEMBER SPERLING: Here.

8 BOARD CLERK JENSEN: Chairman Nichols?

9 CHAIRPERSON NICHOLS: Here.

10 BOARD CLERK JENSEN: Madam Chairman, we have a
11 quorum.

12 CHAIRPERSON NICHOLS: We certainly do. So nice
13 to have you all here.

14 I have a couple of announcements I need to make.
15 Anyone who wishes to testify is asked to please fill out a
16 request to speak card. They're available in the lobby
17 outside. And we ask that you give them to the Board
18 assistant or clerk prior to the item that's called so that
19 we have a chance to put a list together.

20 We will be imposing a three-minute time limit,
21 and we appreciate it people will summarize any written
22 testimony they submitted because we do have the written
23 testimony. So it's much better if you don't read that,
24 but just speak it in your own words.

25 I also need to point out the exits at the rear of

1 the room and the sides of the dais. In the event of a
2 fire alarm, we're to go to the exits and evacuate this
3 room immediately, go down stairs and outside the building
4 until we get the all-clear sound. That's the extent of my
5 official remarks here.

6 So I think we should just get started. Let's
7 begin with the consent items. We have several of them,
8 but I think we should probably take them in order. So the
9 first item on consent is a research proposal. The Board
10 members have had a chance to look at it. Do we have
11 anyone who wants to take this off the consent? Anybody
12 sign up to testify? Okay. Let's just have a motion.

13 BOARD MEMBER MITCHELL: I move approval.

14 BOARD MEMBER RIORDAN: Second.

15 CHAIRPERSON NICHOLS: Very good. All in favor
16 please say aye.

17 (Unanimous aye vote)

18 CHAIRPERSON NICHOLS: Any opposed? Great.

19 Second item is the greenhouse gas quantification
20 determination for the Association of Monterey Bay Area
21 Governments Metropolitan Transportation Plan/Sustainable
22 Community Strategy. That's a mouthful. Probably almost
23 as long as the plan.

24 So again, Board Clerk, did any witnesses sign up
25 to testify?

1 Are there any Board members who wish to have this
2 taken off consent? If not, we have a motion and a second.

3 BOARD MEMBER BERG: So moved.

4 BOARD MEMBER ROBERTS: Second.

5 CHAIRPERSON NICHOLS: All in favor please say
6 aye.

7 (Unanimous aye vote)

8 CHAIRPERSON NICHOLS: Any opposed?

9 Any abstentions?

10 Okay. Great.

11 And then the last item on the consent calendar is
12 an update to the Transportation Conformity budget for the
13 San Joaquin Valley.

14 And again, any witnesses? No.

15 Any Board members who want to discuss this item?

16 If not, can we please have a motion and a second?

17 BOARD MEMBER MITCHELL: Move approval.

18 BOARD MEMBER RIORDAN: Second.

19 CHAIRPERSON NICHOLS: All in favor say aye.

20 (Unanimous aye vote)

21 CHAIRPERSON NICHOLS: Opposed?

22 Any abstentions?

23 Great.

24 Okay. Now we turn to the business of the
25 meeting. And I see Ken Alex, the head of the Governor's

1 Office of Planning and Research. We have invited the
2 Governor's office and the High Speed Rail Authority -- Mr.
3 Morales, welcome -- to come and give us an update on
4 what's going on with the High Speed Rail. We thought it
5 would be good for the Board, because the state's
6 transportation system is a key economic sector driving
7 reductions in greenhouse gas emissions and accounts for
8 almost 36 percent of our total emissions. High Speed Rail
9 is a key component of the state's future transportation
10 system, providing the backbone of a more sustainable
11 growth strategy in the San Joaquin Valley. And of course,
12 it's one of the many projects that are receiving funding
13 now from the cap and trade auction proceeds.

14 So I'll turn to our Executive Officer to
15 introduce this item.

16 DEPUTY EXECUTIVE OFFICER COREY: Yes, thank you,
17 Chairman Nichols.

18 The State's long-term air quality and climate
19 vision includes a variety of zero and near-zero
20 transportation choices that are integrated into an
21 inner-connected sustainable communities throughout the
22 state. ARB has a major role in this future.

23 But we also have many partners, including the
24 High Speed Rail Authority. I welcome today Ken Alex from
25 the Governor's Office of Planning and Research and Jeff

1 Morales from the High Speed Rail Authority to share with
2 us their progress on achieving this vision. Ken.

3 DIRECTOR ALEX: Thank you very much, Chairman
4 Nichols and members of the Board.

5 Thanks for having this item on the agenda.
6 Obviously, something of substantial importance to the
7 Governor and to the Office of Planning and Research and to
8 the Strategic Growth Council and on and on and on.

9 I'm mostly here this morning to introduce Jeff
10 Morales, which I will do in a minute. But I wanted to
11 talk a little bit for a couple of minutes about the work
12 that the Strategic Growth Council and the Office of
13 Planning and Research are doing in conjunction with High
14 Speed Rail on a very under-appreciated, yet I think
15 extremely important part of the value of High Speed Rail.

16 I think most people see High Speed Rail as a way
17 to move people from north to south and south to north. A
18 very important piece of what the rail is about, but not
19 the only piece. As we move to 50 million people in the
20 state of California, a lot of that growth will be in the
21 Central Valley. And right now, the Central Valley, which
22 has, as we know, all kinds of air issues and other kinds
23 of series of problems is somewhat economically isolated
24 from the coast. It's also expected to be the area of the
25 largest growth in population.

1 Right now, we are losing agricultural land at a
2 pretty frightening rate, prime agricultural land around
3 cities like Fresno. And the growth patterns and
4 development patterns are reminiscent of Southern
5 California in that they tend to be sprawl.

6 So what OPR and the SGC are doing with High Speed
7 Rail is to work with local governments to work on
8 stationary planning around High Speed Rail stations to
9 work on connectivity plans, how do we transport people to
10 and from High Speed Rail stations, get them out of cars,
11 think about how we actually preserve open space,
12 agricultural land, create higher densities in population
13 areas while we do so with connection to transit. And all
14 of that is made possible by the backbone of the High Speed
15 Rail running through this area of central California

16 So just for example, if you think about the city
17 of Fresno, which will have a High Speed Rail station, it's
18 about 30 miles from the city of Madera. Right now, you
19 can only get to the city of Madera by car. We need to
20 think about that differently, because the proposals for
21 building and development in Madera County are not in the
22 city of Madera right now.

23 So this is an opportunity to really think about
24 how we develop over time in the Central Valley differently
25 and also to connect to areas like Silicon Valley, which

1 are isolated from the valley and make it an economic
2 outpost.

3 So with all of that, SGC and OPR have dedicated
4 personnel staff time to work pretty extensively in the
5 valley and I think we're making some progress. And Jeff
6 will talk a little bit more about the progress. So let me
7 turn to my main function here, which is to introduce Jeff
8 Morales.

9 Jeff is the CEO of the High Speed Rail Authority.
10 He has enormous experience, and you'll see why he's the
11 CEO of the High Speed Rail Authority. He is the former
12 Director of Caltrans. He was a Senior Vice President at
13 Parsons Brinkerhoff. He was the Vice President of the
14 Chicago Transit Authority. He spent a fair amount of time
15 at the federal level. He was a member of President Elect
16 Obama's transition team. He was part of Vice President
17 Gore's national performance review. He was part of the
18 White House Commission on Aviation Safety and Security and
19 also worked for a time at the U.S. Department of
20 Transportation and was part of the U.S. Senate staff. So
21 he brings all of that to High Speed Rail.

22 So let me turn it over to Jeff.

23 CHAIRPERSON NICHOLS: Good morning.

24 HIGH SPEED RAIL AUTHORITY CEO MORALES: Good
25 morning. Thank you, Madam Chair. Thank you, Chairman

1 Nichols. Thank you for the chance to be here and make
2 this presentation.

3 I want to before starting --

4 --o0o--

5 HIGH SPEED RAIL AUTHORITY CEO MORALES: --
6 recognize one of our Board members, Rick Frank, who is
7 known well to many of you who is here with us and has
8 brought a very important perspective to our program and to
9 ensure that we, in fact, achieve the kind of goals that
10 Ken has just talked about. So very pleased to have Mr.
11 Frank here with us today.

12 I want to acknowledge and thank the ARB for its
13 support and work with us. Chairman Nichols, your work in
14 leading up to the vote on the cap and trade program this
15 summer was really indispensable, and that of your staff,
16 Richard Corey, and others to help make sure that we shape
17 this program and to implement it in a way that does
18 achieve the goals of greenhouse gas reduction. And also
19 we're off to a great start since the adoption of the
20 budget, putting those cap and trade proceeds to use
21 already. We're making good progress on that.

22 What I'd like to do today is run through where we
23 are with the program, how it ties with the goals of this
24 Board and the state's environmental goals, and then talk
25 about next steps. Certainly happy to take any questions

1 you may have.

2 --o0o--

3 HIGH SPEED RAIL AUTHORITY CEO MORALES: Very
4 consistent with what Ken said, we really have shifted the
5 focus of this program. And much to the consternation of
6 some of our train buffs and our engineers, I always say
7 it's really not about the train. It is about what this
8 system will mean for the state of California going
9 forward, shaping its growth, helping tying together with
10 local planning decisions, local development, cities like
11 Fresno. Many people don't realize Fresno is the same size
12 as Washington, D.C. and it will be getting bigger, a lot
13 bigger. It needs different ways of meeting its growth
14 that's ahead of us. This is one of those
15 once-in-a-generation transformative investments that will
16 really make a huge difference to the future of how people
17 move in the state, how our economy is tied together. And
18 it is also very significant in that it is the first
19 infrastructure investment that literally is designed to
20 and will connect all of the state's population centers.

21 Look at previous investments. They have -- as
22 Ken alluded, the valley has been isolated. I-5 did not go
23 to the population centers. It went past the Central
24 Valley. This system by law will connect all of the
25 population centers of the state. That in and of itself

1 will have a huge impact on what the state does, ties
2 together. Not just the Central Valley, with Silicon
3 Valley, for instance, but even between San Francisco and
4 San Jose. All those cars on the 101 taking an hour, hour
5 and a half, two hours to get between San Francisco, San
6 Jose, a half hour on an electric, non-polluting train
7 makes a big difference in that region. That's what this
8 program is about, and that's how we're implementing it.

9 --o0o--

10 HIGH SPEED RAIL AUTHORITY CEO MORALES: Some of
11 the underlying reasons why I believe and I think it's a
12 lot of the reason the Governor has embraced and pushed
13 this program as hard as he has is in many ways we really
14 don't have a choice. We have to make an investment like
15 this. And some of the underlying conditions really speak
16 to that.

17 We have 38 million people in California today.
18 Will be growing to 50 million over the next few decades.
19 Our transportation systems cannot meet that demand. And a
20 few examples, many people don't realize that the L.A. area
21 to the Bay Area is the busiest air market in the
22 United States. And that has all sorts of implications for
23 air quality, for productivity, for economic benefit.
24 About one out of every five or so flights leaving the L.A.
25 area airports is coming to northern California. That's

1 not a very efficient way to use airplanes. It's not an
2 efficient way to use airports, and it has significant
3 implications in terms of air quality. And I'll talk more
4 about that in a moment.

5 And one thing I would also point out, you may
6 have seen there is a little bit of controversy about our
7 program from time to time and people get a little upset.

8 CHAIRPERSON NICHOLS: Actually, it doesn't seem
9 that much to us.

10 HIGH SPEED RAIL AUTHORITY CEO MORALES: You're
11 used to that. But I point out if you think clearing --
12 essentially clearing and ultimately building two tracks up
13 and down the state is challenging, imagine what it would
14 be like to build 4500 lanes -- new lanes of freeway up and
15 down the state. Because that's what we're talking about
16 in terms of alternatives. A huge cost difference, but
17 also huge impacts on the environment and on communities.

18 --o0o--

19 HIGH SPEED RAIL AUTHORITY CEO MORALES: One of
20 the key benefits of High Speed Rail -- and this has been
21 proven around the world where it's been implemented but an
22 example closer to home is mode shift. That is, getting
23 people out of cars, out of airplanes onto the train.

24 And as a reminder, this system will be
25 100 percent electric. We have a goal of 100 percent

1 renewable energy powering the system. And that has huge
2 implications for travel. And we will see as we've seen
3 around the world a marked shift in how people travel.
4 It's happened between Madrid and Seville, between Paris
5 and Leon, between cities in Tokyo, all the cities where
6 High Speed Rail has gone in, the share of travel on rail
7 has grown from in some cases less than ten percent to now
8 90 percent.

9 Sometimes people dismiss that and say that's
10 Europe or that's Asia and that will never happen in the
11 U.S. We all love our cars too much. But we've seen the
12 same thing happen in the northeast when Amtrak introduced
13 the Acela service, which is the closest thing we have in
14 this country to High Speed Rail. There is a three-mile
15 stretch where they get up to 160 miles an hour and
16 everybody gets excited and then it slows down again.

17 But since they introduced that service, Amtrak's
18 share of that DC to New York commute market has grown from
19 37 percent and it's now actually up over 80 percent.
20 That's real. And the significance of that in part is that
21 the difference from an emissions perspective between
22 electric high speed train and airplanes on short distances
23 is huge, about 1/15th of the emissions result when you
24 look at the entirety of the system.

25 And we project that when the full system is up

1 and running here, upwards of 200 flights a day between
2 Southern California and Northern California will be
3 eliminated as that traffic is moved onto trains. And that
4 has huge implications for air quality and for
5 transportation.

6 --o0o--

7 HIGH SPEED RAIL AUTHORITY CEO MORALES: The
8 system that we are moving forward with is, in fact, a
9 statewide network. It's a massive investment, one that
10 doesn't happen very often. But again, it will connect all
11 of the state's population centers. And the initial
12 segment Phase I, as it's described in Prop. 1A connecting
13 San Francisco and Los Angeles, but ultimately the system
14 will extend to Sacramento and to San Diego. We see all
15 the points in between. We're moving forward
16 simultaneously and building this on three areas. In the
17 peninsula, we as part of our program, the CalTrain
18 commuter rail system, which is currently a diesel system,
19 is being electrified and upgraded. That will be
20 incorporated into our system. Just that segment alone is
21 projected to reduce starting in about 2020 some 68,000
22 tons of emissions a year by electrifying that existing
23 system.

24 At the same time, we have begun the work and
25 begun the construction in the Central Valley of the

1 dedicated High Speed Rail system. We're underway. Cap
2 and trade funds are helping move that forward. And we're
3 working in Southern California now to expedite our work
4 down there connecting Burbank with Palmdale and making
5 improvements at Union Station and to the existing commuter
6 rail system in Southern California that will bring
7 benefits for commuters today and in the near term and
8 ultimately become part of our system.

9 One of the goals of the cap and trade program
10 certainly is amended by its statute is also to create
11 local benefits in disadvantaged communities, and that's a
12 very important part of our program. We have incentives
13 and requirements in our contracts to promote hiring in,
14 for instance, the Central Valley where unemployment rates
15 are twice the state average. And we're seeing that begin
16 to take effect already.

17 We're promoting businesses here in California,
18 jobs here in California. We have 160 small businesses
19 already under contract in our program, 28 disadvantaged
20 veteran businesses under contract. And we see those
21 benefits accruing, not just for air quality purposes, but
22 for economic and employment benefits as well.

23 --o0o--

24 HIGH SPEED RAIL AUTHORITY CEO MORALES: We have
25 made a lot of progress over the last few years, just a few

1 indications. We have secured federal funds as well as
2 State bond funds. And now with the support of the
3 Chairman and others, huge game changer, the securing of
4 the cap and trade proceeds, 25 percent of those going
5 forward, which is a critical element of making this
6 program real and accelerating the benefits that will
7 happen from this.

8 We secured environmental clearances for the
9 construction throughout the Central Valley. One of the
10 most extensive environmental clearances I think it's
11 probably safe to say ever in this state.

12 And we've also done something else which is very
13 important, and this is something our Board feels very
14 strongly about and we as the management people very
15 strongly about, which is making this program really a
16 model for how infrastructure can be delivered in the state
17 as we go forward. We've made a commitment to be zero net
18 emissions during construction of the program, which I
19 think you can appreciate a program of this scale is a
20 massive commitment. One of the ways we're doing that is
21 through a very important agreement we reached with the San
22 Joaquin Air Pollution Control District. We just had a
23 nice event yesterday down in Fresno with EPA Regional
24 Administrative Jerod Blumenfield and Shamer Shak from the
25 district to taut that. We are requiring as part of our

1 contracts that all of the equipment be the latest Tier 4
2 equipment as certified by the EPA, 100 percent recycling
3 of materials, many other steps to go forward.

4 And we are working through the San Joaquin Air
5 Pollution Control District to fund their program to make
6 improvements that will provide near-term benefits that
7 replacing diesel irrigation pumps, replacing old school
8 buses, old farm tractors, all things that will contribute
9 to improved air quality in the Central Valley.

10 As we begin construction, that will last far
11 beyond when we finish construction. So an important
12 investment in cleaner air in the Central Valley.

13 --o0o--

14 HIGH SPEED RAIL AUTHORITY CEO MORALES: We
15 sometimes refer to -- I think people lost sight sometimes
16 and it's hard -- in many ways, this is an environmental
17 program. Those are the benefits we'll see.

18 The Central Valley, as Ken noted, we're losing by
19 some estimates 300,000 acres of farmland a year. The city
20 of Fresno in its growth over the last few decades has
21 consumed 50,000 acres by growing outward. That's one of
22 the reasons the city of Fresno, the Mayor there is so
23 supportive of High Speed Rail as a way of reshaping the
24 growth, bring it back downtown, more transit-oriented
25 development. So our program will be a part of a broader

1 talking about Las Vegas to Los Angeles and Anaheim by
2 tying those two systems together. Again, a huge
3 investment. There are something on the order of 19
4 million trips a year taken out of the L.A. area to Las
5 Vegas, 17 million by car. If you've done that, that's a
6 five- to seven-hour trip, depending on traffic and
7 accidents and other things. Again, lots of people and
8 lots of cars. With an hour and a half trip by train when
9 you can gamble and drink on the train on your way to Las
10 Vegas, no one will drive. So that has huge implications.

11 And that concludes my prepared remarks. I want
12 to again thank you for your support and your partnership.
13 And we commit to working with you to make sure this
14 program does what you want it to do and does what we want
15 it to do and what the Governor envisions for this as we go
16 forward.

17 CHAIRPERSON NICHOLS: Appreciate your coming over
18 and particularly sort of laying out some of the array of
19 environmental enhancements that I think have not been
20 getting much attention, but that I can't think of anything
21 that anyone has suggested could be done in a large scale
22 construction project that you folks haven't found a way to
23 incorporate into this project. It's really kind of
24 amazing from that perspective.

25 This is a real partnership here. ARB has been

1 involved with High Speed Rail I think from the very
2 beginning of the environmental review process in terms of
3 just helping to define and articulate what the benefits
4 were that we were hoping for and how to think about the
5 air and climate implications of the project. So this is
6 not something that we just sort of woke up a year ago when
7 we began to think about spending money and said oh, yeah,
8 let's put some money into High Speed Rail. There has been
9 a long term involvement here.

10 But I thought it would be a good opportunity when
11 things are a little bit quiet around here, relatively
12 speaking, to give my Board members an opportunity to both
13 hear and ask some questions. I see one hand at least
14 already up. So -- two. I'll start with you, John.

15 BOARD MEMBER BALMES: Thanks, Mr. Morales, for
16 that presentation.

17 I wanted to specifically ask you about the
18 electrification of the train corridor. I'm from the Bay
19 Area, and I received actually multiple complaints over the
20 years about the diesel exposure that the current system
21 allows. So I just want to make sure that electrification
22 project is definitely happening and what's the time line.

23 HIGH SPEED RAIL AUTHORITY CEO MORALES: It is
24 absolutely happening. And we're working in partnership
25 with CalTrain to do that. Part of the funding we received

1 from the Legislature is funding that program. The
2 environmental review is scheduled to be concluded right
3 around the end of this calendar year. And then the
4 initiation of the electrification will start next year.
5 And with the target of 2019-2020, depending on exactly --
6 but that will be conversion to electric trains, clean,
7 non-polluting trains. And we are working to make sure
8 that system is fully complimentary with our statewide
9 system so we can get the full benefits of it.

10 BOARD MEMBER BALMES: Thank you.

11 CHAIRPERSON NICHOLS: Dr. Sherriffs.

12 BOARD MEMBER SHERRIFFS: Thank you. Thank you
13 for coming. Thank you for your presentation.

14 And I just wanted to highlight the importance and
15 the value of that partnership with the valley because
16 obviously we are one of the more troubled areas in terms
17 of emissions and air quality, the importance of the zero
18 net emissions commitment and the making available of funds
19 for incentive programs that have been so important to the
20 valley, particularly in terms of helping agriculture,
21 specifically with things like pumps and tractors.

22 And again, emphasizing not just the short-term
23 commitment to zero emissions during construction. But
24 when we replace those dirtier tools, there are those
25 ongoing benefits for the life of that machinery. So thank

1 you very much for that.

2 HIGH SPEED RAIL AUTHORITY CEO MORALES: Thank
3 you. It's been a great partnership. Not everyone in the
4 valley is as fully supportive as others. So I know it was
5 a challenge from the pollution control district's part as
6 well. But I think it's a critical partnership going
7 forward. We're committed to making it work.

8 CHAIRPERSON NICHOLS: Yes, Mayor Mitchell.

9 BOARD MEMBER MITCHELL: Thank you.

10 I want to say again how great this program is.
11 But I think one key part of it is the connection that the
12 High Speed Rail will make to the inner city systems. I
13 know that's important both in the Bay Area and in the Los
14 Angeles area because you can get from L.A. to
15 San Francisco, but can you get around once you get into
16 those places? I think that's a real key component of
17 this.

18 I didn't see in the presentation any time line on
19 this. Maybe you could elaborate a little bit on what that
20 time line is for -- I know we have first phase. But what
21 are the sort of time points that you're looking at?

22 HIGH SPEED RAIL AUTHORITY CEO MORALES: Sure.
23 Some of that is going through -- we're revising schedules
24 based on the cap and trade funding, which creates new
25 opportunities to accelerate some segments. But the

1 general schedule is on the peninsula, again, the
2 electrification will be underway. The time frame is 2019
3 to 2020 for that being up and running.

4 Our construction through the Central Valley is
5 underway. 2018 is the completion of that segment. 2022
6 is our current schedule to have the system running from
7 Merced to Burbank. And then by 2029, ultimately the full
8 San Francisco to Los Angeles segment.

9 Again, we will bring on segments within that as
10 quickly as we can and as soon as possible to provide
11 near-term benefits and tie it all together into one system
12 as we're able to by 2029.

13 BOARD MEMBER MITCHELL: One other question. I
14 guess this question is who. Who is going to provide the
15 rail cars? And do we have -- has that been decided?

16 HIGH SPEED RAIL AUTHORITY CEO MORALES: It has
17 not. We've begun the process. Right now, we're going
18 through an informal process of outreach to the industry.
19 And the manufacturers of high speed trains are all
20 overseas currently. We have active interest from
21 companies, manufacturers in China, Japan, Korea, France,
22 Germany, Italy. I'm probably leaving somebody out, the
23 UK. And we'll have a competition to see where those
24 trains are -- who provides them.

25 We do -- because we're using federal funds in

1 part we have a "buy America" requirement, which means that
2 a significant amount of that work, ultimately the assembly
3 and manufacturing will come to the U.S. We are doing
4 everything possible to make sure it comes to California,
5 not just to the U.S. But here in California.

6 BOARD MEMBER MITCHELL: There was another
7 question. A friend recently pointed out to me the series
8 of articles in the Atlantic magazine written by Mark
9 Farrell on High Speed Rail. He's a strong supporter of
10 that. And I've begun to read those, but I highly
11 recommend that to everyone to take a look at because it
12 does find some reasons to do this and how we go forward
13 with it. So thank you for all your work on this.

14 I think what is not understood well is that this
15 is more than just a transportation system. It's a
16 sustainable communities strategy that reaches all through
17 the Central Valley. So thank you for explaining that. I
18 think some of us have a hard time talking to our
19 colleagues who aren't supportive of this project. So I
20 think if we look at it in that way, it's helpful for them
21 to understand what we are truly doing here. Thank you
22 very much for all your work.

23 HIGH SPEED RAIL AUTHORITY CEO MORALES: Thank
24 you. And I think Jim Fallows' articles have been really
25 important. One of the things they've done is help put

1 things in the right context and the right perspective.
2 That's one of the biggest challenges we have is any
3 program you're going to have near-term disruptions with
4 property acquisition, with construction, and things like
5 that. It's very hard to step back and think about why we
6 are doing this and why we need it and also recognize that
7 every big program had these challenges.

8 We always point out the Golden Gate Bridge, which
9 is probably the most iconic structure in California and
10 one in the country had 2,000 lawsuits filed against it in
11 the 1930s. And the master plan for higher ed passed by a
12 single vote in the Legislature. So I think it's hard to
13 put those things in perspective when you're in the middle
14 of them. I think those articles have helped broaden that
15 exposure. We've been very happy to work with them on
16 that.

17 CHAIRPERSON NICHOLS: Supervisor Serna.

18 BOARD MEMBER SERNA: Great. Thank you, Chairman
19 Nichols.

20 Thank you to Mr. Morales for being here. I
21 wanted to extend my thanks in addition to what has already
22 been said. I think this is important to have this
23 opportunity to have an exchange.

24 One of the slides that I thought was most
25 impressive was your best kept environmental benefits

1 slide. And you have a bullet there reinforcing SB 375
2 stationary planning. And you know, you touched on it.
3 But I'm wondering whether or not there's been any
4 concerted effort to date to do a broader
5 outreach/education program for the general public to
6 consume that permits them to understand the link between
7 reducing VMT and what this project will do in that regard.
8 I think, to date, what we see in the popular media is this
9 questionmark about how sincere this project is going to be
10 to reduce GHG emissions based on the duration of time that
11 has to pass for it to be constructed and then of course
12 the emissions that go into the actual construction of the
13 project.

14 But that back end part I think is absolutely
15 critical especially with regards to SB 375 I haven't heard
16 that much about. So I'm asking, wondering whether or not
17 there has been any effort to do that. If not, if there is
18 any intent to do that.

19 HIGH SPEED RAIL AUTHORITY CEO MORALES: I'll ask
20 Ken to comment on some of this in a moment. I'll touch on
21 a few things.

22 One: I think between 2008 when Prop. 1A passed
23 and then I think 2010/12 when the Governor really kind of
24 got ahold of the program and exercised his influence on
25 the Board, I think the authority kind of lost its way and

1 got too focused on the engineering aspects of things and
2 wasn't conveying that broader message. So as you saw in
3 our presentation, it's really we think that sort of
4 outreach and education is absolutely critical because
5 that's what this program really is about.

6 We are -- among the things we're doing to help SB
7 375 achieve goals SB 375 goals is providing planning
8 grants to the cities where our stations will be because we
9 don't control those decisions, what local development
10 looks like. But for our system to succeed, we need there
11 to be coordinated sound planning. So we're providing
12 funding to the cities to help them do that. And we're
13 taking a number of steps through the Strategic Growth
14 Council as well, which Ken can elaborate on.

15 DIRECTOR ALEX: Thank you for that question. I
16 think it's right on point. As Jeff says, we have not been
17 great about it in the past and are making a very big
18 effort to change that. So High Speed Rail is funding
19 Susan Hauge at the Strategic Growth Council. Her full job
20 is to work with local communities, local governments in
21 the Central Valley, stationary planning and related. And
22 she's terrific. And if anybody would like to have her
23 come talk in their community, she's absolutely available
24 to do that.

25 We also were doing a bi-weekly meeting with Kate

1 White and others from the Transportation Agency and High
2 Speed Rail and Strategic Growth Council and the Governor's
3 Office on exactly the issue that you're raising. How do
4 we change the discussion and how do people perceive the
5 benefits of the rail for the Central Valley. I think
6 we're making some progress. We're seeing articles now
7 that actually are somewhat more balanced.

8 I think that there are counties like Fresno, city
9 of Fresno that have been supportive that continue to be.
10 We're seeing places where we now know the train seems to
11 be much more inevitable than perhaps it was a year or two
12 ago and that we're seeing a different piece of dialogue.

13 I think the James Fallows articles that Mayor
14 Mitchell mentioned have been helpful. We're spreading
15 those far and wide. We're looking for more and more
16 opportunities. We're actually trying to remind
17 environmental groups that they supported Prop. 1A years
18 ago and that they should remember why and they should help
19 us talk about those.

20 So we are very open if any Board members, if you
21 have suggestions for how to better do that, we are
22 absolutely committed to it. And we are certainly talking
23 to all the metropolitan planning organizations about how
24 to integrate this into the 375 process.

25 BOARD MEMBER SERNA: I'm glad you ended on that

1 note. You mentioned cities a number of times. But you
2 know, there are some larger MPOs that are going to
3 probably capture more than one city within their
4 territory. It seems like that would be a logical
5 construct to work with in terms of advancing that
6 opportunity to plan around stations more intelligently.

7 HIGH SPEED RAIL AUTHORITY CEO MORALES: That's
8 true up and down the state. We haven't talked about
9 Sacramento. We're working with SACOG, with the City, with
10 the County and making sure that even though the High Speed
11 Rail system will be a little later getting here problem,
12 there's lots of investments that will be made in the near
13 term. And we need to make sure we plan for the long term.
14 SCAG has been hugely supportive in Southern California of
15 the program. High Speed Rail for the long run is a key
16 element of attainment for them of air quality. We're very
17 much working in partnership with SCAG and other MPOs all
18 over the state.

19 BOARD MEMBER SERNA: Thank you.

20 CHAIRPERSON NICHOLS: Ms. Berg.

21 BOARD MEMBER BERG: Thank you.

22 Good morning.

23 I, too, want to express my appreciation for this
24 presentation because I'm probably one of the citizens that
25 had not been able to think about the High Speed Rail in

1 this framework. So much appreciated. So I'd like to
2 piggyback on the comments that Supervisor Serna just made
3 and also look at the outreach from a public perspective.
4 And specifically when we're starting to talk about goals
5 like zero net emission for construction and other
6 environmental goals, how are we going to be transparent,
7 what tools are we going to use specifically so that we can
8 reach out to the citizens of California and ultimately be
9 a role model for other types of projects that you also
10 alluded to that we could be a good role model for other
11 types of construction projects like that. So
12 specifically, what kinds of things are we looking at in
13 establishing what emissions would there have been and how
14 did we curb those, just as an example. Of course, you
15 have a laundry list of other examples. So thank you very
16 much.

17 HIGH SPEED RAIL AUTHORITY CEO MORALES: Thank
18 you. That scenario where we would very much like to work
19 with the ARB to go forward because I think in some
20 respects you may be a better messenger of some of those
21 things than we are. But we have a number of things. The
22 event I mentioned yesterday we did in Fresno with EPA and
23 with the San Joaquin Air District was one step in that
24 direction of trying to provide that broader information to
25 the public.

1 We have a number of reports that we issue to the
2 Legislature and others where that sort of information will
3 be captured. We also have made a -- signed onto a
4 sustainability program through the American Public
5 Transportation Association, which represents the transit
6 agencies to provide an annual sustainability report, which
7 will capture a lot of this information.

8 But again, I would very much like to continue to
9 work with the ARB to look at the best way of getting that
10 sort of information out and capture it in a broader
11 context as well. I think Ken may have something to add
12 also.

13 DIRECTOR ALEX: So another staff person that High
14 Speed Rail is funding at the Strategic Growth Council is a
15 fellow named Denny Grossman, who is working on something
16 that we used to call RAMP, Regional Advanced Mitigation
17 Planning, but we are going to move on from that.

18 The idea of that is I think very much what you
19 describe. This is a large infrastructure project. We
20 know it has impacts. What if we think about mitigating
21 those impacts not just piece by piece, project by project,
22 but think about what are the things that could be done
23 from a systemic or regional perspective to have the most
24 impacts because we know they're going to be other
25 infrastructure projects. So what if we tie those to

1 things like county -- what are sometimes called green
2 prints where you identify the areas of habitat of open
3 space for agriculture and mitigate on a regional basis.

4 And Denny is moving forward specifically with
5 High Speed Rail, but the idea will be to use this as a
6 project for pilot purposes and for infrastructure projects
7 going forward in the state of California to use this as a
8 model to say let's think more regionally and let's
9 mitigate in a different kind of way and maybe think about
10 CEQA compliance in a different way for those kinds of
11 projects as well. So I think it's exactly what you were
12 talking about.

13 BOARD MEMBER BERG: Just a follow up. It could
14 be also a role model for other types of programs that
15 we're trying to do, like sustainable freight where we
16 don't know -- it is visionary. And so all these pieces
17 are great learning pieces, as long as we can figure out
18 how to share our learning as we go forward. So thank you
19 very much because this is one piece that you gave us to be
20 able to understand better. Thank you.

21 CHAIRPERSON NICHOLS: So documentation and
22 dissemination of the information is a piece that I think
23 we could partner on. And that would be useful I think for
24 both of us.

25 Professor Sperling.

1 BOARD MEMBER SPERLING: Hello. I have one
2 suggestion and one question. You know, one is following
3 up a little bit on this idea about the local planning and
4 the SB 375 process. I've mentioned to you, Jeff, this
5 idea that we need some innovative creative thinking about
6 how to access these stations that in California with our
7 land use patterns, the fixed guideway, fixed schedule type
8 conventional transit services really aren't going to work
9 very well in most of these communities connecting up the
10 High Speed Rail.

11 And now with all these information technologies,
12 there is a lot of opportunities for real time,
13 demand-responsive-based type services. And there is a few
14 companies just starting to play around with that idea. So
15 kind of the suggestion is, you know, there is an
16 opportunity to reinforce and support that, instead of
17 locking into other investments, you know, and agreements
18 with conventional services that might not be in the
19 interest of what you're trying to do or in the
20 communities. So you know, I think I mentioned to you I've
21 been talking to the San Joaquin MPOs as well about this.

22 The question is, you know, going forward, you add
23 up all the numbers in terms of the amount of money that
24 you see coming in. And clearly, it falls short of what's
25 needed. And the challenge is when you're looking at a big

1 project that has large societal benefits, but has large
2 costs up front, we look at it in terms of our electric
3 vehicles and fuel cell vehicles. We're looking at costs
4 of maybe 100 -- nationally about \$100 billion more or less
5 additional cost of vehicles and infrastructure over the
6 years to really get to a cost competitive position. So we
7 know at the end there's going to be large benefits.

8 But \$100 billion sounds like a big number, but in
9 terms of how much money we spend on fuel and vehicles, you
10 know, it's a drop in the bucket. I know it's hard for
11 people to get their heads around that.

12 CHAIRPERSON NICHOLS: A large drop.

13 BOARD MEMBER SPERLING: But for government, it's
14 a huge number. That's the challenge.

15 And so you have the same challenge with the High
16 Speed Rail is how do you get over the hump. So what is --
17 kind of what is -- I know you don't have definitive plans,
18 but what is the thinking for how to get over the hump?

19 HIGH SPEED RAIL AUTHORITY CEO MORALES: A few
20 things. On your first point -- and we have talked about
21 it and I agree completely. I think that's an area where
22 California can bring a different perspective to this or
23 European or Asian cities where they looked at fixed
24 transit systems. That's part of the equation. But we can
25 look at everything from Hoover to the Google car to

1 whatever tie all those things together and get the point
2 is mobility and more efficient mobility. So I think we're
3 looking at all those areas. And like to keep working with
4 you on that.

5 On your second piece, a few things. One, we have
6 done extensive analysis -- cost benefit analysis to put
7 the numbers in perspective in terms of what the state as a
8 whole, what the country gets back for the ultimate
9 investment. And that's part of the equation.

10 But then in terms of delivering the program, we
11 also are breaking the system into segments and looking at
12 how we can deliver pieces of it with independent utility
13 as soon as possible so it's really not about a \$68 billion
14 program. It's about the pieces that ultimately get you to
15 that over time.

16 And one of the very important things about the
17 cap and trade commitment and the fact it was done through
18 a continuous appropriation means we don't have to come
19 back and get it each year is that that has fundamentally
20 changed our dialogue with the private sector now in terms
21 of delivering this program. They've always looked at this
22 program and said it makes sense, you know, because of
23 population, because of demand, everything else. The
24 question was the timing issue for when they could get
25 involved. The continuous appropriation of the cap and

1 trade now really lets us look at a whole different
2 partnership and potentially on a different time scale with
3 the private sector. It's very big significant private
4 sector investment in this program as well in exchange for
5 the long-term operating rights of the system.

6 So the total price tag is:

7 A, it's for an entire system.

8 B, it covers all costs, both public and private
9 because of how we had it reported.

10 And then I guess the third element I would say is
11 we are continually looking at ways of bringing that cost
12 down, and I'm confident we can do that. There's
13 significant savings and efficiencies that we can gain as
14 we deliver the program that will make it easier.

15 CHAIRPERSON NICHOLS: Okay. I think we had a
16 good discussion here. I just want to say, wrapping this
17 up, that it really is an amazing opportunity. I think
18 we've all tended to kind of lower our voices a little bit,
19 because as Dan pointed out, it is a huge undertaking. And
20 any time you do something really big, there are going to
21 be people who are going to raise objections and there's
22 going to be concerns and potential pitfalls.

23 But this is actually moving forward on a project
24 of great magnitude and great importance for the future of
25 the state of California. And the opportunity to be a part

1 of something like this, where instead of doing what we do
2 with most of our work here at ARB, which is really
3 cleaning up after bad decisions on land use and
4 technology, we are a part of doing something which is
5 going to shape the future of the state for many years to
6 come and give us an opportunity to do it right.

7 So it's really a pleasure to be able to be part
8 of it. And I just want to again appreciate the changes
9 that you've brought to the project in terms of the
10 openness and the willingness to consider all of our
11 suggestions and implement some of them before we even
12 thought of them. So hope to keep up the conversation.

13 Thank you.

14 HIGH SPEED RAIL AUTHORITY CEO MORALES: Thank you
15 very much.

16 CHAIRPERSON NICHOLS: We have more work to do
17 here. Next item is also a report, just an opportunity to
18 reflect on this year's legislation. So we'll bring up our
19 legislative team and talk about what we did this year.

20 It was a good year overall for climate and air
21 quality in the Legislature. We saw a focus on and a lot
22 of support for reducing short-lived climate pollutants and
23 strengthening incentives for electric vehicles. In
24 addition, as part of the Budget Act, the Legislature
25 developed a framework for the expenditure of cap and trade

1 auction proceeds, as we just heard, that not only effected
2 the appropriations for this year, but will shape the
3 appropriations in years to come, including obviously the
4 key investments in transit, High Speed Rail, zero emission
5 vehicles, and sustainable communities. These investments
6 will help to reduce greenhouse gas emissions in the state,
7 spur the development of clean technology, and reduce our
8 reliance on fossil fuels, delivering tangible benefits to
9 California communities and in particular focusing on the
10 needs of disadvantaged communities.

11 So, Mr. Corey, do you want to introduce this
12 item?

13 DEPUTY EXECUTIVE OFFICER COREY: Yes. Thank you,
14 Chairman.

15 With the finalized spending plan of the budget
16 for cap and trade auction proceeds, the investment phase
17 of the program's underway. And we're working with our
18 partners and other agencies, including High Speed Rail
19 Authority, who you just heard from, to develop and
20 implement projects that further reduce greenhouse gas
21 emissions.

22 And last year, we secured funding
23 re-authorization for some key incentive programs,
24 including the Air Quality Improvement Program and the Carl
25 Moyer Program. This year, the Legislature showed

1 continued support for vehicle incentive programs with the
2 focus on heavy-duty sector and extending the reach of
3 those programs to a broader diversity of Californians.
4 This support strengthens ARB's efforts to reduce air
5 pollution and greenhouse gas emissions.

6 And now our Legislative Director, Jennifer Gress,
7 will give us the year in review, go over key legislation,
8 and highlight potential areas of legislative interest this
9 next year.

10 Jennifer.

11 (Whereupon the following slide show presentation
12 was made.)

13 LEGISLATIVE DIRECTOR GRESS: Thank you.

14 Good morning. It is a pleasure to present the
15 2014 legislative update. As I prepare the update, I try
16 to think of one or two adjectives that sum up the year.
17 For 2014, the words that stand out are "calm" and
18 "constructive." Members of the Legislature were engaged
19 and expressed their views on major issues facing the
20 Board, particularly the Clean Vehicle Rebate Project and
21 inclusion of fuels in the cap and trade program. And
22 there were a number of bills that sought to support or
23 expand our work, including bills to promote zero emission
24 technologies, control short-lived climate pollutants, and
25 establish a process for setting a midterm greenhouse gas

1 reduction target.

2 --o0o--

3 LEGISLATIVE DIRECTOR GRESS: What happened in
4 2014? A little more than 2200 new bills were introduced,
5 1300 survived the legislative process, and about 1178 of
6 those were signed by the Governor.

7 The Legislative Office tracked a total of 356
8 climate and air quality related bills, which included 234
9 new bills introduced this year, plus 122 two-year bills
10 that remained viable from 2013.

11 Of those 356 bills, 88, about 24 percent, reached
12 the Governor's desk and the Governor signed 77.

13 I note that despite the large number, only a
14 handful of bills prescribed specific responsibilities for
15 ARB. Your packet includes a table describing the bills
16 that require ARB to undertake a new activity.

17 We participated in five informational hearings
18 and one town hall meeting, which is a lower number than in
19 recent years. This is not to say that we were not
20 involved in a large number of hearings. The lower number
21 of informational hearings was offset by an unusually high
22 number of budget hearings, about 11 in total. This year
23 was the first year the Legislature and administration
24 considered an expenditure plan for cap and trade auction
25 proceeds, which prompted several hearings on the

1 administration's plan, as well as alternatives presented
2 by the Senate and Assembly leadership.

3 The budget was a major accomplishment for ARB
4 this year. We received 200 million in auction proceeds
5 for low carbon transportation projects and were successful
6 in securing resources for a number of other important
7 programs.

8 In total, ARB proposed 15 budget change
9 proposals, which is a higher number than in recent years.
10 All were approved for a total of 82 new positions and 2.9
11 million in contract dollars.

12 Finally, 2014 saw the successful confirmation of
13 four Board members. I want the pause for a moment and say
14 that working with you to prepare for your confirmation
15 hearings was a highlight. It is a special privilege to
16 help a Board member prepare for his or her post. And I
17 really enjoyed getting to know each of you. Thank you for
18 your hard work and commitment to the confirmation process
19 and to ARB as a whole.

20 --o0o--

21 LEGISLATIVE DIRECTOR GRESS: This slide depicts
22 the major subject areas represented in the 356 bills that
23 were tracked. As we can see, the largest category is
24 energy and fuels, followed by land use and transportation,
25 bills affecting ARB's administrative procedures, including

1 CEQA, vehicles, climate, and other.

2 While climate represented a small category
3 overall, bills in this category required more of our time
4 and resources relative to other bills as they were often
5 higher profile or directly impacted in ARB programs.

6 The most significant topics addressed in
7 legislation introduced this year included zero emissions
8 vehicles, the cap and trade regulation, the expenditure of
9 cap and trade auction proceeds, short-lived climate
10 pollutants, and AB 32 authority post-2020.

11 I will turn now to describe a few key bills in
12 each of these areas.

13 --o0o--

14 LEGISLATIVE DIRECTOR GRESS: Eleven bills were
15 introduced specifically related to zero emission vehicles
16 and six made it through the Legislature and were signed by
17 the Governor.

18 AB 2013 increased the number of green stickers
19 from 55,000 to 70,000 that DMV may issue to plug-in hybrid
20 electric vehicles to access high occupancy vehicle lanes.

21 AB 2414 clarified that charging for electric
22 vehicles in public parking lots does not constitute a gift
23 of public funds, which had been a barrier for some people
24 to take advantage of free charging.

25 AB 2565 prohibits property owners from denying

1 their tenants the ability to install charging stations on
2 the property, provided certain conditions are met.

3 The two most significant bills supporting zero
4 emission vehicles were SB 1204 by Senator Lara and SB 1275
5 by Senator De Leon. SB 1204 established a Clean Truck,
6 Bus, and Off-Road Vehicle and Equipment Technology Program
7 to fund the development, demonstration, pre-commercial
8 pilot and early commercial deployment of zero and near
9 zero emission vehicles and equipment.

10 The projects potentially eligible for funding
11 under this program are for the most part consistent with
12 ARB's vision for spending its low carbon transportation
13 funds, and the bill gives ARB flexibility to determine
14 which projects to fund in our annual funding plan.

15 SB 1275, also known as the Charge Ahead
16 California Initiative, establishes a goal to place in
17 service one million electric vehicles in California by
18 2023, and requires ARB to establish programs designed to
19 get zero emission technologies into lower-income and
20 disadvantaged communities. The programs identified in the
21 bill are consistent with the pilot programs that ARB
22 proposed and it's implementing through the 2014-15 funding
23 plan, including car sharing, increased voucher amounts for
24 cleaner vehicles, and financial assistance.

25 SB 1275 also requires ARB to conduct market and

1 technology assessments as part of each annual funding plan
2 and mandates that ARB establish an income cap for the
3 Clean Vehicle Rebate Project.

4 --o0o--

5 LEGISLATIVE DIRECTOR GRESS: A second area of
6 significant legislative activity concerned cap and trade.
7 Seven bills were introduced to amend the cap and trade
8 regulations, mostly intended to ease requirements for
9 compliance. Bills considering removing fuels from the Cap
10 and Trade Program generated a significant amount of
11 publicity but did not get far in the legislative process.

12 AB 69 and SB 1079 attempted to delay inclusion of
13 fuels under the Cap and Trade Program, while Senator
14 Steinberg's SB 1156 sought to replace fuels under the cap
15 about a carbon tax on transportation fuel.

16 Other bills sought to allow offsets approved in
17 any part of the world to be used for compliance, limit the
18 amount of reporting the ARB, exempt certain fuel suppliers
19 from the program, and require that gas stations post the
20 estimated cost of compliance with the cap and trade on the
21 fuel pump.

22 --o0o--

23 LEGISLATIVE DIRECTOR GRESS: This legislative
24 year was a defining year for cap and trade auction
25 proceeds. As part of the 2014 Budget Act, the Legislature

1 approved the first expenditure plan for auction proceeds.
2 In addition, 14 bills were introduced on this topic and
3 six were signed. Of those 14, the majority aimed to
4 establish new programs. Most of those efforts stalled in
5 the Legislature.

6 The most far-reaching bill was SB 862, which was
7 a budget trailer bill. SB 862 established a long-term
8 framework for the ongoing expenditure of cap and trade
9 funds with transit, affordable housing, sustainable
10 community projects, and High Speed Rail slated to receive
11 a total of 60 percent of auction proceeds each year.

12 The bill also established programmatic frameworks
13 for several programs receiving proceeds and gave ARB a
14 defined roll in the administration of the overall program.

15 Specifically, the bill requires ARB to develop
16 guidance on greenhouse gas reporting and quantification
17 methods and to develop funding guidelines for
18 administering agencies that receive appropriations from
19 the greenhouse gas reduction fund.

20 --oOo--

21 LEGISLATIVE DIRECTOR GRESS: The Legislature also
22 lent support to ARB's effort to control short-lived
23 climate pollutants. Short-lived climate pollutants such
24 as methane are powerful climate forcers that remain in the
25 atmosphere for a much shorter period of time than

1 longer-lived climate pollutants such as carbon dioxide.
2 Their relative potency when measured in terms of how they
3 heat the atmosphere can be several times greater than that
4 of carbon dioxide.

5 The Legislature recognized that reducing these
6 emissions can make an immediate beneficial impact on
7 climate change.

8 SB 605 by Senator Lara directs ARB to develop a
9 plan to address short-lived climate pollutants by January
10 1, 2016, which is consistent with our recommendation in
11 the Scoping Plan update.

12 And SB 1371 by Senator Leno requires the PUC in
13 consultation with ARB to adopt rules and procedures to
14 minimize methane leaks from the natural gas pipeline
15 system.

16 --o0o--

17 LEGISLATIVE DIRECTOR GRESS: Four bills were
18 introduced this year related to the development of the
19 greenhouse gas reduction targets post-2020, but none were
20 approved by the Legislature this year. The two most
21 prominent bills were AB 2025 and SD 1125.

22 AB 2050 by Assembly Member Quirk would have
23 required ARB to develop a proposal for further reducing
24 greenhouse gas emissions by 2050, including intermediate
25 goals by January 1, 2016.

1 SB 1125 by Senator Pavely would have required ARB
2 in consultation with the Climate Action Team and other
3 relevant agencies and stakeholders to develop greenhouse
4 gas emission and short-lived climate pollutant reduction
5 targets for 2030 for purposes of informing legislative
6 action on this topic.

7 --o0o--

8 LEGISLATIVE DIRECTOR GRESS: Looking ahead, with
9 fuels subject to cap and trade in January, we expect to
10 see continued legislative focus on that issue. We will
11 need to continue our efforts to educate members on that
12 Cap and Trade Program. While none of the bills on
13 post-2020 targets survived this year, many members
14 continue to be interested in legislating in this arena,
15 and the Governor has signaled that he would like a midterm
16 target to be established.

17 We also expect discussions to continue about the
18 use of auction proceeds from cap and trade. While SB 862
19 provided the blueprint for ongoing expenditures of 60
20 percent of the funds, I anticipate that members will
21 continue to be interested in determining how to spend the
22 remaining 40 percent.

23 Finally, next month, staff will present to you
24 the results of a working group process that ARB and the
25 California Air Pollution Control Officers Association

1 convened to identify potential changes to the Carl Moyer
2 Program. I anticipate that many of the recommendations
3 will require legislation, and it is possible that we will
4 see legislation on this in the coming year.

5 --o0o--

6 LEGISLATIVE DIRECTOR GRESS: The November
7 elections brought many new faces to the Legislature. This
8 coming legislative class will be one of the least
9 experienced in California's history, in particular for the
10 State Assembly. Over one-third of the Assembly will be
11 composed of new members, and the average number of years
12 of legislative experience for an Assembly will be 1.6.
13 Ten years ago, Assembly members had an average of 4.3
14 years of legislative experience.

15 In the Senate, there will be 16 new members, six
16 of which will be new to the Legislature without having
17 first served in the Assembly. Senators will have an
18 average of 6.3 years of legislative experience, which is a
19 little down from 9.1 years in 2004.

20 I note that newer Assembly members voted on SB 32
21 and only seven Senators, did although that number shrinks
22 to six in January when Assembly Member Walters goes to
23 Congress.

24 --o0o--

25 LEGISLATIVE DIRECTOR GRESS: Of course, I don't

1 do all this work on my own. I rely on outstanding staff,
2 specifically, Sam Wade, who is the Deputy Director for
3 Legislative Affairs; Robin Neese, our Executive Assistant;
4 and the analysts, Ken Arnold, Dominic Bulone, Danielle
5 Fasse, Nichole Sotak, and Steve Trumbly.

6 Sydney Vergis also had excellent work in the
7 Legislative Office this year, as well as ARB's Executive
8 Fellow Ross Zelen.

9 I'd like to specifically recognize Dominic Bulone
10 and Nicole Sotak, who both received Superior
11 Accomplishments awards from ARB this year for their work
12 in 2013. It's very well deserved.

13 --o0o--

14 LEGISLATIVE DIRECTOR GRESS: Copies of the
15 legislative summary are in your packet and can also be
16 accessed on our website. The legislative summary contains
17 brief descriptions of the most pertinent legislation
18 tracked by the legislative office, listed by subject,
19 author, and bill number.

20 That concludes my presentation. I would be happy
21 to answer any questions.

22 CHAIRPERSON NICHOLS: Thank you very much,
23 Jennifer.

24 I think your characterization of calm and
25 constructive was a good one. I wish all years was calm

1 and constructive. That would be an ideal. Certainly
2 we're going to see some excitement next year around, in
3 particular, the setting of midterm target. The Governor's
4 already indicated immediately after he was re-elected he
5 intends to work on that and that he's going to be working
6 with the Legislature. I've already been getting questions
7 from members and others about what exactly that's going to
8 look like. I have been able to truth truthfully I have no
9 idea. But we are, in fact, going to be I think doing some
10 pretty intense work within the administration to try to
11 come up with answers to how to proceed on this because
12 there is a general recognition that now that 2020 is just
13 around the corner and we're clearly on track to meet it,
14 but now we have to look beyond that. So I think next year
15 maybe a little less calm, but hopefully equally
16 constructive.

17 And I had a couple Board members who wanted to
18 comment. So first Dr. Balmes.

19 BOARD MEMBER BALMES: I just wanted to follow up,
20 Jennifer, with Chairman Nichols' comments about the
21 post-2020 authority.

22 I see that the two bills, one in the Senate and
23 one in the Assembly, died. Did they die because everybody
24 is waiting for the Governor? Or I hope it didn't
25 represent sort of a general unwillingness on the part of

1 the Legislature to look beyond 2020.

2 LEGISLATIVE DIRECTOR GRESS: No. I think there
3 is a lot of interest in the Legislature in looking beyond
4 2020. But there are a lot of issues that come up when
5 folks start thinking about how to proceed post-2020. And
6 I think last year was the time to begin those
7 conversations but wasn't enough time. I don't think
8 everyone in the Legislature and I don't think the
9 administration were fully ready to engage in a full-on
10 decision-making process around them.

11 CHAIRPERSON NICHOLS: Yes.

12 BOARD MEMBER SPERLING: Actually, my question is
13 for you.

14 CHAIRPERSON NICHOLS: Okay. That's fair.

15 BOARD MEMBER SPERLING: What is your thinking
16 just generally about the process about moving forward? I
17 mean, assuming the Governor makes this statement about
18 what he thinks the appropriate targets are and however it
19 plays out in the Legislature, what does it mean for us on
20 the Board in terms of the time frame? As you said, 2020
21 is cutting it very close.

22 CHAIRPERSON NICHOLS: Right. Well, a couple of
23 pieces that will help perhaps pull this all together.
24 First of all, it's already the Governor himself and others
25 on his behalf have said in response to a report from

1 Little Hoover Commission last year that there is an
2 expectation that we will do a midterm update to the
3 Scoping Plan. As you know, we just did our first update
4 to the Scoping Plan as a Five-Year Plan. But as part of
5 the effort to produce a more clearly coherent integrated
6 energy plan for California, the vehicle for doing that is
7 going to be the AB 32 Scoping Plan, because it's come to
8 be seen as the most comprehensive document that the State
9 has that articulates the path that we're on with respect
10 to all the things that effect climate. And it also
11 reflects a policy which this administration has reinforced
12 in a number of different ways that while energy security,
13 energy reliability, affordability, et cetera, are all
14 necessary elements for our energy policy, that the
15 overarching metric for our success is greenhouse gas
16 emissions.

17 So there is a commitment on the part of all of
18 the agencies that deal with these topics to be part of the
19 overall plan for moving forward to make our state as
20 resilient and as progressive as we can be with respect to
21 the climate goals. So that's one fact.

22 Another fact I think is that we want to make sure
23 that whatever target we set is science based and is also
24 one that is consistent with international efforts, because
25 California, despite the fact again that the U.S.

1 government has not been able to pass legislation in this
2 area, clearly the President is determined to move forward.
3 And he's already made an announcement in advance as to
4 what he thinks the U.S. target should be in terms of our
5 position with international negotiations. So whatever it
6 is we do here in California needs to be cognizant of our
7 role in all of these other proceedings as well.

8 In terms of timing, I think the hope is that next
9 year there could be legislation, whether it's
10 free-standing legislation or through the budget process or
11 both because these things sometimes can go in both
12 directions. But we're going to have to start work very,
13 very quickly on whatever it is.

14 And so there's going to be some intensive
15 conversations going on I think within the Governor's
16 office and between the Governor and legislative leadership
17 about how to tee up these various pieces. But I think
18 there is a general sense that this coming year will be a
19 year of action on this front.

20 So other than that, I get the same question that
21 you just asked me all the time. And you know, I think we
22 can sort of see some -- we can see some pluses and minuses
23 of different approaches ranging from legislators who would
24 like to themselves set the target to people who think they
25 should just put in a very simple amendment to AB 32 that

1 says do more, you know. And ARB, you go figure it out and
2 tell us what the answer is. And so I don't think we know
3 for sure yet how that will all play out.

4 But I think there is a general sense that
5 following on with what Ms. Gress just said, we do have a
6 new Legislature, particularly a new assembly. They want
7 to own this program. They know it's big. They know it's
8 important. They know it's a hallmark of California, and
9 they want to be part of whatever is happening. And they
10 should be. As a co-equal branch of government, they
11 should be.

12 So it's really just a question I think of how
13 best to engage them to the extent that they are interested
14 and have time. And it may well be that we'll see both
15 sort of a generic target setting and then some -- a
16 package of other legislation that would deal with some of
17 the specific areas that we are really just beginning to
18 tackle in a comprehensive way in the updated Scoping Plan,
19 including agriculture and water.

20 We focus a lot on electricity and transportation,
21 not that we have all the answers there. But we're way
22 farther along in terms of the analytical work and the
23 actions in those areas than we are in the natural
24 resources side, for example, which we also know we need to
25 be dealing with. So a lot of thinking to be done.

1 And it's hard, as you well know, with a Board
2 that meets once a month and has actions that we have to
3 take to sort of engage in the planning of all of this at
4 the Board level, but I know our staff is doing a lot of
5 thinking about these issues and really welcomes input and
6 engagement with the Board. So we should think about what
7 sorts of workshops and other activities we should be doing
8 to help make sure that we've had an opportunity to hear
9 the thoughts of all the Board members on these ideas as
10 well.

11 BOARD MEMBER SPERLING: I would just comment that
12 one level down where we're operating below the Legislature
13 and the Governor, every one of these programs, there is a
14 huge effort that's going to have to go take place for us
15 in terms of what do we do with LCFS, what do we do with
16 the Cap and Trade Program, you know, and some of these
17 other programs as well as agriculture.

18 CHAIRPERSON NICHOLS: We just implement.
19 Governor Schwarzenegger used to always say when I appeared
20 with him at events around climate, "I get to do the fun
21 stuff. I sign the big legislation. She has to actually
22 go implement it." That means all of you, not just me.

23 BOARD MEMBER SPERLING: That's my point.

24 CHAIRPERSON NICHOLS: Yes.

25 BOARD MEMBER MITCHELL: I just want to recognize

1 Ms. Gress and the wonderful work she does and the
2 wonderful work your staff does. For the four of us that
3 were confirmed last year by the Senate and we got a really
4 wonderful opportunity to work with Jennifer over a period
5 of time and we appreciate all that you did for us to help
6 us get confirmed and to learn all about the programs that
7 ARB does.

8 And another comment is that we note that there is
9 a third of the Legislature that's coming in is brand-new.
10 And many of them came from local government. I was in the
11 hotel lobby last night, and six people came up to me and
12 said, "Hi." You know, I knew them from local government
13 activities. So I think that as we work on greenhouse gas
14 reduction, you know, we want that start from local
15 government and go up. So I think we have some good
16 opportunities here with our new legislators.

17 CHAIRPERSON NICHOLS: Yes. I think this is a
18 great opportunity to take advantage of our local
19 government Board members when it comes to helping to
20 educate and build relationships with the Legislature. And
21 we will definitely draft you into service and take
22 advantage of that history and background that you have.

23 Any other questions? Comments?

24 We had nobody signed up to talk on this item. So
25 if not, we'll thank you for a really good year. Thanks to

1 all of you. Thanks for your hard work. This is a group
2 that really is a hard working group, but they somehow
3 managed to have fun, too. It's a good model for all of
4 us.

5 CHAIRPERSON NICHOLS: The last item on our agenda
6 is one that everybody will be quite familiar with, which
7 is the Truck and Bus Regulation -- oh, no, field studies.
8 I missed it. Let's hear the staff report on the
9 California Air Quality Field Studies and new science
10 that's been coming out of these studies. Apologize for
11 having skipped over this.

12 While the staff are assembling here, this is just
13 an informational report. But it's one that again I think
14 is worth updating ourselves on here because it builds on a
15 long history of doing this type of atmospheric work in
16 partnership with the local air districts and other
17 agencies. And it reflects once again the importance of
18 this kind of science for the development of our programs.

19 I can take just a minute to reflect that I was in
20 India last week. I was there as a member of a dialogue on
21 climate that has been going on for some years but I'm new
22 to. It was a very exciting time to be in India because I
23 was there when the President of the United States and the
24 Chinese Premier made their joint announcement about the
25 climate targets. So needless to say, the Indians were

1 quite excited about this and quite concerned about what it
2 meant for them and for next stages in the international
3 climate process.

4 But as part of my time there, since I knew I was
5 going to have a day maybe to do some other work in New
6 Delhi, I met with the Ministry of Environment and the
7 Climate in the new Modi government and had an amazing
8 conversation about the need they have for data in order to
9 build their air quality program.

10 While I was there, we also released a report that
11 the Air Resources Board was a party to that we did in
12 conjunction with Dr. Patori's organization, the Terry
13 Institute, with the Scripps Institute, our old friend Dr.
14 Ramanathan. The three of us were there unveiling this
15 report. And the number one recommendation of the report
16 was to expand and improve the air quality monitoring
17 network in India because it is so considered to be so
18 unreliable and so weak in terms of its ability to be used
19 for the source attribution, for designing programs, and so
20 forth.

21 I found myself in a meeting with this minister
22 who was saying, okay, I want California to help us. We
23 want you to work with our staff. We want within 90 days a
24 recommendation on what we should be doing. All of a
25 sudden, I felt I had been converted into a member of the

1 Indian Air Pollution Control Agency. But in fact, we are
2 now in a position where fortunately with help and some
3 funding support I believe both from private foundations
4 and from the U.S. government, we are going to be asked to
5 be involved in a pretty interesting effort to design a new
6 state-of-the-art cost-effective air quality monitoring
7 system in this India. And all of that builds on the work
8 that our staff has done in this area. So hopefully that's
9 a good build up to a report from the head of our Research
10 Program and all.

11 Did you have any introductions on this one, Mr.
12 Corey?

13 DEPUTY EXECUTIVE OFFICER COREY: Well, just I
14 think they teed it up well. I think we can go right to
15 the staff presentation.

16 CHAIRPERSON NICHOLS: Okay. Great.

17 (Thereupon an overhead presentation was
18 presented as follows.)

19 MANAGER MC CAULEY: Thank you, Mr. Corey.

20 Good morning, Chairman Nichols and members of the
21 Board.

22 This morning, I will provide an overview of how
23 air quality field studies provide important scientific
24 data to support a variety of air quality and climate
25 programs.

1 --o0o--

2 MANAGER MC CAULEY: For over three decades, the
3 Air Resources Board has developed and participated in
4 multiple air quality field studies that have helped inform
5 the design of successful strategies that improve the air
6 quality in California.

7 Field studies have examined atmospheric
8 processes, emissions, and air quality at the statewide,
9 regional, and local levels. Regional studies have focused
10 on ozone and particulate matter pollution. At the local
11 level, we have looked at the benefit of our programs in
12 individual communities highly impacted by air pollution.
13 Most recently, we have partnered with other agencies on
14 statewide climate-related efforts.

15 --o0o--

16 MANAGER MC CAULEY: Air quality field studies can
17 be designed to meet a number of different objectives. A
18 fundamental goal of most field studies is to improve
19 understanding of how the chemical and physical processes
20 that form and disburse air pollution. However, field
21 studies can also be designed the address specific
22 questions about the nature of air pollution problems
23 whether at the local, regional, or statewide level.
24 Another aspect of field studies can be to collect data for
25 use in assessing the relative effectiveness of air

1 in California could not have been accomplished without
2 partner agencies. The local air quality districts play
3 key rolls in field studies in their jurisdiction. Federal
4 agencies such as the National Oceanic and Atmospheric
5 Administration, the National Aeronautics and Space
6 Administration, the US Navy, and U.S. EPA share our need
7 to understand the atmosphere, and their efforts in the
8 state have been vital.

9 The University of California and other
10 universities also play an important role in our air
11 quality research program. Over the years, funding for air
12 quality studies has been provided by a combination of
13 sources, including federal, state, and local agencies and
14 affected regions.

15 --o0o--

16 MANAGER MC CAULEY: California has one of the
17 most extensive networks of ongoing air quality monitoring
18 stations in the country. The network has documented
19 progress towards attainment of other air quality standards
20 and changes in atmospheric chemistry. Field studies can
21 enhance the routine network by using instrumented air
22 craft, tall towers with monitoring equipment, along with
23 radar, lidar, and satellites.

24 Data collected with these tools helps to
25 characterize the influence of air pollution high above

1 ground level and on the air quality in communities.
2 Expanded networks of monitoring and meteorological
3 stations provide information on spacial variability of air
4 pollution within a region.

5 Collection of data on compounds not measured by
6 our routine network help improve understanding of
7 atmospheric chemistry and the nature of air pollution in
8 California.

9 In addition, field studies help identify daily
10 variations in emissions, which allows us to more
11 effectively model specific pollution episodes.

12 --o0o--

13 MANAGER MC CAULEY: As I mentioned earlier,
14 California's field studies can be local, regional, or
15 statewide in nature. Now let's focus on regional field
16 studies for a moment.

17 These studies are designed to understand how the
18 interaction between the specific mix of emissions sources,
19 geography, and meteorological characteristics of a region
20 contribute to air pollution problems. There are two
21 distinct study regions in California, central California
22 and southern California. While there are commonalities
23 between the two, the differences are great enough to
24 require focused studies for each. The scope of the study
25 regions is designed to incorporate both upwind and

1 downwind relationships among California's air pollution
2 control districts, as well as a portion of the Pacific
3 Ocean.

4 --o0o--

5 MANAGER MC CAULEY: This map illustrates the two
6 major study areas. The Central California study area
7 includes the Sacramento region, the San Joaquin Valley,
8 and the San Francisco Bay Area. It also includes the
9 adjacent mountain counties. The Southern California study
10 area includes the South Coast, San Diego, and downwind
11 desert areas.

12 --o0o--

13 MANAGER MC CAULEY: One of the major priorities
14 of California's field studies has been to collect new
15 scientific data needed to develop State Implementation
16 Plans for ozone and particulate matter air quality
17 standards. As emissions in California are reduced over
18 time, we see lower ozone and PM levels at monitoring
19 stations, as well as changes in the atmospheric chemistry.
20 This is one reason why it's been important to do
21 successive studies over several decades. The findings
22 from earlier studies provide a foundation to build upon
23 and better understand and reflect the benefits of our
24 programs as they are implemented. Findings from multiple
25 studies over the years have improved California's air

1 quality modeling and supported SIP strategy development.

2 --o0o--

3 MANAGER MC CAULEY: Now let's take a look at
4 field study findings which have helped ARB address our two
5 biggest air pollution problems: Ozone and particulate
6 matter.

7 First, let's look at key ozone findings.

8 --o0o--

9 MANAGER MC CAULEY: The atmospheric chemistry
10 which forms ozone is complex, and our understanding of
11 these processes has greatly improved. The foundation of
12 current and upcoming State Implementation Plans is a body
13 of science that gives us a solid understanding of the roll
14 of VOC and NOx in ozone formation and the relative
15 effectiveness of reducing each. Early field studies in
16 California led ARB to recognize that reductions in both
17 VOCs and NOx were needed.

18 Subsequent field studies occurring about a decade
19 apart documented changes in atmospheric composition due to
20 California's air pollution control efforts. The field
21 studies identified some areas of the state where NOx
22 control is especially important relative to VOCs. Current
23 air quality modeling indicates that large NOx reductions
24 will be essential to meet ozone standards in the coming
25 decades, although some ongoing VOC reductions will also be

1 needed.

2 In addition to exploring the relative role of NOx
3 and VOC in ozone formation, the specialized measurements
4 collected as part of California's field studies have also
5 looked at how nighttime atmospheric chemistry impacts
6 daytime ozone levels, as well as how pollutants aloft
7 influence ozone levels on the ground. This information
8 has been incorporated into the air quality modeling done
9 for California's SIPs.

10 The next two slides discuss some additional
11 finding for San Joaquin Valley and the South Coast air
12 basins.

13 --o0o--

14 MANAGER MC CAULEY: In the San Joaquin Valley,
15 while the predominant air flow during the ozone seasons
16 moves north to south, we've also learned there are complex
17 wind patterns creating a mechanism for circulating
18 pollutants throughout the valley. As a result, high ozone
19 concentrations can occur in many locations throughout the
20 Central Valley.

21 Another important finding resulted from the study
22 of biogenic emissions in the region. ARB has funded
23 several studies to look at the VOCs emitted by different
24 types of vegetation and the magnitude of these biogenic
25 VOCs in the San Joaquin Valley. These studies found that

1 the presence large biogenic emissions tempers the impact
2 of VOC controls from anthropogenic low sources. Field
3 studies have also provided enhanced data for air quality
4 modeling that has shown that ozone reductions in the San
5 Joaquin Valley reduce ozone in downwind mountain areas,
6 including national parks.

7 --o0o--

8 MANAGER MC CAULEY: Regional field studies in the
9 South Coast air basin have provided insights into the
10 atmospheric chemistry and physical processes that impact
11 ozone pollution levels.

12 One key finding is that a lot of recirculation of
13 pollution in the air basin contributed to episode buildup.

14 Another finding is that VOC reductions are
15 relatively more effective in the South Coast compared to
16 the San Joaquin Valley due to lower biogenic emissions.

17 With respect to air pollution transport, data and
18 air quality modeling show that ozone reductions in the
19 South Coast reduce ozone levels downwind in San Diego,
20 Ventura, and desert areas.

21 --o0o--

22 MANAGER MC CAULEY: Now let's look at how field
23 studies influenced our particulate matter programs. In
24 this presentation, I will concentrate on PM2.5, or fine
25 particulate matter.

1 included in the Valley Air District's Air Quality Plan.
2 Residential wood burning controls have also been an
3 important element of PM 2.5 strategies in both the Bay
4 Area and Sacramento based on the contribution to
5 exceedances of air quality standards.

6 --o0o--

7 MANAGER MC CAULEY: Southern California's PM 2.5
8 problem differs from the Central Valley's in a number of
9 ways. For example, high PM 2.5 days are not limited to
10 cold weather periods.

11 Another difference between the two regions is
12 that in the past ammonium sulfate was more prevalent in
13 coastal areas than in other areas of the state. Controls
14 which targeted sulfur associated with shipping were
15 instituted and our routine monitoring sites have
16 documented a dramatic reduction in PM 2.5 sulfate.

17 Measurements during CALNEXT aboard a research
18 vessel confirmed much reduced sulfur in a ship's exhaust
19 plume.

20 Local field studies have also shown that truck
21 rules targeting diesel particulate matter pollution have
22 also resulted in a significant reduction in PM 2.5 levels
23 near the ports.

24 --o0o--

25 MANAGER MC CAULEY: This presentation has

1 highlighted the general findings of past air quality field
2 studies. These studies have enhanced air quality
3 modeling, provided supplemental monitoring data, and
4 pollutant speciation, and helped improve emission
5 inventories.

6 The 2015-2016 SIP development process will build
7 on this foundational work. The upcoming SIP process will
8 also include substantial new technical work, including
9 assessment of current air quality data and trends, new air
10 quality modeling, and updates to the emission inventory
11 and future forecasts.

12 The combination of these analyses will provide a
13 scientific weight of evidence evaluation as part of the
14 attainment demonstration for the air quality standards.

15 Today's presentation is a prelude to further
16 public discussion of the data and analyses that will be
17 prepared to support development of the upcoming SIPs for
18 both ozone and PM 2.5. As ARB staff works with air
19 districts on these SIPs, the scientific and technical
20 information to be used will be discussed in future public
21 workshops and other public meetings.

22 --o0o--

23 MANAGER MC CAULEY: Now let's turn to climate
24 studies.

25 --o0o--

1 recently been recognized as a short-lived climate
2 pollutant.

3 --o0o--

4 MANAGER MC CAULEY: One important aspect of the
5 field study is to assess the benefits of our air quality
6 programs. Targeted studies are tracking the benefits of
7 our diesel rules on reducing localized exposure.
8 Currently, we are funding studies which examine emissions
9 from diesel trucks and use the mobile platform to monitor
10 to confirm that port regulations are benefiting
11 communities near the ports.

12 In the past few years, a partnership with NASA
13 has provided satellite data to help validate our
14 inventories for NOx and methane. We are also
15 collaborating on studies to look at the contribution of
16 Asian transport to ozone levels in California.

17 --o0o--

18 MANAGER MC CAULEY: In summary, the success of
19 our programs rests on a strong scientific foundation.
20 Field studies provide essential scientific data for
21 development of SIPs, climate policies, and local community
22 strategies. And as in the past, partnerships and
23 collaborations will continue to be crucial to future air
24 quality and climate field studies. Thank you.

25 CHAIRPERSON NICHOLS: Thank you.

1 Questions or comments? Dr. Balmes.

2 BOARD MEMBER BALMES: I just want to thank the
3 staff for all the work they've been doing for many years
4 in this regard.

5 As a user of some of the data generated by field
6 studies that the Research Division has played a major role
7 in, air pollution research wouldn't be the same without
8 the efforts of CARB staff over the years. So I greatly
9 appreciate all that you've done for many years, and I
10 appreciate this report.

11 I hope my fellow Board members appreciate the
12 amount of effort that's required and the value of the data
13 that's been generated and will continue to be generated by
14 this kind of work.

15 CHAIRPERSON NICHOLS: Thank you.

16 Any other -- yes, Ms. Berg.

17 BOARD MEMBER BERG: I, too, want to echo Dr.
18 Balmes's sentiment. I had a lively discussion with staff,
19 mainly because I felt that the report did not do the
20 department justice. We all know that we need to keep
21 working on lowering VOCs and NOx and the work that is
22 behind those statements is tremendous. And I wanted to
23 make sure that we saw some of those efforts. So my Board
24 briefing really was focused on that side of it.

25 I think one question I will have for you is

1 looking at the field studies, are you seeing any
2 indication of any new trends within the atmospheric
3 science that is going to lead us into how to think about
4 the SIPs differently?

5 ASSISTANT DIVISION CHIEF MAGLIANO: This is Karen
6 Magliano, Assistant Chief of the Air Quality Planning and
7 Science Division.

8 I think what we have really seen through that
9 incremental process that we've had through the field
10 studies has improved our understanding as we've been
11 implementing our control programs how has that evolution
12 of VOC and NOx programs really changed as we've been
13 implementing our programs. We have seen for years that
14 we've really needed a multi-pollutant strategy for both
15 VOCs and NOx to help us improve air quality.

16 But over the long term, I think we're finding
17 that more and more we're going to need those very
18 substantial NOx reductions to help us achieve the ozone
19 standards throughout the state. And those field studies
20 have really helped us understand both the spacial extent
21 over which we need those reductions and the magnitude of
22 those reductions. But they've also helped us understand
23 better just where we potentially need to especially
24 benefit from the VOC controls. And as we move forward in
25 our upcoming SIP development process, I think we'll have a

1 much better understanding about how we can better look at
2 the need for statewide programs versus regionally focused
3 programs. And that will be extremely beneficial.

4 BOARD MEMBER BERG: Thank you very much.

5 CHAIRPERSON NICHOLS: Yes, Mrs. Riordan.

6 BOARD MEMBER RIORDAN: I want to thank the staff
7 also because the work that you're doing at the very most
8 local level -- as you know, I had the opportunity to
9 travel along the 710 freeway and really understand the
10 incredible work that you're doing at such a finite level
11 and what that means to us in the future as we develop our
12 plans to somewhat mitigate the effects of air pollution.

13 CHAIRPERSON NICHOLS: You weren't just traveling.
14 You were monitoring.

15 BOARD MEMBER RIORDAN: I was monitoring, holding
16 that equipment in my lap.

17 CHAIRPERSON NICHOLS: The picture is very
18 dramatic.

19 BOARD MEMBER RIORDAN: On the other side, on a
20 much bigger side, it's so important what you're doing
21 because it makes a difference between the air basins. And
22 I represent on a local Board a receptor basin where much
23 of the pollution travels through the passes and other
24 modes from the South Coast and it really makes us
25 understand why we have to work with our neighbors to work

1 together, Ms. Mitchell, to work together to help and as we
2 do with the San Joaquin and periodically the Mohave has
3 had a little extra money to be able to share in the Carl
4 Moyer Program with those two districts because it's a
5 great help to us if we allow for the cleanup of air
6 pollution in the districts next to us who are affecting
7 our air quality.

8 So it's terrific to have the bigger scope of
9 measurements, the atmospheric. So you go from a freeway
10 up into the atmosphere, but we're doing it all. And I
11 really commend the staff for their innovation and what
12 we've been able to do. And we ought to be able to share
13 with India and their interests all of this, because I
14 think once we can share that information, they should be
15 able to easily replicate it.

16 CHAIRPERSON NICHOLS: Oh, yes. We're dealing
17 with very sophisticated educated people. It's not like we
18 have to sort of teach them the basics. It's more a
19 question of sort of helping to think through based on what
20 we've learned from these experiences ways too shortcut it
21 and do it more cost effectively maybe than some of the
22 things -- they don't have 40 years to build out a program
23 or many millions of dollars.

24 BOARD MEMBER RIORDAN: So we should send one of
25 our clever cars over there.

1 CHAIRPERSON NICHOLS: That would be good. Yes.
2 Dr. Balmes.

3 BOARD MEMBER BALMES: In my enthusiasm for
4 praising the staff, I forgot to ask my question, which is
5 with regard to ultra fine particles. I asked this in my
6 briefing. But for the Board as a whole, what are we doing
7 with regard to ultra fines since that's an area of
8 important toxicological and epidemiologic concern. And I
9 think down the road we may have to be dealing with
10 regulating ultra fines.

11 RESEARCH DIVISION CHIEF CROES: Ultra fine
12 particles are a subset of PM 2.5 because they can
13 penetrate deeper in into the lung and cross over into the
14 blood strains. There's these various hypotheses they have
15 differential health effects from the larger particles that
16 compose PM 2.5. So we've been setting this for the past
17 five years. Basically, a lot of our emissions testing
18 program is looking at the effect of different
19 technologies. And I think the good news is that things
20 like the diesel particulate filters reduce ultra fine
21 particles by a couple orders of magnitude.

22 We're also looking at other potential sources of
23 ultra fines, as well as near-roadway exposures. But most
24 importantly, we're including it in our health studies. So
25 for instance, the Board approved last year a major

1 epidemiological study to look at the effect of ultra fine
2 separate from PM 2.5 across the state. This is the first
3 major study of its kind. We hope to have results in two
4 and a half or three years.

5 CHAIRPERSON NICHOLS: Yes, Dr. Sherriffs.

6 BOARD MEMBER SHERRIFFS: I don't think I have a
7 question here, but just a reminder. And the Board
8 understands how important supporting the science is to
9 getting our work done. And just thinking of a recent
10 example in the Central Valley, which with my inferiority
11 complex of the Central Valley, I hesitate to bring up
12 fireplaces when we have things like international, global
13 trade and the ports and these giant ships and that kind of
14 thing. But, you know, it's the science that shows us how
15 important it is to have a rule in the Central Valley that
16 has put an emission standard at 20 micrograms, which
17 before earlier this year it was 30.

18 And we're talking about three to five tons of
19 primary PM 2.5 being reduced through this. And it's the
20 science that drives adopting very difficult regulations
21 like that. And then also the science that supports,
22 because one of the Board members suggested perhaps we
23 should have an exception during the holidays so we can
24 have a day off on Thanksgiving and Christmas. And the
25 response of the Board, people recognize this might

1 administratively have some difficulties. But, in fact, it
2 was the science and the health that drove not just the
3 consensus but the overwhelming, no, we can't do that. We
4 can't go backwards like that. And again, that wouldn't
5 happen if we didn't have the science to back up the
6 administrative things that we're doing, the regulation.
7 So thank you.

8 CHAIRPERSON NICHOLS: I agree. I just would
9 underscore the point that there is a direct connection
10 between what you have been wrestling with at the local
11 Board level in terms of the impacts of fireplaces and
12 stoves and the work that I was referring to on the
13 international level, which is that California's ability
14 and our credibility to even talk about these issues is
15 totally based on the fact that we have been so successful
16 in bringing down harmful levels of air pollution that hurt
17 people's health and doing it in a way that has not hurt
18 our economy. That is what other countries are looking to
19 emulate. So that's what we have to continue to be able to
20 refer to if we're going to keep on doing this work.

21 Okay. I think that's it. Thank you very much.
22 Appreciate the conversation and the update. And I think
23 you've heard from all of us a resounding support for
24 continuing this work. I know it's sometimes challenging
25 when the big money always goes to implementation, but we

1 try to put together enough to keep the science programs
2 not only alive but robust. These guys do a very good job
3 of producing science.

4 Last, but not least, we return to the truck and
5 bus regulation, which is back before us because it needs
6 final adoption.

7 Mr. Corey, will you introduce this item?

8 DEPUTY EXECUTIVE OFFICER COREY: Yes, Chairman.

9 At the Board hearing in April this year, the
10 Board approved adoption of proposed amendments to the
11 truck and bus regulation. The amendments were designed to
12 provide lower cost compliance options and greater
13 compliance flexibility to truck owners to better ensure
14 the emission benefits of the regulation to be realized.

15 Based on Board direction at the April hearing,
16 staff developed modified regulatory language which was
17 made available for public comment. Following the
18 completion of that public process, staff prepared the
19 final regulation order for the amendments, which is being
20 presented to the Board today for final adoption.

21 Staff also prepared written responses to
22 additional comments which raised environmental issues and
23 were received during a subsequent 15-day comment period.
24 Staff proposes the Board approve these responses as part
25 of today's Resolution.

1 I'd now like to introduce Beth White of the
2 Mobile Source Control Division will now give the staff
3 presentation. Beth.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MANAGER WHITE: Thank you.

7 Good morning, Chairman Nichols and members of the
8 Board.

9 Today, I will be presenting the final regulation
10 order for the amendments to the truck and bus regulation.
11 The amendments you approved in April provide fleet owners
12 more flexibility to comply with the regulation, while
13 better preserving emission benefits the regulation was
14 designed to achieve.

15 This item is being presented for final action
16 since there were several changes requested at the April
17 hearing that required modified regulatory language. Those
18 changes are now reflected in the final regulation order
19 before you.

20 --o0o--

21 MANAGER WHITE: As you recall the Board hearing
22 in April of this year, the Board approved for adoption
23 staff's proposed amendments to the regulation as set forth
24 in Appendix A to the Initial Statement of Reasons released
25 to the public on March 5, 2014.

1 The Board directed the Executive Officer to make
2 modified regulatory language that reflected the changes
3 directed by the Board and any other conforming
4 modification available for public comment for a period of
5 at least 15 days. The Executive Officer was directed to
6 take final action to adopt the finalized regulation after
7 addressing all appropriate modifications or to present the
8 final regulation order to the Board for final
9 consideration.

10 The Executive Officer concluded that presenting
11 the final regulation to the Board for final adoption was
12 the most appropriate action, given the changes requested
13 by the Board at the hearing and the importance of this
14 program.

15 Modified regulatory language and supporting
16 documentation were circulated to two 15-day public comment
17 periods: From July 1, 2014, to July 17, 2014, and
18 September 12, 2014, to September 29, 2014.

19 Now staff has completed the final regulation
20 order, which reflects all changes directed by the Board at
21 the April 2014 hearing and other conforming modifications.

22 --o0o--

23 MANAGER WHITE: I will briefly summarize the
24 modifications made available for the two 15-day comment
25 periods. The modifications were described in detail in

1 each of the notices issued for those modifications.

2 They include: A change to the compliance date
3 for the second truck in a small fleet from January 1,
4 2016, to January 1, 2017, to reflect the Board decision to
5 change the compliance date.

6 A change to allow certain cattle livestock trucks
7 to qualify for the specialty agricultural vehicle
8 extension and allow others to operate under the extension
9 for two cattle seasons each year as directed by the Board
10 at the hearing.

11 Modifications to the staff proposal of the newly
12 added economic hardship extension per the Board's
13 direction at the April 2014 hearing. This includes
14 changing the proposed extension deadline from January 1,
15 2018, to January 1, 2017, and requiring that the vehicle
16 meet the model year schedule upgrade requirements by 2017
17 instead of requiring the proposed upgrade to a 2010 model
18 year equivalent engine.

19 In addition, the Board directed staff to make
20 changes to reduce the potential for fraud and abuse.

21 Lastly, there were other minor modifications that
22 consist primarily of definition and provision
23 clarifications and other minor changes to provide
24 consistency and improve readability.

25 --o0o--

1 MANAGER WHITE: The environmental analysis
2 included in the staff report released on March 5, 2014,
3 concluded that implementation of the amendments would not
4 result in any adverse environmental impacts. The
5 modifications made available for 15-day comment do not
6 alter that conclusion so no revisions to the environmental
7 analysis or recirculation was required.

8 As described in the air quality section of the
9 staff report, emissions of diesel PM, NOx, and other
10 criteria pollutants will continue to decline from today's
11 levels as a result of the amended truck and bus
12 regulation.

13 The 15-day modifications do not alter this
14 conclusion. Using the base line of existing environmental
15 conditions, the regulation, as amended, will lead to
16 continued reductions in pollutants and will continue to
17 improve air quality.

18 As described in the staff report, the amendments
19 are projected to result in a near-term delay in achieving
20 some air quality benefits initially projected for the
21 regulation in 2010. That 2010 projection was based on the
22 assumption of full compliance, which is no longer an
23 accurate projection of what is actually occurring.

24 Of all the modifications made available for
25 15-day comment, only the extended compliance date for the

1 second truck of the small fleet option for 2016 to 2017
2 could alter the quantified emission benefits included in
3 the staff report. As explained at the April 2014 hearing,
4 staff's conservative estimate is a change of .4 tons per
5 day of PM and five tons per day of NOx in the year 2016
6 only. This is a conservative estimate because staff
7 expects this modification to be partially offset by newly
8 created incentive funding opportunities.

9 Despite the small change in 2016, the regulation
10 as amended is projected to still achieve the same NOx
11 benefits in 2018 and the same PM benefits in 2020. The
12 regulation as amended will continue to achieve State
13 Implementation Plan commitments necessary to meet federal
14 air quality standards and reduce exposure to diesel PM to
15 meet the state's goals established in the Diesel Risk
16 Reduction Plan.

17 --o0o--

18 MANAGER WHITE: During the initial 45-day comment
19 period, ARB received three comment letters that raised
20 environmental issues related to the proposed amendments.
21 Written responses to those environmental issues were
22 approved by the Board in April of this year.

23 Although ARB did not reopen the comment period on
24 the environmental analysis when the modified regulatory
25 language was circulated for the subsequent 15-day comment

1 period, one comment letter submitted in July raised
2 additional environmental issues. The primary issue raised
3 was that staff needed to conduct additional environmental
4 analyses for the modifications. Staff prepared written
5 responses to the new issues raised in the July 2014
6 comment letter. Those written responses, along with
7 revised written responses to the comments submitted during
8 the 45-day period, are being presented to the Board for
9 approval as part of the Resolution before you to comply
10 with the requirements of ARB regulations implementing the
11 California Environmental Quality Act.

12 --o0o--

13 MANAGER WHITE: In closing, we recommend that the
14 Board approve Resolution 14-41, which reaffirms the
15 finding that the amendments do not result in any adverse
16 environmental impacts, approves the written responses to
17 environmental comments set forth in Attachment B to the
18 Resolution and adopts the final regulation order set forth
19 in Attachment A to the Resolution.

20 CHAIRPERSON NICHOLS: Thank you.

21 We had no witnesses who signed up to speak on
22 this item, so I can close the record at this point and
23 move to any Board discussion.

24 If we do receive any written or oral comments,
25 they will not be accepted at this point. This is it.

1 This is the final action on this particular rule. It has
2 gone for a long time. But this bifurcated process seems
3 to be the best and clearest way to comply with our
4 obligations under CEQA.

5 The findings in response to the environmental and
6 the comments on the environmental analysis and the
7 response on the comments are all part of this single
8 Resolution. I think that's considered to be acceptable.
9 And I think that the responses are very thorough.

10 Are there any questions that any of the Board
11 members have at this point?

12 Comment? Yes, John.

13 BOARD MEMBER BALMES: I was going to move we
14 accept the staff recommendation.

15 CHAIRPERSON NICHOLS: I accept that motion. Is
16 there a second?

17 BOARD MEMBER RIORDAN: Second.

18 BOARD MEMBER BERG: Second.

19 CHAIRPERSON NICHOLS: I think Mr. De La Torre
20 wanted to comment before we take a vote.

21 BOARD MEMBER DE LA TORRE: Thank you. If you'll
22 recall, I voted no on this item first time around. I'm
23 going to be voting yes today, not because I changed my
24 mind, but because I believe that what we are doing here
25 today does meet the requirements under CEQA, that staff

1 has done all the proper due diligence regarding the law.
2 And so, therefore, I'm going to be supporting this for the
3 procedural effort that was made, not for the original
4 issue, which I still remain opposed.

5 CHAIRPERSON NICHOLS: Thank you.

6 In that case, I think we can do our usual voice
7 vote. So I'll ask all in favor please to signify by
8 saying aye.

9 (Unanimous aye vote.)

10 CHAIRPERSON NICHOLS: Opposed?

11 Any abstentions?

12 Very good. I'm very glad to have this done. I'm
13 sure the staff is even more glad to know this is now a
14 rulemaking.

15 We have a couple other things we have to do
16 before we adjourn. The first one is to take public
17 comment. So we had one person sign up for the public
18 comment period. And that's our old friend Randall
19 Friedman who is here to talk about electric vehicle
20 charging.

21 MR. FRIEDMAN: Good morning, Chairman Nichols,
22 Board members.

23 I'm here today as an individual. It's been a
24 year since I spoke with you about public charging loads
25 for EVs. I wish I could say things are getting better,

1 but frankly, I think they're getting worse. This in
2 contrast to the glowing reports we get about exploding EV
3 sales with a high visibility of marking the sale of the
4 100,000th plug-in vehicle car recently in California.

5 Everybody loves a story about great sales
6 performance. But what happens after the happy owner
7 leaves the lot and wants to use the car? While there are
8 more public chargers, the biggest issues involve whether
9 they work and the owner can count on its availability.
10 For example, the L3 charger at U.C. Davis in the city of
11 Vacaville have been out for months. Both of these
12 chargers were given to the entities. It seems that once
13 the initial enthusiasm of getting it wore off, there is
14 little interest in the reality of maintenance.

15 How challenging is this landscape? I'm sad to
16 say in the last month on the SF Bay Area Leaf Owners
17 Facebook group, there have been several people regretfully
18 saying they have to give up their EV. They are Bay Area
19 commuters who need to charge and can no longer count on
20 finding a charger available. These are energetic early
21 chargers who are quite sad about this but they simply
22 can't make it work.

23 Further, in the spirit of discussions about this
24 subject, the issue of chargers for multi-family homes
25 keeps coming up. Are EVs going to be relegated only to

1 owners of single-family homes which hardly seem the
2 blueprint for smart growth development.

3 California still is still woefully behind in
4 public charging. While there is money to place chargers,
5 there doesn't appear to be the follow-up to their
6 maintenance. Moreover, we still lack a systemic approach
7 to a comprehensive charging network to ensure the mobility
8 we expect when we purchase a car. Once again, just look
9 at metro, Seattle or Portland and major highway corridors
10 in Washington and Oregon, for example.

11 Governor Brown wants one and a half million EVs
12 in California by 2025. Numbers like this are a base line
13 necessity if we are going to meet increasingly difficult
14 to obtain climate change goals. Frankly, we will never
15 get there until we figure out public charging.

16 I continue to fear and dark sliding and dark
17 clouds ahead when many of these 100,000 plug-in owners try
18 to plug in and stories circulate on social networks about
19 theirs EVs turn back in. It's already starting to happen.
20 Just check the social networks for yours.

21 I would like to think there are creative
22 solutions out there. Maybe we could recognize that
23 greenhouse gas reductions of public chargers, especially
24 solar-powered chargers like Vacaville and U.C. Davis and
25 use some cap and trade money to ensure this infant network

1 survives and somehow create incentives for institutions
2 like U.C. Davis and Vacaville that have their chargers
3 operational to the growing numbers of EV owners. For both
4 air and water quality considerations, electrified
5 transportation must be our future, but we have first have
6 to solve this problem of plug-ins first.

7 CHAIRPERSON NICHOLS: Thank you. I appreciate
8 the comment. And there's much in it that I agree with,
9 actually.

10 I would really appreciate it if you have a
11 written version of it, if you would submit it to staff
12 because I think we should work on a response to it. We
13 don't always respond to comments, but this is one of those
14 situations where I feel like some sort of a formal reply
15 would be possibly useful. So if you agree with that,
16 would you --

17 MR. FRIEDMAN: I would be happy to share some of
18 the discussions on the social media. There's been quite
19 some spirited discussions. I don't know if that's
20 something that staff routinely follows, but there is a lot
21 of information -- there is a lot of very dedicated people
22 out there trying to make their EVs work. And yet, it's
23 really sad when someone throws in the towel. And these
24 are the people who should be --

25 CHAIRPERSON NICHOLS: I think these anecdotes,

1 collecting them is very useful. And again, I'd like to
2 take advantage of the work you've already done. That will
3 help us, too.

4 MR. FRIEDMAN: Certainly. Thank you.

5 CHAIRPERSON NICHOLS: Thank you. Okay. We now
6 have a pleasant but sad occasion. Not sad really. It's
7 mostly happy. But it's always sad when we recognize that
8 someone who has meant a great deal to us is moving on,
9 even if we know that they're doing it for very good
10 reasons and are looking forward to the next interesting
11 phase, still, we get to say good buy.

12 So we do have a Resolution that marks the
13 retirement of the last of the old cars of our senior
14 Deputies at ARB, our friend, Lynn Terry, who probably I
15 would say overall has managed to avoid having major
16 controversial items in front of the Board. I don't know
17 how much this was part of a deliberate strategy and how
18 much it reflects on the fact that she has a unique gift
19 for resolving problems. Her ability to defuse difficult
20 situations is indeed legendary, but so also has been her
21 leadership in implementing some of the most complicated
22 and difficult programs that ARB has.

23 While, you know, we brag about and deservedly so
24 our science and technical chops and all of the great
25 regulations that we've adopted, the meat and potatoes, if

1 you will, of getting the air cleaned up comes through the
2 Clean Air Act, SIPs, and rules that she has very ably
3 ushered through the process, from local government to EPA
4 approval over a period of years, which we're going to
5 embarrass her by remembering.

6 We do have an official Board Resolution, and
7 we're also going to adjourn the meeting once we've
8 presented it to her and hopefully embarrassed her a little
9 bit more we'll adjourn and enjoy a little social time as
10 well.

11 But before we do that, I think I have to actually
12 present this Resolution. I guess I can read it from here
13 and then we can all take a picture. This is fairly long.
14 And it's signed by all of us.

15 "Whereas, Lynn began her career at ARB in 1985 as
16 an Air Resources Technician II in what was then the
17 Stationary Source Division and quickly moved up the ranks
18 to become, in 1995, an Assistant Executive Officer and
19 then Deputy Executive Officer where she demonstrated her
20 leadership skills and has been a role model for women at
21 ARB ever since.

22 "Whereas, Lynn has been at the forefront of
23 California's clean air planning since 1992, overseeing the
24 drafting of the first plans under the California Clean Air
25 Act, before turning her attention to implementation of the

1 Federal Clean Air Act.

2 "Whereas, Lynn was there in 1994 when ARB
3 approved its first State Implementation Plan under the
4 Clean Air Act amendments of 1990, a plan she was
5 instrumental in developing in record time. Not only did
6 she help write the plan, she helped seal the 17 boxes of
7 documents and load them in a car so they could be
8 delivered to the Environmental Protection Agency by the
9 statutory deadline.

10 "Whereas, since 1995, Lynn has been responsible
11 for the Board's approval of 181 SIPs, some large, some
12 small, none easy.

13 "Whereas, ARB has Benefited greatly from Lynn's
14 background as a scientist, her shepherding of ARB's
15 research program and her ability to build policy from
16 science as the basis of ARB's world-renowned programs.

17 "Whereas, her leadership was crucial to the
18 success of the Central California Ozone Study and the
19 California Regional Particulate Air Quality Study, two of
20 the largest air quality studies ever conducted that have
21 supported the robust science-based air quality programs in
22 the San Joaquin Valley.

23 Whereas, Lynn's keen intellect, cool head,
24 strategic thinking, scientific perspective, and political
25 skills have been a constant and comforting asset to the

1 Board and staff, providing a common sense and
2 forward-thinking voice to the Board's deliberation.

3 "Whereas, just as Lynn's hard work is about to
4 bring a region into compliance with federal air quality
5 standards, the Environmental Protection Agency sets a new
6 even more stringent and sisyphian standard so that her job
7 is never done.

8 "Whereas, even as the goalposts have moved
9 because of Lynn's hard work, all Californians enjoy
10 cleaner, more healthful air.

11 "Whereas, Lynn is retiring from ARB in order to
12 enjoy time with her husband and two daughters, Leslie and
13 Kimberly, traveling the world, dancing, and enjoying her
14 hobbies.

15 "Whereas, Lynn is known for her wonderful
16 infectious, if often loud, laugh, fine taste in shoes,
17 skilled in picking the best restaurants, so that sadly ARB
18 will be quieter, less fashionable, certainly suffer from a
19 lower culinary standard.

20 "Now, therefore, be it resolved, that the Board
21 expresses its deep appreciation to Lynn Terry for her many
22 years of dedicated service and wishes her a long and happy
23 retirement, cruising the oceans, enjoying the wines and
24 foods of California and the world, playing golf, and
25 otherwise enjoying her leisure.

1 "Executed at Sacramento, California, this 20th
2 day of November 2014."

3 And here it is from all of us. I wish it were
4 gold, but you have a gold seal on it. I'm sure you got a
5 place on your wall that just needs this. So Lynn, on
6 behalf of all of us, thank you very much.

7 (Applause)

8 CHAIRPERSON NICHOLS: Supervisor Serna
9 unfortunately has been reminded me that we never actually
10 voted on this. It could be that if we don't vote on it,
11 the retirement is ineffective. So may I have --

12 BOARD MEMBER SERNA: So moved.

13 BOARD MEMBER BALMES: Second.

14 CHAIRPERSON NICHOLS: A motion. Second. All in
15 favor?

16 (Unanimous aye vote.)

17 CHAIRPERSON NICHOLS: Thank you, Lynn.

18 We anybody here to take pictures other than --
19 despite having been reminded by at least five people, I
20 managed to forget to say that we're not done because,
21 Lynn, more people wish to speak about you. So we are
22 delighted to prolong your period of embarrassment here and
23 I think we should start with CAPCOA.

24 MR. ABBS: Good morning, Chairman Nichols and
25 members of the Board. Alan Abbs, the Air Pollution

1 Control Officer for Tehama County and also the CAPCOA
2 President.

3 This is my first official appearance before the
4 Board as the CAPCOA President. It's a bittersweet moment
5 because, despite sometimes air districts asserting that we
6 can do this all by ourselves, the fact is that we couldn't
7 do it without -- we couldn't do what we do without the
8 help of the Air Resources Board, and especially the work
9 that Lynn Terry has done with the air districts over the
10 years.

11 So CAPCOA thought it was appropriate to provide
12 her with a Resolution as well on her retirement. And I
13 would like to read it.

14 "Whereas, Lynn Terry has worked at the California
15 Air Resources Board since 1985 where she had, among other
16 duties, responsibilities to develop plans for implementing
17 the California Clean Air Act and the Federal Clean Air Act
18 and;

19 "Whereas, Lynn Terry has served as the Deputy
20 Executive Officer for the California Air Resources Board
21 since 1997 and has been instrumental in gaining approval
22 of several local and State Implementation Plans, and;

23 "Whereas, Lynn Terry has worked closely with air
24 districts on environmental justice issues, sustainable
25 communities, and transportation planning programs, and;

1 "Whereas, Lynn Terry provided valuable assistance
2 to local air districts in interfacing with EPA on
3 potential designations for non-attainment, including
4 directing ARB staff to provide timely and thorough
5 analyses and worked with local air districts on
6 international cross-border air quality efforts with
7 Mexico, and;

8 "Whereas, Lynn Terry managed programs at ARB on
9 federal transportation conformity analyses, air pollution
10 transport assessment, and mitigation requirements, federal
11 regional Hays plans, development and quantification
12 protocols for reducing greenhouse gas emissions, air
13 quality requirements for planned burns to reduce wildfire
14 risk, emissions inventory development for ARB regulations,
15 and communities air quality assessments.

16 "Now, therefore be it resolved, that the
17 California Air Pollution Control Officers Association
18 hereby recognizes Lynn Terry for her dedicated service to
19 the cause of clean air in California and expresses the
20 association's appreciation through this Resolution adopted
21 November 17th, 2014.

22 CHAIRPERSON NICHOLS: Thank you.

23 (Applause)

24 CHAIRPERSON NICHOLS: It's an amazing list of
25 accomplishments.

1 And we have one more. This is from the San
2 Joaquin Valley Air District, Shamir Sheikh.

3 MR. SHEIKH: Thank you very much, Madam Chair,
4 for extending the time period for allowing us to make
5 these comments.

6 We would be remiss as a region to not speak on
7 behalf of the San Joaquin Valley for all the hard work
8 that Lynn Terry has done for the valley. Sayed Sadredin,
9 our Executive Director, expresses deep regret for not
10 being here, given his high level of respect and years of
11 working with Lynn on various issues. She's been critical
12 in so many ways I can't better capture what was said
13 earlier in the prior Resolutions. I don't want to preempt
14 some comments that Board Members Sherriffs is going to
15 share in just a little bit.

16 One of the things we really respect about Lynn
17 and we know that moving forward given the excellent ARB
18 team we have in place is going to continue has been her
19 willingness to be really creative in the way that we
20 explore various strategies for dealing with the air
21 quality challenge that we have in the valley. She's
22 gotten to know our stakeholders over the years. She's
23 been very effective at looking for cost effective ways to
24 reduce pollution in a way that has improved the air
25 quality in the San Joaquin Valleys where we have attained,

1 for example, the PM standard through a lot of that hard
2 work. We're at the verge here of attaining the one-hour
3 ozone standard and continue to make significant air
4 quality progress.

5 We do have a lot of work left to do. We have
6 very significant air quality challenges. So we do express
7 a lot of regret in seeing Lynn go, from a selfish
8 perspective. As you said earlier, it really is good news
9 overall. But there is a very selfish element here and
10 really expressing that sadness in seeing her go.

11 But again, we know that there is a strong ARB
12 team in place, through your leadership, through Lynn's
13 leadership in developing that team. We are confident
14 we're going to be able to continue that relationship
15 moving forward.

16 Good luck, Lynn, in your retirement. Have a
17 great retirement. We know you're not really going to stay
18 away from work, just given your personality. But good
19 luck with that.

20 CHAIRPERSON NICHOLS: Good luck. Thank you.
21 That was great.

22 Dr. Sherriffs, did you have a presentation also
23 or just a remarks?

24 BOARD MEMBER SHERRIFFS: Yes. I think we want to
25 get some photographs with Shamir and Lynn and myself. But

1 in a minute.

2 CHAIRPERSON NICHOLS: Why don't we finish all of
3 our speaking roles and then we can do photo ops.

4 BOARD MEMBER SHERRIFFS: I can read this and
5 would love to, but the points have been made. The San
6 Joaquin Valley represents some very unique challenges.
7 Everybody talks about the meteorology and geography. But
8 it's unique in terms of poverty and ag and land use and
9 really in terms of culture, which really should probably
10 be the cultures.

11 And over and over, as I read the whereases, you
12 know, over and over, it's not just the flexibility but,
13 indeed, it is the creativity looking for solutions, the
14 sincerity, the honesty, the hard work, the goal-oriented
15 partnership that Lynn has presented and always looking to
16 find common ground.

17 And most important, I think it recognizes the
18 commitment to finding the science and the money for the
19 science to make good decisions.

20 So Lynn, this is the least controversial meeting
21 I've been to since I've been on the Board. I think it's
22 the first time every Board member has been at one of the
23 meetings I've been to. And --

24 CHAIRPERSON NICHOLS: We're missing one.

25 BOARD MEMBER SHERRIFFS: It's a brave group.

1 It's not that they avoid controversy. But here they are
2 all are. And I have to think it's really to recognize
3 your mere 29 years of contributions. And really modeling
4 what it means to be somebody working in the public sector
5 to being a public servant and the best of all of that. So
6 thank you.

7 CHAIRPERSON NICHOLS: Thank you.

8 Dr. Balmes.

9 BOARD MEMBER BALMES: Well, I have to take this
10 opportunity to personally thank Lynn. I started working
11 with her before she became a member of the Board, going
12 way back to accepting an invitation to speak on
13 environmental justice issues at a meeting I was
14 organizing. And I want to say in particular I appreciated
15 your efforts to deal with health disparities of air
16 pollution impacts strongly on environmental justice
17 issues. And I think so highly of your political skills
18 that I was asked by the people putting together the Obama
19 administration who might be a good candidate for Mary's
20 old job as their Division Chief and I suggested you. But
21 in fact, I'm glad that you didn't get the job because I
22 got to continue to work with you here. So I wish you the
23 best in your retirement.

24 CHAIRPERSON NICHOLS: It's possible that Lynn
25 gets equal time. So okay.

1 Sandy, did you want to --

2 BOARD MEMBER BERG: I also would like to take
3 just one moment to say thank you, Lynn. When I started in
4 August of 2004, I honestly had no idea what I was getting
5 into, other than it was such an honor to be asked so I
6 said yes.

7 My first meeting was a mere four weeks later in
8 September of 2004 in Los Angeles as we were adopting the
9 Pavely greenhouse gas regulation for the vehicles. I had
10 no idea. I was just barely understanding that CARB stood
11 for California Air Resources Board. And so Lynn, I'm
12 positive, was assigned to make sure to meet me at the
13 elevator because she did every morning. And she was
14 assigned to me I'm fairly certain at breaks to make sure
15 that I would come back. And she kept escorting me to
16 assure me that I would be fine. I understood this. I
17 could do it. Get up there. Go, girl. You can handle it.

18 And then she said to me and I'll never forget
19 this, "And our meetings are not always like this."
20 Ten years later, I've reminded her several times they're
21 more like this than not.

22 But you have been just exactly as Chairman
23 Nichols outlined, the role model for all of us, but
24 especially the women. It's been an honor to work with you
25 in every way and we will miss you.

1 I think I told you that I've been in total denial
2 thinking if I just didn't acknowledge that you were
3 leaving, that maybe it would go away. But I couldn't be
4 happier for you. This is well deserved. Thank you very
5 much for not only your 29 years of service, but your
6 friendship and your help for me over the last ten years.
7 It's been a pleasure. Thanks.

8 CHAIRPERSON NICHOLS: Great. Excuse me.
9 Supervisor Roberts.

10 BOARD MEMBER ROBERTS: I'll be brief. It's a
11 bittersweet moment because Lynn is, first of all, you
12 know, when you've been on this Board for a lot of years,
13 you see a lot of coming and going. And Lynn's been like
14 the stability here for a while. It seems like we had a
15 lot of rookies here now, with all due respect.

16 But I also appreciate the way Lynn has handled
17 herself and her assignment and has been -- I can't ever
18 remember a time when the answer to a question didn't give
19 me confidence in the full answer and helping me to better
20 understand. So we are going to miss you. I guess we have
21 to break in everybody else for a few more decades and then
22 we'll be okay.

23 CHAIRPERSON NICHOLS: We'll whip them into shape
24 I'm sure.

25 BOARD MEMBER ROBERTS: Thank you for your

1 service.

2 BOARD MEMBER RIORDAN: Lynn, let me also express
3 my appreciation to you for all these wonderful years. I
4 don't remember when Lynn wasn't here to help us, and
5 that's quite a long time.

6 But what I think is most important, that little
7 part of the Resolution, we laugh, but there were some 17
8 big cartoons of SIPs that went to wherever they went to.

9 DEPUTY EXECUTIVE OFFICER TERRY: They went to
10 Mary.

11 CHAIRPERSON NICHOLS: Exactly.

12 BOARD MEMBER RIORDAN: I hope you read every
13 single one.

14 CHAIRPERSON NICHOLS: Just like I read every page
15 of every Regulation.

16 BOARD MEMBER RIORDAN: The important thing was
17 that was the first. That was the first. And I think we
18 as Californians ought to be very proud of that and say
19 thank you to Lynn because that was no easy task. And
20 that's why you should have read every page, because it was
21 not an easy task to bring California along, everybody
22 along, and get that together.

23 So, Lynn, we say thank you for that and you enjoy
24 this retirement.

25 (Applause)

1 CHAIRPERSON NICHOLS: I think that may be it for
2 the official presentation. And we'll just enjoy a little
3 social time upon adjournment. So we are adjourned. Thank
4 you everybody.

5 (Whereupon the Air Resources Board meeting
6 adjourned at 11:44 AM)

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