

MEETING  
STATE OF CALIFORNIA  
AIR RESOURCES BOARD

CALEPA HEADQUARTERS  
BYRON SHER AUDITORIUM  
SECOND FLOOR  
1001 I STREET  
SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 17, 2015

9:13 A.M.

JAMES F. PETERS, CSR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair

Ms. Sandra Berg, Vice Chair

Dr. John Balmes

Mr. Hector De La Torre

Supervisor John Gioia

Mr. John Eisenhut

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Phil Serna

Dr. Alexander Sherriffs

Professor Daniel Sperling

STAFF:

Mr. Richard Corey, Executive Officer

Dr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. La Ronda Bowen, Ombudsman

Mr. Matthew Botill, Manager, Climate Investments Policy  
Section, TTD

Ms. Deidre Cyprian, Space Acquisition Manager, Space  
Acquisition Unit, Administrative Services Division(ASD)

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Bob Fletcher, Project Manager, Administrative Services Division

Mr. Mark Fuentes, Assistant Chief, Emissions Compliance, Automotive Regulations and Science Branch

Mr. David Hults, Senior Attorney, Legal Office

Mr. Doug Ito, Assistant Chief, Transportation and Toxics Division

Ms. Shelby Livingston, Chief, Climate Investments Branch, TTD

Ms. Cynthia Marvin, Division Chief, Transportation and Toxics Division

Ms. April Molinelli, Senior Attorney, Legal Office

Ms. Melissa Niederreiter, Air Pollution Specialist, Climate Investments Policy Section, Transportation and Toxics Division(TTD)

Ms. Alice Stebbins, Division Chief, Administrative Services Division

ENVIRONMENTAL PROTECTION AGENCY:

Mr. Matt Rodriguez, CalEPA Secretary

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers Association(CAPCOA)

Ms. Gretchen Bennett, Northern Sierra Air District

Mr. John Benoit, Riverside County Board of Supervisors, South Coast Air Quality Management District

Mr. Michael Boccadoro, Dairy Cares, Agricultural Energy Consumers Association

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Matt Bogoshian, REV

Ms. Allison Chan, Save the Bay

Ms. Tammy Cronin, Cleaner Air Partnership

Ms. Anna Ferrera, School Energy Coalition

Ms. Katie Valenzuela Garcia, Breathe California

Mr. Larry Greene, Sacramento Metropolitan Air Quality  
Management District

Mr. Joel Griffith, Department of General Services

Ms. Melissa Gutierrez, California ReLeaf

Ms. Bonnie Holmes-Gen, American Lung Association in  
California

Mr. Dave Johnston, El Dorado County Air Quality Management  
District

Mr. Ryan Kenny, Clean Energy

Ms. Julia Levin, Bioenergy Association of California

Mr. Moises Lopez, City of Riverside

Mr. Bill Magavern, Coalition for Clean Air

Ms. Cara Martinson, California State Association of  
Counties(CSAC)

Ms. Deborah Moore, Green Schools Initiative

Ms. Katrina Ortiz, Green Schoolyards America

Mr. Ian Padilla, Coalition for Adequate School Housing

Ms. Michelle Passero, The Nature Conservancy

Ms. Fabiola Perez, Cal Poly Pomona, College of Agriculture

Mr. Michael Pimentel, California Transit Association

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Dr. Benjamin Quillian, Cal Poly Pomona

Mr. Jason Rhine, League of California Cities

Ms. Christina Romero, Cal Poly Pomona, College of  
Agriculture

Mr. Steve Sanders, Institute for Local Government

Ms. Phoebe Seaton, Leadership Counsel for Justice and  
Accountability

Ms. Sylvia Solis Shaw, Advanced Energy Economy

Ms. Kerri Timmer, Sierra Business Council

Mr. Scott Tomashefsky, Northern California Power Agency

Ms. Eileen Tutt, CalETC

Dr. Barry Wallerstein, South Coast Air Quality Management  
District

Mr. V. John White, Center for Energy Efficiency and  
Renewable Technologies(CEERT)

Ms. Liz Whiteley, North American Sustainable Refrigeration  
Council

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1 P R O C E E D I N G S

2 CHAIR NICHOLS: Bonjour. Bonjour, everybody.  
3 Hello. Good morning. Welcome to the Air Resources Board  
4 meeting of December 17th, 2015. The Board meeting will  
5 come to order, and we will begin with the Pledge of  
6 Allegiance to the flag.

7 Please rise.

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

10 CHAIR NICHOLS: The Clerk will please call the  
11 roll.

12 BOARD CLERK JENSEN: Dr. Balmes?

13 BOARD MEMBER BALMES: Here.

14 BOARD CLERK JENSEN: Mr. De La Torre?  
15 Mr. Eisenhut?

16 BOARD MEMBER EISENHUT: Here.

17 BOARD CLERK JENSEN: Supervisor Gioia?

18 BOARD MEMBER GIOIA: Here.

19 BOARD CLERK JENSEN: Ms. Mitchell?

20 BOARD MEMBER MITCHELL: Here.

21 BOARD CLERK JENSEN: Mrs. Riordan?

22 BOARD MEMBER RIORDAN: Here.

23 BOARD CLERK JENSEN: Supervisor Roberts?  
24 Supervisor Serna?

25 BOARD MEMBER SERNA: Here.

1 BOARD CLERK JENSEN: Dr. Sherriffs?

2 BOARD MEMBER SHERRIFFS: Here.

3 BOARD CLERK JENSEN: Professor Sperling?

4 BOARD MEMBER SPERLING: Here.

5 BOARD CLERK JENSEN: Vice Chair Berg?

6 VICE CHAIR BERG: Here.

7 BOARD CLERK JENSEN: Chair Nichols?

8 CHAIR NICHOLS: Here.

9 BOARD CLERK JENSEN: Madam Chair, we have a  
10 quorum.

11 CHAIR NICHOLS: Great. Thank you.

12 Just a couple of announcements before we get  
13 started this morning. First of all, we have  
14 interpretation services available in Spanish for anyone  
15 who requests it. The headsets are available outside the  
16 hearing room at the attendant's sign-up table.

17 (Thereupon Spanish translation of the previous  
18 announcement was made.)

19 CHAIR NICHOLS: Muchas gracias.

20 Anyone who wishes to testify should fill out a  
21 request to speak card. These are also available in the  
22 lobby outside the room. We appreciate it if you could  
23 please turn in your request cards prior to the beginning  
24 of the presentation on the item, so that the clerk can  
25 prepare a list and we can know how much time we need to

1 allocate to the item. We will be enforcing a three minute  
2 limit on oral testimony, but, of course, we will read  
3 anything that is submitted to us in writing. But if you  
4 are planning to speak, we really appreciate it if you can  
5 summarize any written remarks, since they will be entered  
6 into the record.

7           We also need to point out for safety purposes the  
8 exits at the rear of the room and to the sides of the dais  
9 here. In the event of a fire alarm, we are required to  
10 evacuate the room immediately and go down the stairs and  
11 outside the building until we get the all-clear signal,  
12 and then we can return.

13           Now, I have a couple of things I want to do this  
14 morning. First of all, we do have a rather short agenda  
15 today, but it's an important one. But it is also our  
16 final meeting of the year, and I want to take a moment to  
17 share some observations about California's role in the  
18 historic climate agreement that was reached in Paris just  
19 a few days ago.

20           But before I get to that, I have an announcement,  
21 which in a way really plays into my comments about Paris,  
22 because the fact of the matter is that ARB, as an agency,  
23 is recognized literally around the world for the quality  
24 of the staff and the skills that they have. And they are  
25 sought after as consultants, as experts, and recognized,

1 as I said, in many places.

2           And I do think that that has something to do with  
3 the fact that the Air Resources Board is a good place to  
4 work as well as a place that does important and  
5 interesting work as well. But from time to time, people  
6 leave ARB, and we want to recognize one of those people  
7 who has been called to another assignment, who has been  
8 very visible to this Board because of the controversial  
9 nature of some of the work that he has done, and frankly  
10 because he has done such a terrific job of driving an  
11 issue to a successful -- to a successful conclusion. And  
12 that would be Erik White. So, Erik, if you're around  
13 there, I hope you will come forward.

14           (Laughter.)

15           CHAIR NICHOLS: As you must.

16           (Laughter.)

17           CHAIR NICHOLS: You still work here for another  
18 couple days.

19           (Laughter.)

20           MOBILE SOURCE CONTROL DIVISION CHIEF WHITE: Yes,  
21 yes.

22           CHAIR NICHOLS: So it's really not an option to  
23 just, you know, stay in your seat.

24           Erik has worked in many key programs at the Air  
25 Resources Board, but I think we would have to agree that

1 his crowning achievement has been as the architect of the  
2 truck and bus regulation. To call this a challenging  
3 assignment would be to understate it. But nevertheless,  
4 this has been a far reaching and literally game changing  
5 program. No other policy, I think it's safe to say, in  
6 the world has achieved the same level of health protection  
7 from accelerated pollution reductions. And Erik has  
8 steered that policy along through many obstacles and land  
9 mines.

10           The success of the rule today is due in very  
11 large part to his leadership and the respect that everyone  
12 who works with him and who's been affected by his work has  
13 for him.

14           So our loss is the Placer County Air Pollution  
15 Control District's gain, because Erik is soon going to  
16 take over there as the Air Pollution Control Officer. And  
17 so this is a bitter sweet moment for us, but we are really  
18 happy for Erik, because I think this is a wonderful  
19 opportunity for him. He's ready to take the helm and lead  
20 the way for Placer County. And I know his influence is  
21 going to be felt beyond that as well.

22           So, at this point, I think we all want to wish  
23 him the best and to give any other Board members an  
24 opportunity, if they want to, to say a few words, so he  
25 can be even more embarrassed.

1 (Laughter.)

2 BOARD MEMBER RIORDAN: Madam Chairman.

3 CHAIR NICHOLS: Yes, may I recognize Mrs.  
4 Riordan.

5 BOARD MEMBER RIORDAN: I would like to make a  
6 comment. First of all, to say to Erik we wish you the  
7 best, and we are just so sorry to lose you. And I want  
8 the audience to know, and anybody who's on the webcast to  
9 know, I've been here a long time, and I've know Erik --

10 (Laughter.)

11 BOARD MEMBER RIORDAN: I've known Erik all those  
12 years. And we see him here in the Board room as he is  
13 proposing regulations, but what you don't know is his  
14 outreach to the regulated community in California. And  
15 Erik never refused to come to some of my remote places to  
16 work with people who had large pieces of equipment who  
17 were just totally devastated by the recession, and then to  
18 have a regulation placed on them made it equally -- well,  
19 it was just a real problem for many people.

20 And Erik was so positive, along with his staff,  
21 in working with those who were in the -- being regulated.  
22 And I can't say enough about that side of Erik and his  
23 empathetic ways. And, we do, we wish you the best Erik.  
24 Thank you so much for what you've given to the ARB.

25 CHAIR NICHOLS: Thank you.

1 Ms. Berg.

2 VICE CHAIR BERG: I do want to second that.  
3 Thank you very much for your comments Board Member  
4 Riordan, because I also participated directly with Erik on  
5 both the truck and bus and the off-road rule, and also sat  
6 in many meetings before as we're developing the rule and  
7 afterwards, and the follow up went with Erik and team to  
8 other rural counties, even outside of Southern California.  
9 And his interaction with people that were very, very, very  
10 upset with ARB, but no one was ever upset with Erik.

11 (Laughter.)

12 VICE CHAIR BERG: I mean, I was in one meeting  
13 where they absolutely were beside themselves, but the  
14 owner of a company actually said to Erik, if he had a  
15 daughter, he would want Erik as a son-in-law.

16 (Laughter.)

17 VICE CHAIR BERG: True sorry.

18 BOARD MEMBER RIORDAN: That is a true story. I  
19 heard that, that very comment.

20 (Laughter.)

21 VICE CHAIR BERG: That's a true story.

22 So that is the character that is Erik White. And  
23 it has been just an honor and a pleasure to work with you.  
24 We've gone through some very tough -- walking into some  
25 pretty hostile crowds, and I never felt anything except

1 that with Erik and his staff that we would represent not  
2 only ARB, but the interests of all stakeholders in  
3 California. You have an incredible heart. You have an  
4 intellect that is -- just blows me away, and also an  
5 integrity level. So we will miss you.

6 I personally will miss not seeing you. But as  
7 the old saying goes, you can leave, but we aren't going to  
8 let you leave the family, and we really look forward to  
9 interacting with you in your new position, and supporting  
10 you. And I know CAPCOA is just thrilled to be adding you  
11 to their ranks. So congratulations, and all the best.

12 CHAIR NICHOLS: Thank you.

13 And just in case, there's anybody thinking about  
14 it, I happen to know that Erik has a lovely family, so --

15 (Laughter.)

16 CHAIR NICHOLS: All right. Dr. Balmes.

17 BOARD MEMBER BALMES: Well, I won't try to  
18 embarrass Erik anymore. I just want to simply say that  
19 you represent the best of CARB. You worked hard to  
20 engineer a regulation that was evidence based. You made  
21 corrections based on evidence. And as my colleagues have  
22 mentioned, you've always been open to stakeholders. I  
23 think that's again representing the agency at its best.

24 CHAIR NICHOLS: Thank you, Dr. Balmes.

25 Supervisor Serna.

1 BOARD MEMBER SERNA: Thank you, Chair.

2 So I do want to certainly add my thanks for  
3 Erik's great work here and his -- the legacy he leaves at  
4 ARB. But as you know, some of us up here have geographic  
5 specific constituencies. And while it's a loss for ARB,  
6 it's, quite frankly, a gain for the geography that I have  
7 the opportunity to represent. I look forward to working  
8 with you in your new capacity.

9 CHAIR NICHOLS: Great, yes.

10 Any others?

11 Hearing none. I think you've probably endured  
12 enough, but we would --

13 (Laughter.)

14 CHAIR NICHOLS: But we would love to give you the  
15 opportunity to say a few words, if you'd like.

16 MOBILE SOURCE CONTROL DIVISION CHIEF WHITE:  
17 Yeah, I would like -- I did want to say that after 22  
18 years, it's truly been an honor to be able to serve the  
19 citizens of California and bring cleaner air, you know,  
20 just bring so many great programs to the State and see  
21 them successfully implemented. I think the agency is on a  
22 great path. I want to thank the tremendous staff. It's  
23 been a privilege to work with for 22 years. I think it's  
24 what -- as you know, it's what makes this agency so great  
25 and so unique and the premier air quality and climate

1 agency in the world.

2           And it's not without a lot of sadness that I'm  
3 leaving such a prestigious organization. And I want to  
4 say it's really been an honor to work with the Board all  
5 these years. You have been tremendously supportive of the  
6 staff and of the programs we've brought to you. I think  
7 without that, we would not have achieved the successes  
8 that we have.

9           So I want to thank you all. I look forward to  
10 working with you all in the future on many programs. And  
11 Supervisor Serna, yes, I am anxious to dig in and help  
12 bring the region into attainment and other things here in  
13 the Sacramento area. So thank you all very much.

14           (Applause.)

15           CHAIR NICHOLS: All right. Now, to resume the  
16 regular agenda. We have one consent item, which is the  
17 revisions to the California Infrastructure State  
18 Implementation Plan. We have no comments, no requests  
19 from Board members to take this item off of consent. So  
20 could I have a motion to approve this?

21           BOARD MEMBER BALMES: So moved.

22           BOARD MEMBER RIORDAN: I'll second that motion.

23           CHAIR NICHOLS: Seconded.

24           All in favor, please say aye?

25           (Unanimous aye vote.)

1 (Board Member De La Torre not present.)

2 CHAIR NICHOLS: Any opposed?

3 Any abstentions?

4 Okay. Great.

5 We will then move to the public hearing on  
6 cap-and-trade auction proceeds. I know I said I was going  
7 to give you a report on Paris, but I see Secretary  
8 Rodriguez is here this morning also to talk about the  
9 investment plan. And he might like to join me in giving a  
10 very brief report on our trip to Paris, because he was  
11 part of the California delegation as well.

12 And I know the audience as well as the Board  
13 members have been following events. So I'm not going to  
14 recap all of the accomplishments that were achieved there.  
15 But I think it's important that we say for the record that  
16 the agreement from Paris is one that gives us a very solid  
17 foundation to work from on our climate program. And it's  
18 really amazingly satisfying to have been there as an  
19 American, and as a Californian.

20 As an American, because without the agreement  
21 that President Obama reached with the Premier of China  
22 many months ago, there would not have been the basis for  
23 the nations to come together, eliminating the historic,  
24 you know, failure of Copenhagen. That was really  
25 attributed to the fact that the Chinese were seen as

1 blocking any kind of an agreement. The Chinese were  
2 there, and they were working for an agreement.

3           And then the skill of our negotiators, including  
4 the fact that in response to the island nations and their  
5 supporters, the United States was able to quickly adjust  
6 its position to support a goal of one and a half degrees  
7 as the limit for global warming, instead of the two that  
8 had been the initial position was a -- just beautifully  
9 done, and very, very well received and help to eliminate  
10 what might have been an obstacle to reaching an agreement.

11           So the people who were in the actual negotiating  
12 room did a terrific job. They were also in touch with us,  
13 both before and during the conference, and gave us  
14 opportunities to comment on some key language. And it was  
15 very clear throughout the conference that the work of  
16 California, the success that we've had, the example that  
17 we've been able to create in terms of our embracing of  
18 renewable energy technologies and energy efficiency, the  
19 work that's been done on motor vehicles and transportation  
20 in general, all of those things were part of what gave  
21 other nations that might have been reluctant to sign on to  
22 something that could be seen as potentially limiting their  
23 growth, instead seeing that as a -- that this agreement  
24 is, in fact, an opportunity, both to address a truly  
25 global crisis and to, at the same time, work towards

1 transforming our economies and growing at the same time.

2           And California's presence there, led by our  
3 Governor, really was important and was recognized, as was  
4 the role of some national entities in general, both cities  
5 and states and regions, all of which were very visible  
6 there, and again acknowledged as being key implementers of  
7 this agreement.

8           So we have much work to do going forward.  
9 Personally, I see the role of ARB, both in the  
10 transportation side and also in the monitoring, measuring,  
11 verifying piece of this agreement, which is going to be  
12 critical in the next couple of years, as if anything,  
13 increasing the interests that other countries are going to  
14 have in talking to us. And so we're going to have to, you  
15 know, do an even better job of deploying our assets  
16 carefully. But it was great from that point of view.

17           It was also great to have a group of legislators  
18 with us. We had Leadership of both the Senate and the  
19 Assembly who were present as part of the delegation.  
20 There were opportunities for all of us to spend some  
21 quality time together talking about the programs and the  
22 future. But it was also great to see them having some of  
23 the opportunity to share in the success of their work as  
24 well, because that doesn't always happen. When, you know,  
25 they pass laws and then they're turned over to the

1 administration, the administration gets to -- gets to get  
2 the glory or the brickbats depending. But this was an  
3 opportunity for our legislators, as well as many  
4 representatives of NGOs and businesses to be part of it  
5 too.

6 So I'd like to ask you, Secretary Rodriguez, if  
7 you'd like to add anything to that before we move on?

8 CAL/EPA SECRETARY RODRIGUEZ: Well, thank you  
9 very much, Mary. No, I think you've really hit the high  
10 points quite well. I think that it was very, very  
11 gratifying to see the recognition given to California, the  
12 work of the Board, the work of the legislature, and  
13 certainly the work of the Governor. There is recognition  
14 that the UN, and the international level of the work that  
15 subnational governments are doing, regional governments  
16 are doing.

17 But to be candid, I think a large part of the  
18 reason that there is recognition being given to those  
19 programs is because of California, and because of the work  
20 that California is doing.

21 Now, that comes in as a -- sort of, there's a  
22 mixed message there. That is the way I think of it. I'm  
23 always apprehensive about claiming or self-proclaimed  
24 leaders. Yes, we're leading the charge. You really prove  
25 through your actions that you're worthy of having a

1 leadership position.

2           And what that means is when people recognize you  
3 as a leader, you really need to carry through. And so  
4 now, I think it's fair to say that California has been  
5 recognized as really one of the leading governments in the  
6 world at dealing with climate change. We've got the  
7 leading programs in the world to deal with climate change.  
8 But now, everybody is watching us. And we need to make  
9 sure that we continue to follow through and make these  
10 programs successful, that we reduce our greenhouse gas  
11 emissions, that we continue to have a strong economy, that  
12 we continue to show resilience and creativity and inspire  
13 innovation in our businesses and technology sectors.

14           So in many ways, the easy part is done. We're  
15 done with the parties and the receptions. And now, we've  
16 got to get back to work and make sure that we continue to  
17 have a good story to tell the rest of the world, because  
18 everybody is watching. That was really a large part of  
19 the message here.

20           As Mary said, if we're not careful, we could  
21 spend the next year or two meeting with delegations from  
22 all around the world. Certainly, we've been asked to go  
23 many places in the world. And I kept telling people, now  
24 let's see, I've got a day job. We need to make sure that  
25 we're continuing to make these programs work in

1 California. But it's gratifying, terribly gratifying, to  
2 receive the recognition that California's programs have  
3 received. But now, it's an obligation on our part to  
4 continue to move forward and really show that these  
5 programs can work in the successive phases that we're  
6 going to be going through in the days ahead.

7 CHAIR NICHOLS: Thank you very much.

8 Appreciate that.

9 And less anybody think that it was all misery,  
10 Paris is Paris. It was beautiful.

11 (Laughter.)

12 CHAIR NICHOLS: We had some wonderful -- some  
13 wonderful receptions. And it was just great to see the  
14 city lit up, and the local people out, apparently in  
15 force, and still enjoying their cafes, and their night  
16 life and ordinary life. So it did feel a little strange  
17 at first coming into a city that had so recently endured  
18 such a horrible -- a horrible tragedy.

19 But I think, in some ways maybe, that meant that  
20 we were even more welcome, because there were so many  
21 visitors from abroad, and people who were there because  
22 they love Paris.

23 So all right, let's move on then to the work of  
24 the day. This is not exactly tough. It's a pleasant  
25 obligation to be in a position of thinking about investing

1 the funds that come from our Cap-and-Trade Program. It's  
2 an opportunity to continue to reduce greenhouse gas  
3 emissions while setting the course for projects that also  
4 pay long-term dividends as well.

5           And by the way, this is one of the things that we  
6 talked about in many places during the conference, which  
7 is not widely recognized. But the fact that California in  
8 2012 passed a law that requires a long-term investment  
9 plan to identify priority investments for auction  
10 proceeds, and then that we are required to spend a very  
11 significant portion of that investment in disadvantaged  
12 communities is something that addresses head on an issue  
13 that has been divisive in the past in many parts of the  
14 world as to whether any type of Cap-and-Trade Program  
15 could be something that could also support and not  
16 undermine efforts to improve equity as well.

17           I'm not going to go on at length, because we have  
18 a staff presentation on it, but I do want to just  
19 underscore the fact that the plan that's here before us  
20 today is not an ARB proposal. It's the result of an  
21 administration wide effort. And it is an administration  
22 document that reflects a multi-agency effort to address  
23 the issues that we have identified as being critical to  
24 the future success of our climate programs.

25           So this hearing is designed to provide an

1 additional opportunity for public input as well as for the  
2 Board to comment. But the Board does not take formal  
3 action on this item. We do have a procedural resolution  
4 in order to reflect the fact that the Board has  
5 implemented the legislation that laid out the requirements  
6 for this investment plan. But the final document will be  
7 put into shape and transmitted to the legislature in  
8 January by the Department of Finance.

9           So Matt Rodriguez is here as Secretary for  
10 Environmental Protection, and also Chair of the Climate  
11 Action Team. And so we've asked him to make some brief  
12 remarks on the plan. And first, however, I'll ask Richard  
13 Corey to just say a few words to introduce the item.

14           EXECUTIVE OFFICER COREY: Yes. Thank you,  
15 Chairman.

16           ARB continues to assist the Governor's office and  
17 Department of Finance as noted in drafting the plan and  
18 coordinating with State agencies to seek public input.  
19 The draft investment plan includes funding concepts --

20           CHAIR NICHOLS: Could you speak a little closer  
21 to the mic. I think your mic may be down too far.

22           Thanks.

23           EXECUTIVE OFFICER COREY: The plan also -- or  
24 funding concepts that are critical to help meet our  
25 climate goals. The plan also furthers the State

1 Implementation Plan and sustainable freight measures to  
2 reduce regional ozone and fine particles, as well as  
3 diesel particulate matter. It supports important new  
4 programs identified in the update to the scoping plan as  
5 well as the draft short-lived climate pollutants plan,  
6 especially measures for methane and fluorinated gases.

7 The plan also reflects the administration's  
8 broader priorities, such as water, waste, and natural  
9 resources the may not be covered by ARB, but are critical  
10 for achievement of our climate targets. And to be clear,  
11 the draft plan describes concepts for investments in a  
12 qualitative fashion. Inclusion in the plan does not  
13 guarantee funding through the budget process.

14 For this item, the -- we're first going to hear  
15 remarks from, as noted, Secretary Rodriguez on behalf of  
16 the Climate Action Team. This will be followed by an ARB  
17 staff presentation.

18 Now, I'd like to introduce Matt Rodriguez,  
19 Secretary for Environmental Protection.

20 Secretary.

21 CAL/EPA SECRETARY RODRIGUEZ: Well, thank you  
22 very much. I will be brief.

23 When I talk about California's programs, both  
24 within the State and around the world, I always note that  
25 there are a number of ways to deal with climate change and

1 to reduce greenhouse gas emissions. You can change your  
2 energy sources, you can use your energy more efficiently,  
3 you can look at really whether you should be using the  
4 energy at all? Shouldn't we be, you know, walking more  
5 and using bicycles?

6 And then I note that being California, we've  
7 identified there are a number of paths forward. And so  
8 we've decided to take them all. And you really see that  
9 reflected, I think, in the programs that have been set out  
10 by the Governor. I know that you're familiar with all  
11 those programs that --

12 (Thereupon an overhead presentation was  
13 presented as follows.)

14 CAL/EPA SECRETARY RODRIGUEZ: -- require a  
15 reduction in petroleum use in vehicles by 50 percent by  
16 the year 2030, that require an increase -- doubling the  
17 energy efficiency of our existing building stock by 2030,  
18 50 percent renewables by the year 2030.

19 Just looking at, you know, how do we use our  
20 agricultural and natural lands more effectively, and how  
21 do we deal with short-lived climate pollutants. So all of  
22 those are initiatives that have been identified by the  
23 Governor as priorities.

24 --o0o--

25 CAL/EPA SECRETARY RODRIGUEZ: And we've got a

1 number of programs to go ahead and pursue all those  
2 initiatives. Now, some of them you can pursue through  
3 your traditional command and control or -- and  
4 regulations, but we have here a very, very unique  
5 opportunity in California, because of our very successful  
6 Cap-and-Trade Program, to take some of the funds that have  
7 been generated by that program and invest them in  
8 additional programs that will also reduce greenhouse gas  
9 emissions.

10           So the legislature, in its wisdom, directed us to  
11 come up with an investment plan, so that we would be using  
12 that money appropriately, targeting it for policies and  
13 programs that will reduce greenhouse gas emissions, but  
14 also provide some other co-benefits as well, increasing  
15 renewable energy, reducing the use of fuel, really, as I  
16 said, maximizing the use of our agricultural and natural  
17 lands.

18   --o0o--

19           CAL/EPA SECRETARY RODRIGUEZ: Also providing job  
20 opportunities, and then very, very importantly using some  
21 of the fund source to help disadvantaged communities in  
22 California.

23           This has put us in a very, very good position, I  
24 think, that -- to continue ahead with all of our programs.  
25 And importantly, again, as I discuss our programs with



1           But it's then also been a work that has been  
2 shared with representatives from boards and departments,  
3 as I said, throughout the State. Again, one of those good  
4 stories that I can tell other governments.

5           They are frequently amazed to hear about the  
6 collaborative efforts of the Energy Commission, the PUC,  
7 the ARB, CalEPA, the Natural Resources Agency. Not all  
8 governments function that way. But through the Climate  
9 Action Team and through the work with the ARB staff, we've  
10 developed this investment plan that is before you today.  
11 It lays out a range of programs that would be worthy of  
12 funding in future budgets.

13           Then, as the Chair identified, this plan will be  
14 submitted to the Department of Finance. The Department of  
15 Finance will then forward this plan to the legislature,  
16 which will be using this plan to identify programs that  
17 should be funded in the future.

18           The program, as noted, has gone through a number  
19 of drafts. There were 10 workshops to discuss this  
20 particular plan. It was discussed twice at the Climate  
21 Action Team to get -- make sure that we were providing an  
22 opportunity for input from all the boards and agencies.  
23 It touched some piece of the Climate Action Program. And  
24 this really represents a collaborative effort to identify  
25 programs that we can pursue in the next three years using

1 the several billion dollars that are being provided  
2 annually by the Cap-and-Trade Program to further reduce  
3 greenhouse gas emissions, to accomplish some of these  
4 other program objectives, such as stimulating economic  
5 growth, job opportunities, and as I said, helping  
6 disadvantaged communities in California to make sure that  
7 everybody is benefiting from the programs we have here to  
8 address climate change.

9           So that's just a very brief report on -- to  
10 emphasize the fact that this is a collective effort, and  
11 it covers a wide range of programs. Frankly, every  
12 program that could be conceived of that we thought of that  
13 could really reduce greenhouse gas emissions and  
14 accomplish some of these additional goals and objectives  
15 that have been established in AB 32 and SB 535.

16           So I don't know if you've got any questions. I  
17 can certainly attempt to answer them.

18           CHAIR NICHOLS: No, but thank you for being with  
19 us. We appreciate that.

20           CAL/EPA SECRETARY RODRIGUEZ: Okay. Thank you  
21 very much.

22           CHAIR NICHOLS: Thank you for your leadership on  
23 this investment plan.

24           Mr. Corey.

25           EXECUTIVE OFFICER COREY: Now, I'll ask Melissa

1 Niederreiter to give the staff presentation.

2 CHAIR NICHOLS: Thank you.

3 EXECUTIVE OFFICER COREY: Melissa.

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

6 AIR POLLUTION SPECIALIST NIEDERREITER: Thank you  
7 for that introduction, Mr. Corey, and for your testimony  
8 Secretary Rodriguez.

9 Good morning Chair Nichols and members of the  
10 Board. We're actually going to start on slide 7.  
11 Secretary Rodriguez did cover most of the items on this  
12 slide.

13 Beginning in 2015, the legislature established  
14 continuous appropriations for 60 percent of the available  
15 State auction proceeds, included were affordable housing  
16 and sustainable community programs, transit and high-speed  
17 rail. By establishing continuous appropriations, the  
18 legislature and Governor guaranteed funding percentages  
19 for future auction proceeds to these programs.

20 This plan recognizes the important role of these  
21 continuous appropriations. However, it focuses on  
22 priorities for the remaining 40 percent of auction  
23 proceeds that can be appropriated each year by the  
24 legislature and Governor during the budget process.

25 --o0o--

1 AIR POLLUTION SPECIALIST NIEDERREITER:

2 Developing the plan was a collaborative effort  
3 and required identifying investment concepts based on  
4 legislative direction, the priorities of more than a dozen  
5 State agencies and departments, and extensive public  
6 input. We also looked at existing State funding  
7 strategies to minimize duplication and conducted a gap  
8 analysis to identify priority funding areas.

9 --o0o--

10 AIR POLLUTION SPECIALIST NIEDERREITER: In  
11 drafting the plan, the administration established four  
12 primary investment goals and two cross-cutting approaches  
13 for the next investment cycle. First and foremost, the  
14 administration is required by statute to invest in  
15 programs and projects that reduce greenhouse gas  
16 emissions.

17 State law also requires that 25 percent of  
18 California climate investments benefit disadvantaged  
19 communities, and that 10 percent of the funds go towards  
20 projects located within disadvantaged communities.

21 The remaining goals focus on providing more  
22 opportunities for rural communities by creating program  
23 options that respond to their needs. The plan also  
24 expands on the description of the critical co-benefits of  
25 investment areas, like the opportunity to achieve criteria



1 previous slide, could include investments in each of these  
2 three sectors.

3 --o0o--

4 AIR POLLUTION SPECIALIST NIEDERREITER: As Chair  
5 Nichols mention, it is important to note that it is not an  
6 ARB document. It's an administrative document and  
7 developed by a multitude of State agencies, as represented  
8 on this slide, coordinated and staffed by ARB.

9 --o0o--

10 AIR POLLUTION SPECIALIST NIEDERREITER: As staff  
11 coordinated a series -- ARB staff coordinated a series of  
12 public meetings to solicit input and refine the  
13 recommendations in the plan. The administration released  
14 multiple public drafts of the document between July and  
15 December of this year, and as Secretary Rodriguez  
16 mentioned, 10 workshops were held between August and  
17 November.

18 High level representatives from the administering  
19 agencies participated in these workshops that helped to  
20 lead the public process. The administration also worked  
21 with number of individuals and stakeholder groups  
22 representing industry, environmental, academic, and  
23 environmental justice interests. ARB will continue to  
24 work with these stakeholders, including the reconstituted  
25 Environmental Justice Advisory Committee, as we move



1 still needed.

2           In addition to the programs that were given a  
3 continuous appropriation, the plan suggests further  
4 investments in technologies and strategies that  
5 aggressively decarbonize the State's transportation  
6 system. From the current programs to expand deployment of  
7 passenger zero emission vehicles and provide a robust  
8 network of charging and fueling stations, to demonstration  
9 projects of advanced heavy-duty technology, these  
10 investments support the scoping plan, State Implementation  
11 Plan, and sustainable freight efforts.

12           Also, information technology solutions and  
13 efficiency improvements that are such a big focus right  
14 now, include initiatives emerging from Professor  
15 Sperling's freight initiative think-tank.

16                           --o0o--

17           AIR POLLUTION SPECIALIST NIEDERREITER: Reducing  
18 energy-sector emissions will require wholesale changes to  
19 the State's current electricity and natural gas systems.  
20 It will also require better integrating renewables,  
21 aligning demand with supply, expanding storage capacity,  
22 and increasing energy efficiency. The State has a number  
23 of other energy funding sources, like Proposition 39, that  
24 are helping to reduce greenhouse gas emissions from  
25 schools, but there are a number of strategies that are



1 emissions.

2           For the waste sector, transforming how the State  
3 manages organic waste and woody biomass is an important  
4 and effective means of reducing methane and black carbon  
5 emissions. Treatment of organic waste and woody biomass  
6 also provides opportunities to improve soil health and  
7 generate renewable energy and fuels.

8   --o0o--

9           AIR POLLUTION SPECIALIST NIEDERREITER: All of  
10 the investments discussed in the previous slide will  
11 reduce greenhouse gas emissions. Many will also provide  
12 public health, environmental, economic, and climate  
13 adaptation co-benefits. For example, clean transportation  
14 projects can reduce the health risk from air pollution in  
15 disadvantaged communities, while active transportation  
16 helps us to adopt healthier lifestyles and habits.

17           California residents may receive direct benefits,  
18 such as a rebate for an electronic car or energy efficient  
19 watt -- washer, a weather-proofed home with a lower energy  
20 cost or the potential for a new job and job training for  
21 installing solar panels or building high-speed rail.

22           Both small and large businesses are eligible for  
23 California climate investment funds for projects such as:  
24 Cleaner more efficient freight or construction equipment,  
25 energy efficiency upgrades in low-income rental housing,



1 purposes of AB 32, and help California realize the  
2 transformational changes that are vital to meet our  
3 long-range goals.

4 Thank you, and this concludes our staff  
5 presentation.

6 CHAIR NICHOLS: Great. Thank you.

7 We have a fairly long list of people who've  
8 signed up to testify. I think it's -- yes, it's posted up  
9 there. And I see that, so far at least, the vast  
10 overwhelming majority of people who are speaking are in  
11 support of the investment plan. As you know, we are not  
12 taking any action today, other than to pass a procedural  
13 resolution. So if any of you have been searching for what  
14 to give the Board for Christmas, you might consider  
15 shortening your comments.

16 Thank you.

17 (Laughter.)

18 CHAIR NICHOLS: All right. Mr. Wallerstein.

19 DR. WALLERSTEIN: Good morning, Chairman Nichols  
20 members of the board. Dr. Barry Wallerstein the executive  
21 officer of the South Coast Air Quality Management  
22 District. And the purpose of my comments this morning are  
23 really to talk about what happens after today. And so as  
24 the staff has just presented to you, what you have is a  
25 good overall framework for what will happen with the

1 proceeds. But the key here really is what is the Governor  
2 and what are the legislature going to do on an annual  
3 basis in terms of budget allocations.

4 And as this Board knows, over the next six to  
5 nine months, you will be approving multiple plans that are  
6 quite significant, the State Implementation Plan, your  
7 sustainable freight strategy and so on. And the  
8 implementation of those plans, as we all know, is going to  
9 require both regulations and a great deal of incentive  
10 money.

11 And the staff has highlighted the fact that there  
12 is tremendous overlap between the technologies that we  
13 need to meet scoping plan requirements and AB 32 and what  
14 we also need in regards to having clean air in California  
15 throughout the State. And, in fact, to meet the federal  
16 clean air standards in South Coast, San Joaquin,  
17 Sacramento, to reduce air toxics throughout the State,  
18 including the Bay Area, San Diego, and all other portions  
19 of the State, we need a tremendous amount of incentive  
20 monies.

21 So my purpose in being here this morning  
22 principally is to say after this day, it's very important  
23 that you as a Board, you as individual Board members, and  
24 my board and others that are involved in this really try  
25 and form a chorus that will allow an appropriate amount of

1 these monies to come back to this Board and to other  
2 entities to move forward with the technologies that are  
3 necessary to provide for our climate objectives and our  
4 local public health objectives relative to clean air.

5           Lastly, I'd like to mention one other item that I  
6 would love to see the Board get more involved in and that  
7 relates to the Salton Sea. Salton Sea restoration is  
8 critical. The area is an EJ area. It is a rural area.  
9 And if it is -- if the Salton Sea problem isn't addressed,  
10 we're going to have major public health issues down near  
11 the sea.

12           This year, we've had several violations of the  
13 State H2S standard. I don't know that it's violated  
14 anywhere else in the State. We've had to put out numerous  
15 public health warnings. As more playa is exposed from the  
16 sea as the water dwindles, we're going to have dust storms  
17 that are going to look like those that this Board has had  
18 to deal with with LADWP and others, and there's going to  
19 be air toxics exposures.

20           So I would encourage you to also make that a  
21 priority. Thank you.

22           CHAIR NICHOLS: Thank you. I think the Board  
23 will be dealing with that issue. After the first of the  
24 year, we're expecting to hear a report on it, but thank  
25 you.

1           MR. GREENE: Good morning. Larry Greene with  
2 Sacramento Air District. I want to applaud the staff and  
3 all the people that worked on this plan. It's really  
4 important. And a couple of areas I'll mention here are  
5 showing how the co-benefits from this are really impacting  
6 our air quality and climate work in the Sacramento region.

7           We're very supportive, of course, of the plan and  
8 the -- that you put forth here. We, like Barry, what  
9 happens after this time is really important.

10           Two things I'd highlight. One is the incentives  
11 for wood stoves. It's been tremendously effective in  
12 Sacramento. I would -- I'm looking very carefully at the  
13 weather over the next 10 days out to 26. We're going to  
14 have rain. I love that. We're the people who want it to  
15 rain on holidays, so we don't have to go out and tell  
16 people they can't burn their wood stoves. But if that  
17 happens, and we-- next four -- last four days of the  
18 month, we're very close to attain the PM 2.5 standard in  
19 Sacramento.

20           And if we get through the end of the year, we  
21 will be in attainment for that standard. The key thing  
22 there was the wood stove program that our board approved.  
23 That impacts the public health, but also attainment across  
24 the whole State. And we'll continue to work with the  
25 staff here in the legislature as they move forward trying

1 to get funding for that. Also, in another areas for SEPs  
2 and things, if we get funding for those programs.

3 The second thing is climate adaptation. As all  
4 of you know, fire, flood, water are big issues here in  
5 Sacramento. Many aspects in this plan have co-benefits  
6 and affect that. And we're going to be thinking about  
7 those co-benefits and connections as we move forward in  
8 our discussions with the legislature, and other people who  
9 are going to be allocating funding here.

10 And lastly, I think that wood stove incentives, I  
11 wanted to mention, is a very important rural issue. I  
12 think it allows us to put incentive money into rural parts  
13 of the State where they will be seeing benefits on the  
14 Cap-and-Trade Program that maybe they haven't seen before.  
15 And I think that is an excellent strategy and important to  
16 our membership in CAPCOA and the other districts around  
17 the State. So that will be very helpful to us, if we're  
18 able to accomplish that.

19 Thank you.

20 CHAIR NICHOLS: Thank you.

21 Speaking of rural communities, our next speaker  
22 Gretchen Bennitt, Northern Sierra Air District.

23 MS. BENNITT: Good morning, Chair Nichols and the  
24 Board -- hold on. So I'm Gretchen Bennitt. I'm with the  
25 Northern Sierra Air Quality Management District. I'm the

1 executive director. And our district represents the three  
2 rural counties of Plumas, Sierra, and Nevada counties.

3 Portola in Plumas County was recently designated  
4 by the EPA as one of the top five most polluted areas in  
5 the United States. It has been determined on an average  
6 exceedance day that 87 percent of the PM 2.5 is from  
7 residential wood stove emissions. A serious issue in  
8 rural areas.

9 And Portola is typical of many rural mountain  
10 communities, communities which rely on cheap and available  
11 wood as the primary fuel, and which have strong  
12 winter-time inversions which trap the smoke in the  
13 breathing zone of residents.

14 With incentives that could be provided through a  
15 wood device change-out program, residents in the rural  
16 counties and areas of California could be incentivized to  
17 replace their older stoves with a more efficient heating  
18 option, and, in turn, decrease climate and toxic  
19 pollutants, improve overall public health, and save money  
20 on energy bills.

21 That's all I have.

22 CHAIR NICHOLS: Thank you. We've also got a  
23 request, which I'll insert here, from Dave Johnston  
24 representing El Dorado County, to speak and then we'll  
25 hear from CAPCOA.

1 Are you here Mr. Johnston?

2 Yes.

3 MR. JOHNSTON: Good morning, Madam Chair and  
4 Board Members. Dave Johnston, APCO, with El Dorado County  
5 Air Quality Management District. I'd just very briefly  
6 like to echo what you've heard from Larry Greene and  
7 Gretchen Bennitt on the emphasis and the benefits and the  
8 efficiency of investing in wood stove replacement  
9 incentive programs. El Dorado County has achieved about a  
10 \$0.25 per pound emission reduction in CO<sub>2</sub> equivalence, so  
11 we encourage you to continue to support that.

12 Thank you.

13 CHAIR NICHOLS: Thank you. We know this is an  
14 issue that's of real importance as a health matter also in  
15 your communities.

16 Mr. Abbs.

17 CAPCOA EXECUTIVE DIRECTOR ABBS: Good morning,  
18 Ms. Chairperson, members of the Board. My name is Alan  
19 Abbs. I'm the Executive Director for the California Air  
20 Pollution Control Officers Association.

21 First off, I'd like to thank CalEPA staff and the  
22 Air Resources Board for a series of workshops they did up  
23 in the north State which was pretty rare as part of this  
24 process. So they came up to Oroville for a draft workshop  
25 in the summer, and then up to Chico just recently as part

1 of this -- the final process. And so the air districts up  
2 in the rural north State appreciate the opportunity to  
3 come and speak with Air Resources Board people in person  
4 about the plan.

5           You may have noticed from the list of comments  
6 that have been submitted, and in addition I submitted  
7 comment letters from the Northern Sonoma Air Pollution  
8 Control District today as well as the Butte County AQMD  
9 today. You may have noticed in the list of comments that  
10 have been submitted over the last month that there's about  
11 10 rural air districts that have submitted positive  
12 comments as part of the -- as part of this process, and  
13 specifically identified the wood stove change-out program  
14 as an area that they're interested in.

15           It's very rare that some of these rural air  
16 districts participate in the process to the extent that  
17 they have as part of this second investment plan. And so  
18 I think it shows you how important it is for the rural  
19 parts of California to be able to do these wood stove  
20 change-out programs that can provide quantifiable  
21 reductions in not only methane, but also black carbon,  
22 which will provide co-benefit reductions, not only in  
23 carbon dioxide equivalence but also in particulate matter,  
24 which is a particular local health concern for many of  
25 these rural areas. And so we would encourage you, to the

1 extent that you can, to support us as we try to move the  
2 wood stove program through this process.

3           The other thing I'll just mention briefly is we  
4 also appreciate that throughout the second investment  
5 plan, there's a recognition that air pollution control  
6 districts in California have used funding from the State  
7 and managed it effectively, and would be good stewards of  
8 second investment plan funding in many of the projects  
9 that were identified for potential funding. And so we'd  
10 also encourage ARB and the State to keep air districts in  
11 mind when they're looking for agents to work on these  
12 projects and spend the State's money appropriately.

13           Thank you.

14           CHAIR NICHOLS: Mr. Tomashefsky.

15           MR. TOMASHEFSKY: Good morning, Chairman Nichols  
16 and Board. Happy to speak today. Today, I just wanted to  
17 just briefly talk about the connection between wildfire  
18 prevention and actually impact on renewable generation and  
19 actually clean generation. We've had experiences this  
20 year to -- that we wanted to just share for a minute. And  
21 just briefly, Northern California Power Agency is a joint  
22 powers agency. We represent about 15 members in northern  
23 central California. We have 13 municipal utilities, and  
24 one rural cooperative within our membership. We serve  
25 about 600,000 Californians.

1           Generally, we're pleased with the direction of  
2 the investment plan. It goes a long way in meeting the  
3 objective and providing good recommendations for the State  
4 legislature to consider in 2017 for the budget cycle, but  
5 we are concerned that not enough emphasis might be placed  
6 on critical wild fire prevention practices that protect  
7 the generating facilities across the State that are  
8 helping the State meet its climate goals, and will  
9 continue to have a greater role in that in that regard.

10           To that point, we've had firsthand experiences  
11 about how wildfires actually impact renewable generation.  
12 I just wanted to share a couple things. In September, we  
13 actually got hit on both ends with the Valley Fire in Lake  
14 County which burned 70,000 acres. We had a number of  
15 people, employees lose their homes. A number of them were  
16 evacuated, but also from the perspective of the generating  
17 facilities. There was quite a bit of damage in the  
18 geysers area. We were able to get our facilities up and  
19 running within about a week. And we ended up losing about  
20 a little over 9,000 megawatt hours of generation.

21           So from that standpoint, it's not a large number.  
22 But in context it becomes really important. When you  
23 think about the fact that some of our geothermal partners,  
24 or at least the neighbors with Calpine have a number of  
25 facilities that are still out today. And this is -- it's

1 going to be several months before they get some of their  
2 facilities up, if they ever get them up.

3           So at this point, what we see is about a  
4 reduction of about 100 megawatts of geothermal generation  
5 that's occurring because of those fires. And the extent  
6 to which that will continue just depends upon how long it  
7 takes to get things like cooling towers up and other  
8 things like that.

9           In Calaveras County, we had similar situations  
10 with the Butte fire. Although, fortunately in that  
11 instance, the wind shifted direction, but we had a 250  
12 megawatt hydroelectric facility that would have been  
13 destroyed among other things along the Highway 4 for  
14 corridor.

15           And what happens in that case is you end up with  
16 a lot of residual build-up from fire ravaged acreage. And  
17 the runoff goes into the reservoirs, and you actually end  
18 up reducing the productive capacity of hydroelectric  
19 facilities. And you're dealing with a whole bunch of  
20 other issues. So this is really important to us.

21           And basically, these aren't really just examples  
22 that are specific to us. These can happen in other areas  
23 as well for other utilities across the State. So we've  
24 raised these concerns with our partners in the California  
25 Joint Utility Group. We've talked about that. We

1 understand that many of those utilities support the -- or  
2 share our concerns, including Los Angeles, the SCAPA  
3 members and SMUD as well.

4 So we're really supporting an appropriate  
5 allocation of revenues that really address that issues and  
6 to the various agencies and the programs that deal with  
7 wildfire protection. So thank you.

8 CHAIR NICHOLS: Thank you.

9 Liz Whiteley. And if people would be ready.  
10 Yes, you are. That will help also.

11 MS. WHITELEY: Good morning, Chair Nichols and  
12 fellow Board members. My name is Liz Whiteley I am the  
13 executive director of the North American Sustainable  
14 Refrigeration Council, or NASRC for shorter. I'd like to  
15 thank you for hearing our public testimony today. And I'd  
16 also like to thank CARB staff for all of their work to  
17 help advance the goals of AB 32.

18 NASRC is an environmental nonprofit committed to  
19 lessening the adverse impacts of commercial refrigeration,  
20 specifically supermarket refrigeration. Our mission is to  
21 help advance natural refrigerants, like CO<sub>2</sub>, ammonia, and  
22 hydrocarbons. These refrigerants have zero or near zero  
23 global warming potential.

24 Our goal is to help create a more sustainable and  
25 climate friendly future for commercial refrigeration and

1 supermarkets in particular. I'm here today to express my  
2 organization's strongest support for using cap-and-trade  
3 proceeds to fund a low GWP incentive program for  
4 commercial refrigeration. We've submitted comments on the  
5 draft investment plan on the previous concept paper and  
6 also on the short-lived climate pollutant draft strategy.  
7 Those comments all provide data comparisons and contacts  
8 for what I'm here to say today, which is that funding a  
9 low GWP refrigerant incentive program is one of the  
10 smartest most effective climate investments we can make  
11 today.

12 Commercial refrigeration sits at a tipping point  
13 right now. We have the HCFC phase-out deadline of 2020  
14 approaching. We have recent HFC use restrictions. And  
15 this industry is really at a crossroads, and we can make  
16 the right environmental decisions. Unfortunately, though,  
17 cost is a major barrier to making those decisions right  
18 now.

19 With the right financial catalyst though,  
20 California can set the stage for how the rest of the  
21 country proceeds. Just as a quick overview, your typical  
22 supermarket uses one of two refrigerants, either R22,  
23 which is an ozone depleting substance that's being phased  
24 out or R404A, which has a global warming potential of  
25 nearly 4,000.

1           That typical store leaks about 20 percent of its  
2 refrigerant charge every year. It also uses about half of  
3 its electricity demand to run that leaky system. So when  
4 you're talking about almost 1,000 pounds of extremely  
5 potent greenhouse gas being emitted every year, that's a  
6 serious climate impact.

7           Extrapolate that across the country, you're  
8 talking about more than 35,000 supermarkets. That's not  
9 including convenience stores and other smaller retail food  
10 establishments. So we're talking about a pretty serious  
11 climate impact here.

12           But the good news is that there are alternatives,  
13 transcritical a CO<sub>2</sub>, cascade systems, hydrocarbon units,  
14 HFO blends that are near drop-ins for existing systems.  
15 We have the answers. It's just that cost right now is  
16 preventing stores from using those good solutions. The  
17 supermarket industry operates on extremely small profit  
18 margins, and they really need the help of an incentive  
19 program here in California.

20           So we can drive economies of scale. There's a  
21 host of co-benefits that we've identified in our comments.  
22 And so I just ask you to please ask the State legislature  
23 to financially support this program.

24           Thank you.

25           CHAIR NICHOLS: Thank you.

1           On behalf of Dr. Sherriffs, I'd like to rest your  
2 voice at this point. Thank you for your testimony, but it  
3 sounded like you were having a hard time.

4           MS. WHITELEY: A little bit.

5           CHAIR NICHOLS: Okay. Ms. Ortiz. Yes.

6           MS. ORTIZ: Good morning. I'm Katrina Ortiz with  
7 Green Schoolyards America. We're a national nonprofit.  
8 Our mission is to inspire and enable communities across  
9 the U.S. to enrich their school grounds using them to  
10 improve children's well-being while contributing to the  
11 ecological resilience of cities. We lead the Living  
12 Schoolyard network, which includes 41 participants from 32  
13 organizations across California.

14           Firstly, I'd like to thank you for including  
15 schools in the second draft of the investment plan. And  
16 secondly, I'd like to emphasize the potential of K through  
17 12 public schools, since we can't have sustainable  
18 communities without sustainable schools.

19           Public school districts are one of the largest  
20 landowners in cities across the U.S. In California, over  
21 10,000 schools serve more than six million pre-K through  
22 12 students each year. Choices made by school districts  
23 about how they manage their buildings and grounds  
24 profoundly impact their cities and generations of  
25 residents across our State.

1           Most of California's urban school grounds are  
2 covered with asphalt and concrete that have very high  
3 surface temperatures. Heavily paved campuses contribute  
4 directly to urban heat island effect, pollute our water  
5 systems and create unhealthy conditions for children.

6           By removing schoolyard asphalt, planting trees  
7 and allowing stormwater to infiltrate on-site, surface  
8 temperatures can be decreased, carbon can be sequestered  
9 in the soil, and financial savings can be achieved through  
10 reduced reliance on municipal water and sewage treatment.

11           If trees are planted to shade buildings, they can  
12 reduce energy use as well. Investing in green  
13 infrastructure on school grounds is a way to address  
14 climate change equitably, while bringing nature to parts  
15 of our cities that lack green space. And the long-term  
16 benefits of green schoolyards multiply over time. Not  
17 only are they highly visible community hubs, but by  
18 incorporating stewardship and environmental education into  
19 the physical grounds and curricula, students grow to  
20 become adults who care for their environment.

21           Our future needs citizens who understand complex  
22 environmental issues, and can help to find solutions to  
23 ongoing problems. Investing in climate change mitigation  
24 measures on school grounds will help solve the growing  
25 climate change problems we now face, while also preparing

1 our children to be the environmental leaders of tomorrow.

2 Thank you for your time.

3 CHAIR NICHOLS: Thank you.

4 Mr. Pimentel.

5 MR. PIMENTEL: Madam Chair and Board members,  
6 Michael Pimentel here on behalf of the California Transit  
7 Association. The Association has long been supportive of  
8 the State's efforts to reduce greenhouse gases and improve  
9 air quality. Our more than 200 transit agency and  
10 business members stand ready with your continued support  
11 to expand efficient and affordable public transportation.

12 Now, we're encouraged that the second investment  
13 plan before you today reaffirms your long health  
14 commitment to investing in public transportation as a  
15 strategy for decarbonizing the transportation sector,  
16 integrating our transportation network, and improving  
17 mobility options for all Californians.

18 With the investment of cap-and-trade auction  
19 proceeds made possible through last year's Senate bills  
20 852 and 862, transit agencies across the State have begun  
21 an advance key transportation projects and expanded  
22 operations that will significantly reduce greenhouse gas  
23 emissions, improve air quality, while creating good paying  
24 jobs, increasing mobility options, and reducing traffic  
25 congestion.

1           And while we remain grateful for these  
2 investments, we must continue to stress that funding to  
3 decarbonize the transportation sector remains inadequate.  
4 So here before you today to respectfully urge you to  
5 utilize your tremendous standing with the administration  
6 and with the legislature to support dedicating additional  
7 cap-and-trade auctions proceeds from the 40 percent that  
8 is currently unallocated to public transportation through  
9 the existing programs of the transit and intercity rail  
10 capital program, Low Carbon Transit Program, and Low  
11 Carbon Transportation Program.

12           We believe that augmenting existing transit  
13 funding is essential to achieving and ultimately  
14 sustaining the State's environmental goals for 2050.  
15 Finally, and it's a topic I think you guys have heard a  
16 bit about from us recently, with the development of the  
17 advanced clean transit regulation still ongoing, we  
18 support the plan's recommendation to use cap-and-trade  
19 auction proceeds to incentivize the adoption of zero and  
20 near zero emission transit buses and to facilitate the  
21 development of electronic transit vehicles and equipment  
22 charging and hydrogen and renewable fueling  
23 infrastructure.

24           We believe that such investments are essential to  
25 encouraging the large scale development of cleaner

1 technologies and necessary for putting into place the  
2 regulation that is impending.

3 Thank you

4 CHAIR NICHOLS: Thank you.

5 Ms. Shaw.

6 MS. SHAW: Good morning. Silvia Solis Shaw with  
7 Advanced Energy Economy. We are a national business  
8 association working to make the global energy system more  
9 clean, secure, and affordable.

10 AEE is supportive of this draft of the investment  
11 plan, particularly on the provisions relating to the  
12 recommendations that emphasize the use of financing  
13 mechanisms to maximize and leverage these funds. We  
14 believe that these mechanisms will lead to increased  
15 deployment of advanced energy projects.

16 We are also very supportive of the recommendation  
17 that the IBank and CLEEN Center house these efforts by the  
18 State to coordinate and implement these efforts among the  
19 numerous State departments and agencies that are involved.

20 We would also offer two -- respectfully offer two  
21 additional recommendations. We would like to see a more  
22 robust increase in the funding for zero emission  
23 transportation. We believe that we need a transformative  
24 investment if we are going to meet the State's goals of  
25 1.5 million ZEVs on the road by 2025. We would also

1 recommend greater attention on the water energy greenhouse  
2 gas nexus, with a focus on moving and delivering water as  
3 well as on carbon intensive water projects. We believe  
4 that this is an area that is ripe for significant  
5 emissions reductions.

6 So again, thank you very much for the opportunity  
7 to comment, and we look forward to working with the Board,  
8 the Department of Finance, and the legislature on  
9 maximizing the benefits of this program.

10 Thank you.

11 MR. PADILLA: Madam Chair and members of the  
12 Board, Ian Padilla with the Coalition for Adequate School  
13 Housing. I wanted to thank you today for making some  
14 brief comments. Our organization has submitted a letter,  
15 so I'm just going to hit a few of the highlights for the  
16 sake of brevity.

17 The Coalition for Adequate School Housing has  
18 been around since 1978, and we focus on school facilities.  
19 We believe that school facilities are a critical part of  
20 the educational process, and we have also been a leader in  
21 sustainable green, whatever the current term is for  
22 schools.

23 One of the things that we wanted to point out, of  
24 course -- well, let me start with the obvious. Thank you  
25 very much for including schools in this -- in your

1 investment priority. We believe that schools are an  
2 excellent partner for reducing greenhouse gases, and so  
3 that's why we're so pleased that schools have been  
4 included. We did notice in the PowerPoint presentation  
5 that schools were referenced a few times, and, of course,  
6 we're very pleased about that.

7           There are 10,000 schools as has been referenced.  
8 In California, the scope and scale of schools we think is  
9 important here. There are millions of acres of land and  
10 rooftops, thousands of athletic fields, parking lots,  
11 waste diversion opportunities, transportation issues. So  
12 we, schools, play in all three of the major sectors.

13           So again, thank you very much for inclusion. We  
14 will continue to support both the investment plan as well  
15 as schools inclusion as it goes forward in the budget and  
16 legislative process.

17           I would like to end with a few recommendations.  
18 One, we hope that whatever program is developed - we know  
19 we've got a long way to go - is that it is simple and  
20 streamlined for schools. I think everyone -- all the  
21 agencies, everyone, thinks that's important certainly for  
22 school -- it's important for schools. Also, some type of  
23 a specified grant program for schools, and certainly the  
24 involvement of the California Department of Education who  
25 seems to have the appropriate experience and background

1 for this.

2           So again, thank you very much. I did want to say  
3 that CASH is also a signatory to the Green Schools  
4 Initiative letter, and they have recommendations also  
5 which we agree with. So thank you very much for your  
6 time.

7           CHAIR NICHOLS: Great. Thanks for coming.

8           Ms. Gutierrez.

9           MS. GUTIERREZ: Good morning. I'm Melissa  
10 Gutierrez with California ReLeaf. We're the umbrella  
11 organization for more than 90 local and regional  
12 nonprofits committed to greening California through urban  
13 forestry. I'm here today to thank the Board for your  
14 continued leadership in addressing climate change and  
15 specifically for reaffirming the value of urban forestry  
16 as a mechanism to reduce greenhouse gases and meet the  
17 needs of our disadvantaged communities.

18           We're especially gratified that the three-year  
19 investment plan acknowledges the value of CalFire's Urban  
20 and Community Forestry Program. As noted in the plan,  
21 community residents cite the Department of Forestry and  
22 Fire Protection's urban forestry experts as a model. The  
23 GHG reductions and community benefits already being  
24 delivered to Californians through investments in this  
25 program in 2014 are contributing greatly to the

1 transformative landscape that will help us meet our short-  
2 and long-term climate goals.

3           Thanks again for all the work you're doing and we  
4 look forward to the continued success of this program.

5           CHAIR NICHOLS: Thank you.

6           Deborah Moore.

7           MS. MOORE: Thank you so much, Madam Chairman and  
8 members of the Board. My name is Deborah Moore of the  
9 Green Schools Initiative. And I'm representing a  
10 coalition of 28 organizations that collectively represent  
11 more than 1.6 million parents, school board members,  
12 facility directors across California and almost all 1,000  
13 school districts in the State.

14           And we're advocating that K to 12 schools and the  
15 education sector are fundamental to achieving California's  
16 climate goals. You've heard from some other speakers  
17 already that schools have a big environmental footprint,  
18 and they also have enormous potential for greenhouse gas  
19 reductions, from everything from tree planting and  
20 composting to transit, water conservation, solar, and  
21 more, especially schools in disadvantaged communities.  
22 And there are so many co-benefits, not least of which is  
23 to teach the next generation by having schools be  
24 community models of sustainability.

25           So as you've heard from others, thank you so much

1 and we commend the Air Resources Board for including  
2 schools finally in this draft investment plan, because  
3 they have been left out in the past. We do have three  
4 more recommendations and we have submitted comments in  
5 writing, but the three are.

6           Number one, to add the California Department of  
7 Education to the Climate Action Team. It's one of the  
8 only statewide agencies you did not see listed as being  
9 consulted to provide input. So I think that would be a  
10 great step forward.

11           The second is to create a streamlined and  
12 coordinated approach for funding integrated projects at  
13 the local level, including for schools, because the  
14 barriers are just too high for schools and disadvantaged  
15 communities to apply to all these separate programs. And  
16 the easiest, from our point of view, is if there was a  
17 specific set-aside for sustainable schools.

18           And the third is we'd like to recommend that you  
19 all recognize the educational co-benefits of investing in  
20 these kinds of greenhouse gas reduction projects at  
21 schools, because that's where 20 percent of California's  
22 population is every day at a K to 12 school.

23           So climate change is a children's issue. The  
24 California PTA adopted a resolution this year that  
25 recognizes that. They're the most vulnerable to the

1 impacts of climate a change, in terms of health related  
2 illnesses and things, and they're the next generation.

3           So I have for you some letters signed by third  
4 graders - you can see their signatures - and by fourth  
5 graders. And also -- and I have some copies, and I gave  
6 it to staff, but there are also drawings of what students  
7 think that green sustainable schools look like. And this  
8 one has compost and flowers coming out of a tailpipe, and  
9 a garden and birds and a windmill.

10           And I'm just going to end by reading what some of  
11 this third graders said. They said, "We're getting solar  
12 panels at our school. Why are we doing this? Because we  
13 want our school to be a school of the future", and, "We  
14 understand that you are leaders in helping reduce our  
15 State emissions", and, "We hope that you can share your  
16 funding with schools so that 6.2 million students just  
17 like us can learn how to protect our planet. We want to  
18 begin this work together".

19           So thank you for including schools. The kids are  
20 ready to go.

21           CHAIR NICHOLS: Thank you very much.

22           MS. GARCIA: Good morning. Katie Valenzuela  
23 Garcia with Breathe California. We submitted a letter in  
24 November on behalf of 14 communities based organizations  
25 that work in EJ communities, both here in Sacramento and

1 across the State. And we continue to plan to inform staff  
2 of what we think are emerging opportunities to invest in  
3 EJ communities.

4 For example, urban agriculture is a growing and  
5 incredibly culturally relevant process for both carbon  
6 sequestration and GHG reduction. And it also has the  
7 co-benefits of food access and urban greening. So those  
8 are -- that is one potential future opportunity. And we  
9 will partner with staff in making sure that they're  
10 informed of those strategies as they are developed.

11 We're also excited to partner with ARB and agency  
12 staff to effectively implement these programs and to  
13 ensure that the investments actually reach the outcomes  
14 that EJ communities have been promised, because that is,  
15 of course, as you've mentioned today, of utmost  
16 importance.

17 Thank you.

18 CHAIR NICHOLS: Great. Thanks for your help  
19 in -- throughout the process.

20 MS. TIMMER: Good morning. It feels really  
21 unfair to have to try to follow the words of third  
22 graders, but --

23 (Laughter.)

24 MS. TIMMER: My name is --

25 CHAIR NICHOLS: It's really a tough act to

1 follow.

2 MS. TIMMER: Yes, no kidding precisely.

3 My name is Kerri Timmer. I'm the government  
4 affairs director for the Sierra Business Council in  
5 Truckee. We did submit a more detailed letter, but I  
6 would like to highlight a couple of key points today, not  
7 least of which is our excitement at having Erik White join  
8 the ranks of Sierra activists on air quality and climate.  
9 So welcome, Erik.

10 We support many of the components of the plan,  
11 including primarily the increased focus on rural  
12 participation, which, as you can imagine, is very  
13 important to us, as well as the emphasis on forest  
14 management, biomass utilization, and protection against  
15 forest conversion, as well as other elements that  
16 recognize the need to act immediately and to cross all  
17 landscapes to achieve statewide goals.

18 We are little disappointed however that the plan  
19 does not contain more actual direction to that end. Our  
20 biggest concern is that regardless of language recognizing  
21 the benefits of investing in rural regions, there's not  
22 enough effort to prioritize work in these areas. The  
23 State will need full participation from communities large  
24 and small, urban and rural, adequately served and  
25 underserved if it's going to meet its climate goals and

1 commitments.

2           Yet, companion plans that could help set  
3 priorities, such as the Forest Carbon Action Plan or the  
4 Short-Lived Climate Pollutant Strategy remain incomplete,  
5 so there's now way to reference them as guidance for  
6 investment at this point.

7           And existing programs like the affordable housing  
8 and sustainable communities program still contain  
9 disincentives to rural investment. To generate widespread  
10 support over time, climate related program will need to  
11 provide benefit to all residents. We're afraid that that  
12 will not happen robustly enough under the guidance laid  
13 out in this plan.

14           So we ask that you amend the three-year  
15 investment plan before transmitting it to the Department  
16 of Finance to include more detailed guidance on the  
17 following five things:

18           First, increasing outreach and technical  
19 assistance, especially in smaller jurisdictions and rural  
20 regions; increasing funding for the Strategic Growth  
21 Council's Rural Innovations Project Area Program, as well  
22 as other programs that address natural and working lands;  
23 third, using funded projects to develop region-wide  
24 inventories, quantification methodologies, and benefit  
25 accounting that considers co-benefits as well as direct

1 greenhouse gas reductions; fourth, ways to better identify  
2 disadvantaged communities in rural areas, particularly so  
3 that they can take more advantage of the residential wood  
4 smoke program as an example; and finally, creation of a  
5 rural mechanism as an alternative to MPOs for planning,  
6 implementing, and aligning greenhouse gas reduction goals  
7 in rural regions.

8           We look forward to continuing to work with the  
9 Board and staff, especially related to addressing these  
10 rural issues, to ensure that the second investment plan is  
11 meaningful to all Californians and achieves the State's  
12 post-2020 climate goals.

13           Thank you for your time.

14           CHAIR NICHOLS: Thank you for those thoughtful  
15 comments, which I think we should also make sure we share  
16 with the Strategic Growth Council and others. Thank you.

17           Mr. Bogoshian, welcome. A Former colleague here.

18           MR. BOGOSHIAN: Thank you. Thank you, Madam  
19 Chair and Board members. It's great to be back in  
20 California.

21           I work for REV, which is a sustainability service  
22 provider, bottom-up, working to meet all the good top-down  
23 policies that have happened. And we're making progress  
24 from Paris through the President's Climate Action Plan,  
25 and, of course, to California's great leadership here, but

1 we need to meet that with bottom-up activity.

2           And REV is trying to enable organizations all  
3 over California cities, NGOs, businesses of all types to  
4 apply sustainability tools and tactics quickly, massively  
5 driving down GHG emissions using behavioral scientific  
6 tactics and integrated approaches.

7           We submitted written proposals -- four specific  
8 proposals to enable this kind of bottom-up applied  
9 sustainability. And we also included proposals to  
10 incentivize private capital to come in to invest in those  
11 money-making and GHG reducing activities.

12           So the California Energy Commission just recently  
13 came out with its existing buildings Energy Efficiency  
14 Action Plan. And in it, they cite behavioral scientific  
15 tactics like pure cohort models, and specifically what REV  
16 is applying out in the marketplace right now. So service  
17 providers really coaching at the organizational level is a  
18 key component. And there are elements of that in this  
19 draft plan. We encourage more of that and sooner. And  
20 thank you.

21           CHAIR NICHOLS: Thank you.

22           Phoebe Seaton.

23           MS. SEATON: Thank you. Good morning. Phoebe  
24 Seaton with Leadership Counsel for Justice and  
25 Accountability. Again, thank you all and thanks so much

1 to staff for the work and also for a lot of openness and  
2 engaging in conversation and being responsive to comments.  
3 We are pleased with the direction of the investment plan.  
4 We thought that it could go a bit further in terms of  
5 maximizing benefits, especially to disadvantaged  
6 communities in the areas of economic development and  
7 public health, et cetera. We look forward to working with  
8 CARB and the implementing agencies in taking it that extra  
9 mile.

10 I would especially like to see some investment in  
11 planning to really build up the infrastructure of  
12 disadvantaged communities, to engage fully in the  
13 investment plan in the short and long term direct  
14 investments to rural communities that demonstrate a  
15 meaningful benefit to those communities. And we are still  
16 concerned that some of the investments could have  
17 incidental negative benefits on disadvantaged communities.

18 And we would like to work with CARB and other  
19 agencies to make sure that we minimize, mitigate, or  
20 eliminate any of those investments. Thank you so much and  
21 Happy Holidays.

22 CHAIR NICHOLS: Good morning.

23 MS. LEVIN: Good morning, Chairman Nichols and  
24 members of the Board, and members of the Air Board staff.

25 I want to start by just thanking you incredibly,

1 sincerely, and deeply for your leadership, not just in  
2 this investment plan, but in the five pillars of climate  
3 change and all the other just extraordinary work that this  
4 Board and all your sister agencies are doing. It's really  
5 exciting to see. So thank you.

6 We strongly -- sorry. Julia Levin with the  
7 Bioenergy Association of California. We strongly support  
8 the draft investment plan, and we're very pleased to see  
9 some of the new additions in the plan, and we also have a  
10 few recommended changes and additions to the plan.

11 Above all, we are really excited to see the  
12 inclusion of biofuels under the low carbon transportation  
13 fund. This is critical to meet the petroleum reduction  
14 and sustainable freight strategies for the State.  
15 Biofuels made from organic waste will provide the lowest  
16 carbon transportation of any kind. And so this is a  
17 really important step forward that we're glad to see in  
18 the new draft.

19 We also strongly support funding for diverted  
20 organic waste-to-energy, and dairy waste-to-energy  
21 projects. These two are critical to meet the Short-Lived  
22 Climate Pollutant Plan, renewable energy, and petroleum  
23 reduction goals.

24 On the diverted organic waste part though, under  
25 CalRecycle, we do have a few recommendations. First of

1 all, it's very important that this funding be technology  
2 neutral. It's time to start setting performance criteria,  
3 rather than choosing technology winners and losers.

4           Anaerobic digestion is incredibly important and  
5 it is the most common technology used right now for  
6 diverted organic waste-to-energy projects, but CalRecycle  
7 itself acknowledges that a lot of the organic waste that's  
8 currently being landfilled, and that we want to divert  
9 away landfills is not suitable for anaerobic digestion.

10           So it's important that this funding be broader  
11 and allow other technologies like gasification that can be  
12 used to convert organic waste, the more cellulosic part of  
13 the waste stream, forest waste, wood waste, construction  
14 debris, orchard prunings, things like that. So we need to  
15 broaden the technologies and set performance criteria  
16 instead.

17           Just as importantly, CalRecycle really needs to  
18 prioritize diverted organic waste for its highest and best  
19 use. And the State of Oregon did a very thorough  
20 assessment looking at 26 different studies, and found that  
21 not surprisingly, the highest and best use of organic  
22 waste -- of diverted organic waste is using it for energy  
23 and compost, not one or the other. So we urge CalRecycle  
24 to fund projects that do both to achieve the greatest  
25 greenhouse gas reductions and other benefits.

1           Finally, the biggest omission still continues to  
2 be forest biomass-to-energy funding. The Governor's  
3 emergency order issued in October makes clear that our  
4 forests are in a state of emergency. We have tens of  
5 millions of dead and dying trees that will be removed  
6 pursuant to this order. But if we just pile them up or  
7 pile and burn them we're not going to obtain the energy  
8 value that we could from that forest fuel that will be  
9 removed.

10           Also, the Placer County Air District did a study  
11 finding that if you use that forest biomass for energy in  
12 a small gasification facility instead of piling it up and  
13 burning it, you can reduce greenhouse gas emissions by 90  
14 percent and reduce other air pollution as well.

15           So this is a really important funding category  
16 that needs to be included. Again, thank you very much.

17           CHAIR NICHOLS: Thank you.

18           MR. MAGAVERN: Good morning. Bill Magavern with  
19 the Coalition for Clean Air. We appreciate the great work  
20 done by the staff of ARB and CalEPA and the other  
21 agencies, and particularly the very thorough public  
22 participation process, which I think really set a standard  
23 by holding workshops around the State, mostly in the  
24 evening, so that community members had many chances to  
25 participate.

1           In terms of sectors, we know that the largest  
2 source of greenhouse gas emissions in California is  
3 transportation, so we support prioritizing investments in  
4 cleaner vehicles, both in the passenger and freight  
5 sectors, as well as public transit and active  
6 transportation.

7           We're very happy to see the emphasis on reducing  
8 the short-lived climate pollutants, something we've been  
9 trying to call attention to for a long time, and in  
10 particular, one that has gotten a lot of attention here  
11 today, incentives for reducing wood smoke, is something  
12 that we very much support.

13           And as one of the leaders of the SB 535  
14 Coalition, we do want to emphasize the importance of  
15 increased investment for most disadvantaged communities,  
16 those that have suffered historically from environmental  
17 injustice and excessive pollution. And I remind you that  
18 CalEPA classifies 25 percent of the population of the  
19 State as living in disadvantaged communities. So we think  
20 that a minimum of 25 percent of the fund should be  
21 invested directly in those communities, with an additional  
22 amount for the benefit of those people with particular  
23 attention to low-income households.

24           And we continue to urge the Governor and the  
25 legislative leaders to finish the 2015-16 budget process,

1 and to invest these auction proceeds which are available  
2 to help our communities to deliver services and reduce  
3 pollution. It's important that this money be invested and  
4 not continue to linger in the mysterious budget process in  
5 the capital.

6 Thank you.

7 CHAIR NICHOLS: Thank you.

8 Mr. Kerry -- Mr. Kenny, I'm sorry.

9 MR. KENNY: Good morning, Madam Chair, members of  
10 the Board. Just to reiterate what previous comments have  
11 been made, we do thank you for your leadership on this.  
12 And we are pleased that biofuels and ultra low carbon  
13 fuels are included in the investment plan. Of course, we  
14 don't have a dollar figure yet, but we do urge significant  
15 funding for biofuels, especially renewable and natural  
16 gas, as well as alternative fuel vehicles that meet a 0.02  
17 NOx standard, both of which would meet both State  
18 statutory requirements and two of the five key climate  
19 change pillars, as well as other State goals.

20 I mention this also in terms of regulatory  
21 uncertainty, both industries, the fuel industries as well  
22 as the vehicle industries do need to have certainty going  
23 forward for a number of years. And having this in place,  
24 with significant funding for both, would be very much  
25 appreciated by the industries.

1 Thank you.

2 CHAIR NICHOLS: Thank you.

3 MS. CRONIN: Good morning. My name is Tammy  
4 Cronin. I'm here on behalf of the Cleaner Air  
5 Partnership. We would like to thank the Air Resources  
6 Board and State agencies' staff for their hard work in the  
7 open thoughtful process that went into the development of  
8 this second investment plan.

9 The Cleaner Air Partnership, or CAP for short, is  
10 a joint project of Breathe California of Sacramento  
11 Immigrant Trails, the Sacramento Metro Chamber of Commerce  
12 and Valley Vision. For nearly 30 years, this unique  
13 partnership has collaborated with clean air stakeholders  
14 representing business, health, environmental, and  
15 regulatory interests to find pragmatic solutions for  
16 addressing air quality challenges in the greater  
17 Sacramento air basin.

18 Priority areas for CAP investments are public  
19 transportation, sustained forest health, and the reduction  
20 of wood smoke. We are very pleased to see these funding  
21 concepts included in the investment plan, as well as other  
22 investments that we support.

23 A visionary public transit system that reduces  
24 traffic congestion and provides enhanced access and  
25 mobility options for all members of the community is

1 imperative to health, economic growth, and improving air  
2 quality.

3           Investments in forest health will help reduce the  
4 risk of catastrophic wildfire and the associated  
5 greenhouse gas and criteria air pollutant emissions.

6           Protecting the health of forests is not only  
7 important for communities near forested areas, but also  
8 for the urban areas that rely upon our forests, which  
9 provide more than 60 percent of California's fresh water  
10 supply. Expanding biomass markets in rural areas can  
11 provide local economic development opportunities, as well  
12 as help avoid emissions from the open burn of biomass  
13 waste.

14           Effective wood smoke reduction can be achieved  
15 through regional air district incentives for replacement  
16 of old wood stoves with natural gas or modern cleaner  
17 devices. These replacements can provide quantifiable  
18 reductions of greenhouse gases and short-lived climate  
19 pollutants.

20           To benefit disadvantaged communities, the CAP  
21 supports comprehensive place-based strategies for  
22 integrated funding from the various agency programs that  
23 achieve greenhouse gas reductions and multiple  
24 co-benefits. Project proposals can be facilitated through  
25 regional coordination to ensure the needs of disadvantaged

1 communities are identified through a robust engagement  
2 process and achieved at the local level.

3           Finally, the CAP supports flexible financing  
4 option and incentives, including new incentives for  
5 waste-to-fuel and ozone depleting refrigerants. CAP also  
6 supports continued incentives for energy efficiency,  
7 renewable energy, and fleet conversion. These approaches  
8 enable businesses to participate in positive efforts to  
9 reduce greenhouse gas emissions and improve air quality.  
10 Moreover, these investments will enhance the resiliency of  
11 individual businesses, as well as the resilience of the  
12 region's economy as a whole. And we would -- look forward  
13 to working with the State legislature to champion these  
14 investments.

15           Thank you.

16           CHAIR NICHOLS: Thank you.

17           MR. SANDERS: Good morning. Steve Sanders with  
18 the Institute for Local Government. I will be followed by  
19 my colleagues from the League of California Cities and the  
20 California State Association of Counties.

21           Welcome back to California, Chair Nichols. I  
22 think the -- it's true that the Paris agreement opened a  
23 new era for us, and that global action will now be  
24 beginning in earnest. But the hour is very late, and we  
25 must accelerate the pace of implementation if we're going

1 to have any chance of meeting even the goals that were set  
2 in Paris, and that only gets us half way to the place of  
3 where we need to be.

4           So I think California has an outside role to play  
5 in this new era. And in many ways, success depends on  
6 local action. The State has set some goals, and they're  
7 very ambitious. You've provided some tools, and we're  
8 talking about some of those today. But the scale of  
9 change that is needed requires widespread and voluntary  
10 action, and that's a difficult task to achieve.

11           In many ways, we need to rely on cities and  
12 counties to take these various programs that you've  
13 developed and weave them together into a fabric that  
14 creates a more sustainable community. And cities and  
15 counties are really the place where those decisions will  
16 get made that will take the most advantage of the policy  
17 direction and the resources that you're providing.

18           You have willing partners in cities and counties  
19 to do this. We're distributing an op-ed that appeared in  
20 today's Sacramento Bee by the head of the League of Cities  
21 and the head of CSAC applauding the work that you are  
22 doing and supporting the idea that is included in the  
23 investment plan for a integrated local climate action  
24 program, a cross-cutting program.

25           We think that that kind of an approach can

1 capitalize on the innovation that's happening at the local  
2 level, and that that approach will help accelerate and  
3 magnify the impacts of the investments that you make now  
4 and in the future in making climate action a reality in  
5 California.

6 We can't wait for good ideas to spread. They can  
7 do that naturally, but it's too slow. And so the League  
8 and CSAC, with the ILG operates the Beacon Program. And  
9 the whole purpose of the Beacon Program is to promote  
10 innovation, and then to share that innovation among cities  
11 and counties.

12 The visual that we use for this is kind of a  
13 skipping rock. If you think of a skipping rock across the  
14 lake, each time it hits, it creates an impact. It moves  
15 quickly across and takes that good idea from one place to  
16 the next, and the ideas ripple out. And that's exactly  
17 what we are trying to do through our program, working  
18 directly with cities and counties.

19 They're the incubators of innovation. It -- as I  
20 was preparing for this, I recognized that the local  
21 government representatives sitting on this Board represent  
22 many of these beacon communities, City of El Cerrito is  
23 one of our leading Beacon communities in Supervisor  
24 Gioia's district.

25 And so what we would like to do is to encourage

1 you to take this concept that you have, make it a reality.  
2 It's in the investment plan. We hope that ARB and the  
3 administration work with us, work with the League, and  
4 work with CSAC to make that a reality in the 2016 budget,  
5 so we can get to work and make this partnership an  
6 acceleration that we all need coming out of Paris.

7 Thank you.

8 CHAIR NICHOLS: Thank you.

9 MR. RHINE: Good morning, Madam Chair, members.  
10 Jason Rhine with the League of California Cities. I think  
11 Mr. Sanders did a great job, you know, summarizing the  
12 involvement of local government, how important local  
13 government is and is going to be to the State if we are  
14 going to meet the GHG reduction goals that have been set.  
15 I do want to highlight just a couple things. We have  
16 submitted written comments, so I'm not going to get into  
17 those.

18 But there are a couple things in the investment  
19 plan that I think are really important and worth noting.  
20 One, particularly on pages 28 and 29, where you guys  
21 reference the cross-cutting approaches to get  
22 disadvantaged communities a bit more involved and have  
23 local programs within those communities to assist and to  
24 make sure that we get the GHGs that we're seeking. That's  
25 a very important thing that I -- that we would like to

1 see. We certainly would like to see it expanded beyond  
2 disadvantaged communities. But certainly starting with  
3 those disadvantaged communities is a very good idea, and  
4 we're very much in support of that.

5 Another thing that I would like to highlight, and  
6 Julia Levin mentioned earlier, is waste diversion. Waste  
7 diversion, I think, is a great example of how the State  
8 sets a goal or a mandate and then leaves it up to the  
9 local governments in order to implement those programs and  
10 to divert that waste from our landfills to recycle the  
11 waste. Getting organics out of the landfill is going to  
12 be very difficult. And it's going to be difficult for --  
13 in a couple of ways. And in the investment plan, it  
14 mentions a very aggressive goal to removing organic waste  
15 from our landfills, essentially clear elimination by 2025.

16 It's going to be very, very difficult, because we  
17 have to site the facilities, we have to get them  
18 permitted, we have to get through CEQA. We need Air Board  
19 permits. We need Water Board permits. And then we have  
20 people in our have that may not want to have composting  
21 facilities near them or an anaerobic digester. So there  
22 are many, many hurdles that we are going to have to  
23 overcome in a very short amount of time in order to get  
24 the land -- the organics out of our landfills.

25 And we clearly, you know, need your guys' help

1 and leadership to work with us, and I think the  
2 legislature, to not only identify potential funding -  
3 cap-and-trade funding would be obviously a great way - but  
4 then also identifying ways for local governments and our  
5 ratepayers to kick in in the process. I mean, clearly, we  
6 do not think that this is going to be completely funded  
7 from, you know, cap-and-trade funds or other State funds  
8 that our local ratepayers are going to have to kick-in for  
9 this.

10 But I just wanted to highlight the difficulty  
11 that we're going to have. But, you know, clearly, we are  
12 partners, as Steve mentioned, and we want to continue to  
13 be partners. And then just one last thing, and it was  
14 briefly touched on earlier, you know, next steps. You  
15 know, the investment plan is great, and you guys did a  
16 wonderful job identifying very important programs and  
17 projects that need to be funded, big category areas, but  
18 the next step clearly is the legislature. And as we all  
19 know, they often want to do what they want to do. And  
20 there's a lot of money left over from last year and we're  
21 going to have a lot more money, you know, going in the  
22 future. So I think it's going to take folks, you know,  
23 like you guys -- and not people like me, because they  
24 really don't care what I have to say, but, you know  
25 working together to help, you know, spend that money and

1 to reduce GHGs. And it's going to be very difficult, but  
2 we certainly want to be partners in that effort.

3 So thank you.

4 CHAIR NICHOLS: Great. Thanks.

5 MS. MARTINSON: Good morning, Madam Chair,  
6 members of the Board, Supervisors. Cara Martinson on  
7 behalf of the California State Association of Counties,  
8 CSAC. And I won't reiterate the points of my colleagues,  
9 but I'd just like to highlight a few things that they  
10 said. We do think that there's a much larger role for  
11 local governments to play in helping the State meet its  
12 climate and energy goals.

13 And we sincerely thank you for including the  
14 concept of the cross-cutting local program in the  
15 investment plan. You know, a lot of the creative and  
16 innovate work has been done at the local level and  
17 percolated up, the PACE Program, Community Choice  
18 Aggregation, and other such really innovative programs.

19 And as Steve mentioned, the Beacon Program  
20 provides that best practice structure, and that  
21 information sharing network that is really that critical  
22 component of a local program. We do think that there is a  
23 large role and great need for disadvantaged communities  
24 within a local program. But we also see a need in smaller  
25 and more rural communities. So we think any local program

1 should be expanded to include those communities.

2           And just we'd like to continue the partnership  
3 with CARB, with your staff, and with the legislature to  
4 help this come to fruition. Thank you.

5           CHAIR NICHOLS: Thanks.

6           Mr. White, welcome

7           MR. WHITE: Madam Chairman, Board members, John  
8 White with the Center for Energy Efficiency and Renewable  
9 Technologies. A very interesting day to celebrate and  
10 also reflect on both Paris and the work that lies ahead.  
11 I wanted to just touch on some things that come to mind  
12 when reviewing this document. I realize it's a work in  
13 progress, and we have much more work to do, but there's  
14 some points I wanted to be sure were in your mind, at  
15 least from our thinking on this.

16           First is, as Dr. Wallerstein mentioned, we need  
17 to pay special attention to the needs and opportunities in  
18 the Salton Sea, Imperial/Riverside County area. This --  
19 these are disadvantaged communities. There's a huge  
20 economic potential for combining economic development from  
21 geothermal with the electric vehicle program, ironically  
22 enough, because we can extract lithium from the geothermal  
23 brine and create a lower GHG footprint from the lithium  
24 that goes in our batteries, plus a domestic source, plus a  
25 revenue stream for geothermal.

1           Now, this sounds a little esoteric, and my  
2 colleague Jan McFarland, who's a board member and  
3 co-founder of CEERT has submitted some comments on behalf  
4 of her client Energy Source, but I would just urge a  
5 deeper look at this opportunity, because there's some  
6 definite synergies, and certainly some needs given where  
7 the lithium currently comes from and how limited its  
8 supply currently is.

9           Secondly, with regard to biomass facilities and  
10 support, there's a couple of cautions I wanted to  
11 illuminate. First of all, we never got the supply of fuel  
12 right with the biomass facilities that we built. We have,  
13 in some cases, had an imbalance, partly because we didn't  
14 get rid of open burning. This is something that needs to  
15 come back. It's time to put an end to open burning and  
16 use these biomass facilities for that purpose.

17           But these facilities have to be properly  
18 permitted, have to reduce their emissions. They have some  
19 air quality impacts. So we need to keep the fuel supply  
20 balance in mind. And this is also true with the new  
21 facilities to be sure if we're going to build and support  
22 them, that there, in fact, is the right amount of fuel to  
23 match the technology capability.

24           Lastly on methane, I think we need to -- it's  
25 passed time to start thinking of methane as an air

1 pollutant that needs to be permitted and regulated like an  
2 air pollutant. The experience that we are having down at  
3 Aliso Canyon suggests that we better get going with the  
4 infrared monitoring and remote sensing. This is not an  
5 acceptable outcome. It's something that should have been  
6 prevented. It's something that was missed, and we need to  
7 take some attention and some resources for the monitoring  
8 of methane.

9           The other thing is we should recognize while we  
10 need to support capital investment incentives like we did  
11 with the Moyer Program for facility -- technologies to  
12 reduce methane emissions and convert the fuel biomethane.  
13 There also needs to be a long-term regulatory strategy.  
14 And I think this is something that the short-lived climate  
15 pollutants plan has, but we need to have a combination of  
16 incentives and regulations.

17           Thank you

18           CHAIR NICHOLS: Thank you. I like that last  
19 word. Perfect.

20           All right. Ms. Passero. Yes.

21           MS. PASSERO: Hi. Thank you. Michelle Passero  
22 with The Nature Conservancy. I'll join the chorus of all  
23 the previous comments before in thanking ARB staff and the  
24 other State agencies for a terrific job in developing this  
25 comprehensive plan.

1           We support it overall, and we especially  
2 appreciate the incorporation of natural and working lands.  
3 I think it's called natural resources in some parts. It  
4 is a critical sector for us to include in our long-term  
5 climate goals. And we really need to incorporate the  
6 sector, if we do want to meet those long-term ambitions.

7           We are -- we endorse -- there's a suite of  
8 actions there that are numerated for both reducing  
9 emissions from natural working lands and also sequestering  
10 more carbon. We think these are all great ideas. And we  
11 also commend the acknowledgement that these sectors,  
12 whether it's natural resources or transportation or  
13 energy, have some interconnectedness. And you -- we  
14 appreciate the acknowledgement and effort to integrate  
15 sectors and enumerate ideas for how to do that.

16           So I just want to offer two suggestions really to  
17 build on what's already there. One for natural and  
18 working lands, we recommend conducting a statewide  
19 analysis to really more thoroughly assess the greenhouse  
20 gas reduction potential of this sector. We've done some  
21 preliminary analysis, and are finding that it really is  
22 significant.

23           And you can do this in a way to identify where  
24 certain activities or interventions can occur. And by  
25 doing this, you can not only identify sort of the range of

1 reduction potential, but also how you might be able to  
2 combine in creating incentives for activities that  
3 sequester carbon or reduce emissions and combine that with  
4 our other goals around the State, such as safeguarding  
5 California for our climate resilience and also our Clean  
6 Water Action plan -- or State Water Action Plan. So  
7 there's a real opportunity to do that and really look to  
8 enhance overall benefits.

9           The second suggestion really builds on the  
10 comments that Cara from CSAC made. And it builds on this  
11 notion of integrating the sectors and the good  
12 recommendation for local climate action in disadvantaged  
13 communities. And we think that if there is room for an  
14 adjustment to the plan, it is to have a comparable  
15 recommendation for local climate action in other  
16 communities, both rural and urban, where we can integrate  
17 the really good language that there is in there around  
18 green infrastructure and greening the built environment in  
19 urban and rural communities, and combining that with other  
20 sectors to optimize reductions and also enhance other  
21 public benefits.

22           You could do this at a project scale, and also  
23 incorporate it into planning upfront. And so there's an  
24 opportunity really to transform how we do our projects and  
25 development and advance multiple goals.

1           So thank you.

2           CHAIR NICHOLS: Thank you.

3           MR. BOCCADORO: She was trying to jump the gun.

4           (Laughter.)

5           CHAIR NICHOLS: Oh.

6           MR. BOCCADORO: Michael Boccadoro.

7           (Laughter.)

8           CHAIR NICHOLS: No, no, no.

9           MR. BOCCADORO: Michael Boccadoro on behalf of  
10 the Dairy Cares and the Agricultural Energy Consumers  
11 Association. We appreciate the opportunity.

12           We've been working closely with staff, not just  
13 on this investment plan, but also on the short-lived  
14 climate pollutant plans, and are particularly, you know,  
15 thankful that dairy digesters are included in the  
16 investment plan. We think that's critical.

17           Coming out of Paris, there's obviously going to  
18 be a focus on short-lived climate pollutants in California  
19 and dairy digesters in terms of methane reduction  
20 represent a tremendous opportunity.

21           With that in mind, I think one very  
22 straightforward recommendation we can make is that  
23 short-lived climate pollutants should receive the same  
24 sort of continuous funding that we currently have for  
25 transit, for affordable housing, and other high-speed rail

1 and other projects. It needs that sort of commitment in  
2 this State.

3           The draft short-lived climate pollutants plan  
4 that's under consideration and under development by your  
5 staff currently also has a very, very significant and  
6 ambitious goal for dairy methane reduction. It's going to  
7 require several hundred dairy digesters to be built in  
8 this State over the course of the next 10 years. And the  
9 only way that's going to happen is if there is a  
10 significant long-term commitment of funding. The dairy  
11 industry is prepared to work with you to make those  
12 projects happen, but they cannot and will not happen  
13 without significant funding, dedicated funding annually  
14 for the next five years minimum and probably 10 years.

15           It's critical. These projects are expensive.  
16 But on the flip side of that, they represent among the  
17 best bang for the buck in terms of GHG reduction that can  
18 be achieved with the investment of cap-and-trade proceeds.  
19 Later today or tomorrow a study is going to be released by  
20 Ramboll Environ. It's going to document that these  
21 projects can reduce one ton of methane for every \$2 in  
22 GGRF funds invested, when you take into consideration the  
23 short-lived climate pollutant global warming potential  
24 nature of these gases.

25           These projects also provide tremendous

1 co-benefits. They not only reduce methane, a potent  
2 short-lived climate pollutant as we move and transition  
3 from energy production with these facilities to biomethane  
4 production for clean transportation fuel, these projects  
5 in the San Joaquin Valley have the opportunity to  
6 tremendously reduce PM and NOx by replacing diesel use  
7 with renewable natural gas.

8           These benefits can provide significant benefits  
9 to disadvantaged communities through the reduction of NOx  
10 and PM. And so it's critically important. We've been  
11 pushing the State to make a long-term investment of at  
12 least \$100 million each of the next five years. That will  
13 enable us to build and begin building and meeting the  
14 goals that have been set out by the short-lived climate  
15 pollutant plan. But without it, it won't happen.

16           The State spends a lot of time talking about  
17 leadership, and we have the opportunity to show the nation  
18 and the world how to have a sustainable dairy program, but  
19 it won't happen without that investment.

20           Thank you.

21           CHAIR NICHOLS: Thanks.

22           Hi.

23           MS. HOLMES-GEN: Hello good afternoon -- morning.  
24 Bonnie Holmes-Gen with the American Lung Association in  
25 California. And I want to, first of all, just thank you,

1 Chair Nichols, for representing California in our  
2 leadership and innovation and sharing so much of our great  
3 work in Paris. And we're excited about the agreement.

4           The American Lung Association supports  
5 cap-and-trade investments as a critical tool to promote  
6 our climate progress, and integral, as we've heard, and  
7 reminded by the air districts to the achievement of our  
8 federal clean air standards. I wanted to join the chorus  
9 of others to say, you know, we are concerned, especially  
10 right now, that the current funds that have been built up  
11 are moved out as quickly as possible, and that we don't  
12 delay and wait for the next budget year. And we know that  
13 we all need to work together with the Legislature and the  
14 Governor to make this happen and get those funds out, get  
15 health and air quality benefits.

16           I just wanted to share a couple of key priorities  
17 from the Lung Association. We want to make sure that all  
18 these investments work to break California's dependence on  
19 harmful fossil fuels. And that is a key priority,  
20 speeding the transition to zero emission transportation.  
21 And we're concerned that we really need to step up our  
22 efforts in this area. And this is a key way that we can  
23 reduce daily health emergencies linked to our State's  
24 pollution problems, largely from transportation. So this  
25 included the rapid expansion of zero emission vehicles and

1 fueling infrastructure, expanding ZEVs in all sectors.

2           We need to work on passenger freight, off-road.  
3 We need to, of course, work toward our sustainable freight  
4 strategy. Zero emission buses are critical to help lead  
5 the way toward other heavy-duty electric vehicle options.

6           And we also want to just mention the importance  
7 of assisting in the transition at the city and county  
8 level with city and county fleets. It's really important  
9 to help promote these partnerships. And I've heard a lot  
10 of really good discussion about how cities and counties  
11 can work together with you and be climate leaders. And we  
12 want to help promote that.

13           Another key priority is to maximize health --  
14 health co-benefits. And we're going to be looking to  
15 support, in every way we can, the short-lived climate  
16 pollutant plan and looking to our projects that are going  
17 to deliver additional health and air quality benefits for  
18 communities. And this is an extremely important focus in  
19 this plan, and making sure that we're improving air  
20 quality for communities near busy roadways and ports and  
21 railyards in areas like the San Joaquin valley, of course,  
22 with so many toxic sources.

23           And finally, we want to support the new effort in  
24 this strategy to focus on wood stove replacement programs.  
25 And that's another area for an important partnership with

1 the air districts, and the focus on integrated projects  
2 and supporting climate action plans at the local level.

3 So, in summary - eight seconds - we look forward  
4 to working with you. And we're especially excited about  
5 helping to get the word out about all these great funding  
6 opportunities and working with our health partners.

7 Thanks.

8 CHAIR NICHOLS: Thanks.

9 Ms. Tutt

10 MS. TUTT: Good morning. Eileen Tutt with the  
11 California Electric Transportation Coalition. Thank you,  
12 Chairman Nichols, members, and staff.

13 I'm with -- I wanted to say that -- I just wanted  
14 to remind everybody that all of our members, not just the  
15 vehicle technology providers, truck/bus equipment, all of  
16 our members, including the investor-owned utilities and  
17 the publicly-owned utilities in California are very, very  
18 committed to supporting this plan, and supporting your  
19 efforts here today.

20 I want to say that my Christmas present to you is  
21 that I requested that they just let me represent them,  
22 rather than all of them coming up today.

23 (Laughter.)

24 MS. TUTT: But you can be assured that they  
25 are --

1 (Laughter.)

2 CHAIR NICHOLS: Thank you. It was a good choice.

3 MS. TUTT: -- behind you 100 percent. We've got  
4 your back. I want to say particularly that we appreciate  
5 the balance of incentives and regulatory efforts in this  
6 plan. The importance of incentives cannot be  
7 overestimated. And your support of those incentives has  
8 been tremendous. The implementation of the incentive  
9 programs by this agency is outstanding. It's a very, very  
10 exciting time to be a Californian. Sorry that Erik is  
11 going to miss out on all the good work that you're going  
12 to do.

13 CHAIR NICHOLS: He'll be part of it.

14 MS. TUTT: But we're excited to be part of your  
15 efforts --

16 CHAIR NICHOLS: He'll be part of it.

17 MS. TUTT: -- and really, really proud of  
18 California's being recognized in Paris as leaders in the  
19 world, and eager to help you continue that leadership. So  
20 thank you.

21 CHAIR NICHOLS: Thank you.

22 CHAIR NICHOLS: Good morning, Ms. Ferrera.

23 MS. FERRERA: Good morning, Chair and members.

24 Anna Ferrera on behalf of the School Energy  
25 Coalition, an organization made up of K-14 schools. We

1 are school districts, consultants, everyone who builds.  
2 And we're especially focused on energy and water projects  
3 for California's students. We do align ourselves with the  
4 remarks of Deborah Moore and Ian Padilla.

5 We appreciate schools being included in the plan.  
6 And we believe we can be a very active part of having  
7 projects all over the State. We can measure -- we can  
8 easily get the disadvantaged communities numbers for you  
9 from our free and reduced meal numbers throughout the  
10 State.

11 I would only add also that, you know, we continue  
12 to urge for funding mechanisms, specifically for schools.  
13 Because of our unique situation with students, curriculum  
14 can be a part of that as you've heard. We have -- and  
15 also a very unique opportunity with Proposition 39. It's  
16 interesting to me to hear people throw Proposition 39  
17 money around, you know, as if it's a ton of money that  
18 schools have to spend on energy efficiency. It's not.

19 But what it does do, is it allows us to do  
20 baseline measurements. It's requiring us to do baseline  
21 measurements of our usage for energy and schools as a  
22 requirement of funding. It also provides for  
23 benchmarking, so we know where we want to go. We're  
24 starting a number of lighting and HVAC projects right now.  
25 But really to go beyond that, to really attain zero net

1 energy status is now more attainable than ever. And I  
2 think schools are very interested. And while they're  
3 focused there, I think this timing is fabulous with the  
4 plan. And we only ask that you give us the opportunity to  
5 continue the work that schools are already doing.

6 In addition, the water pieces are also very  
7 important, the restrictions. Schools are land rich, as  
8 you heard. We also have, you know, the students who --  
9 and the parents who are very concerned about how much  
10 water we're using, but we also have to keep students safe  
11 and fields and sports facilities in tact along with  
12 partnerships we have with local communities to share those  
13 facilities as well.

14 So we would emphasize water and energy for  
15 schools, but also looking at some of the other  
16 opportunities, everything from transportation, charging  
17 stations, the things that Deborah mentioned. And we  
18 already have partnerships with agencies such as the  
19 Department of Ed. We really appreciate the SPI's letter  
20 on -- in support of schools in the plan, and also with the  
21 Energy Commission through Prop 39 and DWR through the  
22 DROPS program on drought situations.

23 So again, we look to be partners with you and  
24 appreciate the changes that have been made thus far.

25 Thank you.

1 CHAIR NICHOLS: Thank you.

2 Our last witness is Allison Chan. And I'm going  
3 to then comment on our schedule here in a minute.

4 MS. CHAN: Hi. Thanks so much for the  
5 opportunity to speak today. My name is Allison Chan, and  
6 I manage pollution prevention programs for Save the Bay in  
7 Oakland. I'm a relative newcomer to this process, but I'm  
8 really excited for the possibilities that it creates.

9 So I'd like to thank you for the emphasis on  
10 green infrastructure and urban greening co-benefits in the  
11 investment plan, which not only have the potential to  
12 mitigate urban heat islands and sequester carbon, but are  
13 also really important strategies for filtering pollutants  
14 from stormwater before it flows into waterways.

15 This is a priority for advocacy groups,  
16 municipalities, and agencies throughout the Bay Area, who  
17 acknowledge that climate resiliency strategies in our  
18 region must include multi-benefit projects that address  
19 water quality. So thank you to you and your staff for  
20 your work on this plan and for including these elements.  
21 And we look forward to working with you, the legislature,  
22 other departments and stakeholders in this room to -- as  
23 this process moves forward.

24 So thanks very much.

25 CHAIR NICHOLS: Thank you. All right. We're

1 going to finish up this item and then take about a  
2 10-minute break in order to both give the court reporter a  
3 break and also to include some people for the next item.  
4 So I just wanted to let people know in case they were  
5 planning.

6 But I believe that we will finish with that staff  
7 presentation on the lab and the discussion by about 1:00  
8 o'clock. And so we won't be taking a lunch break. That  
9 would be -- I think that's everybody's preference, given  
10 the time of year and all the other demands on their time.

11 So I think it's -- we've finished with the public  
12 testimony. It's time for Board members, if they have any  
13 questions or comments, starting down on the end with  
14 Supervisor Serna.

15 BOARD MEMBER SERNA: Thank you, Chair Nichols.

16 First, let me express my thanks to our fine staff  
17 for all the great work that they've done to prepare the  
18 revised draft investment plan for our consideration today,  
19 and for the public's. And I also want to thank all the  
20 individuals representing various organizations that  
21 testified here today.

22 I specifically want to call out the effort to  
23 hold numerous public workshops. I think the outreach  
24 effort for this was extraordinary as was expressed by Bill  
25 Magavern and others. So I think there's a special thanks

1 there that's well deserved.

2           The revised investment plan does make mention,  
3 appropriately so I think, of -- it cites the fact that the  
4 scoping plan -- the 2016 scoping plan is going to be very  
5 crucial for a number of reasons, many of which were  
6 mentioned here today. And I think it's worth mentioning  
7 that we have a newly constituted EJAC. And I think moving  
8 forward that that organization, that committee is going to  
9 be very instrumental in future investments. I just want  
10 to make mention of that this morning.

11           CHAIR NICHOLS: Thank you. Yes, Supervisor  
12 Gioia.

13           BOARD MEMBER GIOIA: Thanks again to everyone who  
14 really participated across all the agencies. So I just  
15 had a couple thoughts or suggestions. I think there's  
16 some good new provisions regarding increasing outreach to  
17 disadvantaged communities and increasing outreach in rural  
18 communities. And specifically under disadvantaged  
19 communities, it talks about hiring a contractor. That's  
20 great.

21           But I think under both sections, you out to make  
22 reference to work with local government, to work with  
23 cities, counties, and school districts as part of that  
24 outreach. It's not just about working with the  
25 contractor. Those of us who are in local government

1 understand the best way often to do outreach, it gets them  
2 invested in this. So I think you should specifically call  
3 out cities, counties, school districts, local government  
4 as part of who you'll working with and do outreach in  
5 local communities for both rural and disadvantaged.

6           Then under the co-benefits section on page four,  
7 where it talks about to the max -- to the extent feasible  
8 to maximize co-benefits. I know we talk about that all  
9 the time, but it seems more meaningful to say that we also  
10 want to or at least include some statement that in  
11 disbursing these funds we want agencies to encourage and  
12 incentivize maximizing co-benefits, not just -- I mean,  
13 current extent -- to the maximum extent feasible is great.  
14 It just doesn't sound as assertive as encouraging and  
15 incentivizing the maximization of co-benefits, so how you  
16 capture that concept.

17           And just finally, I know that we have the  
18 separate document, which is the funding guidelines  
19 defining what it means to benefit a disadvantaged  
20 community, and you link to that. So I know a lot -- some  
21 of the questions that have come up from speakers really  
22 are also addressed in that other document, which really is  
23 much more detailed and specific about what it means to  
24 benefit a disadvantaged community. And we had a lot of  
25 great input into that. So appreciate that.

1           And I'll just close with the thought, I agree  
2 with the speakers who said we really need to all work with  
3 the legislature to make sure that the funding is all  
4 allocated, because that's -- there can be the plan, but  
5 ultimately the following through with the allocation. And  
6 so I just wanted to second that thought. So thanks.

7           CHAIR NICHOLS: Thank you.

8           Ms. Berg.

9           VICE CHAIR BERG: I, too, want to thank  
10 everybody, especially the stakeholders that have put in  
11 numerous hours and times and thoughts as to -- for staff,  
12 but staff you've done an incredible job and thank you very  
13 much for that.

14           I also want to second anything that we can do to  
15 help after the fact and to assure that the funding is  
16 understood, and whatever we can do to help the legislature  
17 and get this money into the hands of these projects. I'm  
18 on board and happy to help.

19           CHAIR NICHOLS: Great comments.

20           BOARD MEMBER SHERRIFFS: Thank you.

21           And again, it's a recognition of staff's work  
22 that there are all these S's on the testimony. So  
23 clearly, a lot of great work and has been mentioned the  
24 engagement of the public in the workshops has been really  
25 tremendous and important and not always easy to achieve.

1 So well done.

2 Just a couple of things. One, over and over, the  
3 themes of methane and wood management, which are obviously  
4 so important, and are things that have been talked about  
5 in the past, but good they're now coming into the fore.

6 And another neglected -- we've talked about being  
7 more inclusive, in terms of being sure that schools are  
8 included. Well, I'm also thinking health institutions are  
9 a huge, in a sense, missed opportunity. And they're  
10 certainly -- in the rural communities, you think what are  
11 the major employers? Well, maybe government, certainly  
12 the schools, and also the health institutions, the local  
13 hospitals, the local rural health clinic operations and so  
14 on.

15 So it's something that we've neglected, but  
16 certainly can be engaged and could be a very important  
17 partner in many of these things. Maybe that follows more  
18 under the sustainable communities, but --

19 CHAIR NICHOLS: There are many ways to organize  
20 some of these ideas. And I think the schools coalition  
21 has done a good job of mobilizing and pointing out the  
22 different ways in which schools can benefit from these  
23 programs. I think we could do a sort of a cross-sectoral  
24 discussion to a number of different entities and  
25 hospitals. And health institutions are a good example of

1 that, where there are different pots of funding out there  
2 that need to be accessed. And one of the things that I  
3 know staff not only here but elsewhere in the Government  
4 is thinking about is how to do a better job of  
5 consolidating, coordinating, and not confusing people  
6 about those opportunities.

7 I think we all share that goal. Not always easy  
8 to make it transparent, but that clearly is something we  
9 have to work on, but it's a good comment.

10 Others in this direction?

11 I will face the opposite direction and start from  
12 the outside in, if anybody has comments they want to make.

13 BOARD MEMBER EISENHUT: I just had -- I would  
14 like some clarification from staff. I was struck by the  
15 commenters regarding adding the State Department of  
16 Education to the --

17 CHAIR NICHOLS: Oh, to the Climate Action Team?

18 BOARD MEMBER EISENHUT: -- Climate Action Team.

19 CHAIR NICHOLS: Sure. Does anybody want to  
20 address how the Climate Action Team is actually  
21 structured? My understanding is that it was done  
22 initially via statute, yeah.

23 Ms. Chang, do you want to --

24 DEPUTY EXECUTIVE OFFICER CHANG: Originally, that  
25 was done by statute. And I think in later years -- and I

1 was actually looking to see if CalEPA is still here. The  
2 Climate Action Team is actually convened by the Secretary  
3 of the Environmental Protection Agency. And they have  
4 included other agencies in the meetings, so that we have a  
5 more coordinated effort across the entire administration.  
6 So CalEPA was here when that was discussed and that's  
7 something we can talk about with them.

8 BOARD MEMBER EISENHUT: Thank you.

9 CHAIR NICHOLS: Other commenters?

10 Mr. De La Torre.

11 BOARD MEMBER DE LA TORRE: I appreciate the city  
12 and county folks who came and spoke. I think being able  
13 to work with cities and counties with local government and  
14 school districts is very important in two ways. One,  
15 it's -- they tend to be a little more sophisticated in  
16 getting projects done. They do things in their facilities  
17 with their vehicles, et cetera all the time. And so being  
18 able to swap things out or improve them or change them,  
19 they know the process. They're used to deadlines with  
20 outside funding, et cetera.

21 So you can get stuff done through these  
22 governmental entities relatively quickly like within a  
23 fiscal year, which is very important for us to show the  
24 results of what we're trying to do.

25 Secondly, in many lower income communities, the

1 heavily impacted communities, these entities, these  
2 government agencies, whether it's the schools or local  
3 government are a big player, because there's not a lot of  
4 heavy economic activity going on in some of these  
5 communities. Some of the biggest employers tend to be the  
6 schools or the city or county government in some of these  
7 communities. So you're getting -- you're getting a quick  
8 bang for your buck, and you're getting it in the places  
9 where we need it. And so I want to continue to push that  
10 within our plans, with the administration, with the  
11 Governor's office and Finance, and with the legislature,  
12 because I really think that's an opportunity for us in  
13 this fiscal year to really push some of these projects out  
14 into these communities quickly.

15 CHAIR NICHOLS: Thank you.

16 Ms. Miller.

17 BOARD MEMBER MITCHELL: Mitchell.

18 CHAIR NICHOLS: Mitchell, excuse me. I looked  
19 straight at you. Sorry.

20 BOARD MEMBER MITCHELL: There is a Judy Miller  
21 too, I think.

22 CHAIR NICHOLS: I apologize.

23 BOARD MEMBER MITCHELL: She's a newscaster.

24 CHAIR NICHOLS: It begins with an M.

25 BOARD MEMBER MITCHELL: Thank you. There's

1 several points that I want to touch on here. One of the  
2 sectors that was mentioned was the waste management  
3 sector. And this is a sector that sort of crosses over  
4 into a number of other areas that are important, waste to  
5 energy, so we get into the energy segment of this;  
6 biofuels; and agricultural lands come into play here.

7 We had one of our speakers talk about dairy  
8 digesters. The need for the infrastructure for dairy  
9 digesters, as well as other kinds of waste diversion  
10 infrastructure. And so a lot of money could be spent just  
11 in that infrastructure to accomplish what is laid out here  
12 in this plan.

13 Along those lines, I think we can also look at  
14 financing. It was mentioned in the plan, I believe it was  
15 on page 29, there was some talk about financing mechanisms  
16 and the efficiency of financing. Dairy digesters and  
17 waste diversion is one area where I think you could use  
18 financing mechanisms. There should be private capital  
19 somewhere in that mix, because there's a way to make money  
20 off of these kinds of projects.

21 So I think leveraging these kinds of projects  
22 with financing, loans, private investment for that kind of  
23 infrastructure would be important in actually implementing  
24 what we're laying out here, and how we can get it done.

25 Clean transportation is really close to my heart.

1 It's really important, I think. It's one of the most  
2 important things that we're doing in the Air Resources  
3 Board. I think there needs to be some emphasis on  
4 heavy-duty sectors, class 7, class 8 kinds of trucks and  
5 vehicles. The technology on that needs to be further  
6 developed. And I would like to see our funding, you know,  
7 for that be ongoing.

8           The other thing that's really important is the  
9 rebates for CVRP. And we have a new program this year,  
10 the EFMP Plus-Up Program, which is very successful in the  
11 areas where it's being implemented. So I would like to  
12 emphasize how important that program is, and that we work  
13 on making sure that keeps going.

14           A lot of the programs that are going to be  
15 implemented have co-benefits. And one of the co-benefits  
16 would be not just reducing greenhouse gas -- gases, but  
17 also reducing the toxics in the pollution. And many of  
18 the things that we're doing can combine to reach both of  
19 those objectives.

20           But the other objectives that are mentioned and  
21 called out are the stimulation of the economy, that can  
22 happen along with this, and aid to our disadvantaged  
23 communities. Both Hector and John have mentioned the role  
24 of local government in what we do here. That can't be  
25 overemphasized. They are really a good tool for outreach.

1 And they are the entities that are going to be  
2 implementing the sustainable communities strategies. So  
3 using them for that outreach. And reaching also to  
4 disadvantaged communities, that is a direct line for local  
5 government to reach those communities that are -- that  
6 we're trying to reach in our programs.

7 So CSAC, the League of Cities, the Beacon  
8 Program, the Institute for Local Government, all of those,  
9 and schools as well, are good partners for us to be using  
10 as we implement some of the programs here.

11 Thank you.

12 BOARD MEMBER SPERLING: We've heard from the  
13 presentation and some of the testimony about all these  
14 great programs. And actually people proposed some new  
15 programs, even including some of my fellow Board members.  
16 And there -- you know, they're all good -- they're all  
17 good intentioned. Many of them have huge potential  
18 benefits. But at the risk of being the skunk at the  
19 party --

20 (Laughter.)

21 CHAIR NICHOLS: A role that you hesitate to take  
22 on.

23 (Laughter.)

24 BOARD MEMBER BALMES: He relishes it.

25 BOARD MEMBER SPERLING: -- I have a few concerns.

1 (Laughter.)

2 BOARD MEMBER SPERLING: Let me just start out by  
3 saying kind of the words I've heard and not -- and more  
4 importantly, not heard. I haven't heard words about  
5 leveraging, scaling, opportunities, rational, economic  
6 analysis, cost effectiveness, science based. I  
7 haven't -- I don't -- barely heard any of those words  
8 through all the testimony, all the presentation.

9 I heard the word innovation a little bit. And I  
10 would point out that in Paris, one of the biggest themes  
11 of all was innovation -- and, of course, technology  
12 innovation that we heard a little bit about here. I did  
13 hear the word performance -- using performance criteria in  
14 one testimony.

15 This troubles me, because this is a lot of money,  
16 and it's going to be expanding. And I really think that  
17 while it's called an investment plan, I think the word  
18 strategic also is another word I barely heard. And I  
19 think as we go forward, we want to make sure that we are  
20 investing this money in a, strategic, science-based,  
21 rational cost effective way.

22 And I -- I know I'm being naive. I know the  
23 history of this. But as we go forward, I guess I'd make a  
24 plea that we try to move a little in the direction of some  
25 of these concepts that I was just bringing up. Because at

1 the end of the day, if we're going to achieve 40 percent  
2 reduction in greenhouse gases, 80 percent reduction, we  
3 need some major transformations. We need some major  
4 innovation, and we've got a lot of funding as Secretary  
5 Rodriguez talked about. You know, this is a great  
6 opportunity.

7           So I want to make sure -- you know, we certainly  
8 want to respond. There's lots of goals we want to respond  
9 to. And, you know, in government, we have lots of  
10 competing constituencies. But I just leave it with that  
11 general plea, that, you know, we really pay attention to  
12 doing this right in the long time -- term, and not just  
13 handing out a lot of money to all the different  
14 constituencies out there that want money for good causes  
15 usually.

16           CHAIR NICHOLS: Thank you.

17           Dr. Balmes.

18           BOARD MEMBER BALMES: At the risk of being  
19 tainted by Professor Sperling's skunkiness, I have to --

20           (Laughter.)

21           BOARD MEMBER BALMES: -- agree with him about  
22 having strategic planning being part of this. I realize  
23 that the staff and the Climate Action Team and CalEPA  
24 have, in fact, tried to capture strategy in the investment  
25 plan. But I agree that most of the testimony didn't

1 involve that kind of thinking, so I agree with Dr.  
2 Sperling.

3 I have a few other comments, mostly in agreement  
4 with other members of the Board who have already expressed  
5 these ideas, but I do think it's worth emphasizing. I was  
6 struck by the -- one witness's testimony about  
7 disadvantaged communities need assistance in taking up the  
8 opportunities that are available from the investment plan.  
9 And so I support what Supervisor Gioia, I guess,  
10 Supervisor Serna as well, Mr. De La Torre, Ms. Mitchell  
11 said about working with local governments of disadvantaged  
12 communities. And I think we need to reach out and help  
13 them take advantage of opportunities.

14 And I also agree with several comments about use  
15 of forest waste for energy. As somebody who spent a lot  
16 of my career studying the health effects of wood smoke,  
17 whether those are in homes of folks in the developing  
18 world or from forest fires wildland fires in our State, we  
19 do have to deal with the forest waste issue, and I don't  
20 think we should just let it pile up. So I think that  
21 being smart about how we approach forest waste for energy  
22 conversion, for example, is an important and strategic way  
23 for us to go forward.

24 And again, I wanted to support what has been said  
25 about waste -- organic waste diversion for energy and

1 greenhouse gas reduction, and the appropriate investments  
2 in infrastructure to make that more real.

3           And finally, I really want to endorse what Ms.  
4 Mitchell said about in part of the strategic thinking,  
5 co-benefits -- health co-benefits always have to be  
6 considered.

7           My last comment was just, in general, I'd like to  
8 wish the best for CARB staff in this holiday season. I'm  
9 really proud to be a member of your Board and you guys do  
10 great work.

11           CHAIR NICHOLS: All right. I think we can all  
12 endorse that comment.

13           You know, I have been known to tease my fellow  
14 Board member about his comments at times, but I want to  
15 also associate myself with Dr. Sperling's remarks. And I  
16 want to actually do it in a somewhat more concrete way by  
17 turning our attention to the resolution.

18           And while we're actually looking at the  
19 resolution that is before us, I would like to comment that  
20 I believe that if this money in the Greenhouse Gas  
21 Reduction Fund were under the control of the Air Resources  
22 Board, the document that you see before you might look  
23 somewhat different. And that's not to say that there's  
24 blame to be cast elsewhere. It is, as you correctly  
25 identified, the result of the fact that the funding that

1 now is available to the State through the GGRF, and as a  
2 result of our Cap-and-Trade Program is the first new  
3 source of funding for many starved programs within the  
4 State that do have relevance and benefit in the direction  
5 that we're trying to go.

6           So there's nothing that's addressed in this plan  
7 that is not appropriate and there's nothing in it that  
8 doesn't have some, in some cases many, co-benefits  
9 associated with it.

10           But in -- there are two things that I think are  
11 missing. One is the recognition, this is only one source  
12 of funding in a very large State budget. And when you  
13 talk about leveraging, it would be really great if we were  
14 using the kind of thinking that we're applying to this  
15 program to look at our expenditures for many other parts  
16 of the State budget in a more strategic way. I think we  
17 could all -- we could all wish for that.

18           And secondly, I would say that it is a  
19 work-in-progress. The investment plan, although it should  
20 provide some general guidance, isn't a budget. It isn't  
21 even close to a budget. And when you look at what's  
22 actually in the budget that the legislature is, in fact,  
23 considering right now, there are elements of it that I  
24 think go further in the direction of what you are  
25 suggesting and others that perhaps don't, but that's where

1 the real battle takes place.

2           Nonetheless, I think that this is a document that  
3 could be improved from my perspective. It isn't -- it  
4 isn't all that it could be. And I think it should be  
5 looked at as an opportunity maybe on a continuing basis to  
6 sort of refine some of everybody's thinking about how the  
7 State is taking on the big challenges of dealing with  
8 global climate change and dealing with local priorities at  
9 the same time.

10           So having said that, I would skip all the  
11 resolution -- all the whereas language, which talks about  
12 all the importance of this stuff and sort of move on to  
13 the whereases. And it seems to me that within the  
14 whereases and in the further resolveds in particular,  
15 there are some opportunities at a minimum for us to pass  
16 the document along with our concurrence that it met the  
17 procedural requirements and, you know, good work went into  
18 it without having to specifically endorse expenditures  
19 that are contained in the plan.

20           You know, I think it's appropriate at a minimum  
21 if you were for the back-up, you know, to question whether  
22 we really want to support the funding for these programs  
23 as opposed to other programs, not because we're opposed to  
24 those programs, but because we might like to see them  
25 consolidated or potentially some other things done. Maybe

1 we want to, you know, to reserve some judgment on some of  
2 those things, because actually, in a sense, nobody cares,  
3 because this is a document, as I said, that has a lift of  
4 its own. But to the extent that the ARB is putting its  
5 imprimatur on it, I think it's appropriate for us to ask  
6 for some of the things that Ms. Mitchell and you and Dr.  
7 Balmes and others have suggested, you know, be included.

8           So since we probably don't have time to work that  
9 owl out, and we certainly don't have time to, you know,  
10 revise the document, I would just send it along and say,  
11 you know, we've looked at it, good work went into it, and,  
12 you know, we'll continue to work on this, or something to  
13 that effect.

14           BOARD MEMBER SPERLING: How about we do have one  
15 further be it resolved one that just adds in some of the  
16 words that I mentioned that be it resolved that we look  
17 forward to investment plan taking into account strategic  
18 considerations and scientific and economic considerations,  
19 that it be leveraging, that it be, you know, investments  
20 that can scale, that are cost effective, you know, some  
21 mix of those words.

22           CHAIR NICHOLS: If you would like to move that, I  
23 think there's others who would second it. I see a nod  
24 here to my left. So, yes, absolutely.

25           Staff, can you add a be it further resolved that

1 reflects the need for the investment plan to be updated  
2 and to be implemented in ways that reflect strategic  
3 thinking and looking at the cost effectiveness and the  
4 scientific benefits of various programs, is that something  
5 that you can do?

6 EXECUTIVE OFFICER COREY: We certainly can. I  
7 think the message came clear and consistent across the  
8 Board, yes.

9 CHAIR NICHOLS: Yeah. Okay.

10 BOARD MEMBER SPERLING: And hopefully someone  
11 will read it somewhere.

12 CHAIR NICHOLS: Someone will read it somewhere, I  
13 think so.

14 (Laughter.)

15 CHAIR NICHOLS: All right. Any other?

16 If not, that's a motion to approve the resolution  
17 as amended?

18 And seconded by?

19 BOARD MEMBER BALMES: I'll second.

20 CHAIR NICHOLS: Dr. Balmes.

21 All in favor, please signify by saying aye?

22 (Unanimous aye vote.)

23 CHAIR NICHOLS: Any opposition?

24 Any abstentions?

25 Seeing none. Thank you very much all who

1 participated. And we will be in recess until 12:00.

2 We'll come back at noon. Thanks, everybody.

3 (Off record: 11:43 AM)

4 (Thereupon a recess was taken.)

5 (On record: 12:07 PM)

6 CHAIR NICHOLS: All right, ladies and gentlemen.

7 We're going to reconvene the Board meeting here. We're  
8 all enjoying the break, but it's time to move on to our  
9 last item of the day, which is an update to the Board on  
10 the project to -- on the project to rebuild and replace  
11 our motor vehicle engine testing and research operations  
12 into a new facility, and where we are on the preliminary  
13 site evaluation.

14 And this is a project which I think many people  
15 know is very dear to my heart, both as a Southern  
16 Californian and as somebody who is constantly being  
17 reminded of the importance that this laboratory has for  
18 our overall operations as the foundation of our technical  
19 excellence.

20 If I hadn't known it before, I think the recent  
21 activity with respect to Volkswagen has brought that home  
22 in really stark relief as the world literally wants to  
23 come out and take pictures at the El Monte lab. And while  
24 I am very proud of our people and of the work that they  
25 did, showing off the El Monte lab is not necessarily a

1 source of the greatest excitement, when you realize that  
2 all of this work happens in a place, which is overcrowded  
3 and not energy efficient, and not nearly as pleasant a  
4 place to work as you would think for our people. So with  
5 that, I think I should turn it over to Mr. Corey.

6 BOARD MEMBER MITCHELL: Madam Chair, if I may?

7 CHAIR NICHOLS: Yes.

8 BOARD MEMBER MITCHELL: I was involved in the  
9 subcommittee on this issue many months ago, and found a  
10 need to recuse myself from the subcommittee. And although  
11 there is no legal conflict of interest for me to continue  
12 here at this Board level on the issue, out of an abundance  
13 of caution, I will recuse myself from the item in order to  
14 avoid any appearance of conflict of interest.

15 So I wish you all Happy Holidays. I will leave  
16 the dais and leave the meeting at this time, and wish you  
17 all a good holiday season.

18 Thank you.

19 CHAIR NICHOLS: Thank you very much.

20 Mr. Corey, would you introduce the item, please?

21 EXECUTIVE OFFICER COREY: I will. Thanks, Chair  
22 Nichols.

23 I'm pleased to report that significant progress  
24 has been made on ARB's proposed Southern California  
25 consolidation project, since the project was included in

1 the Governor's budget for fiscal year '15-'16. Since  
2 July, staff, with the assistance of the Department of  
3 General Services, represented here with us at the table,  
4 has been evaluating sites in Riverside and Pomona, and  
5 staff is performing a complete and open evaluation of the  
6 sites and their respective surrounding areas. We're  
7 confident our efforts will be provide a site that is  
8 conducive to a quality work environment while offering  
9 various opportunities for program staff and visitors. In  
10 addition, we believe that the facility will provide a  
11 unique opportunity for university collaboration.

12 Deidre Cyprian, Space Acquisition Manager, will  
13 now provide the staff presentation.

14 Deidre.

15 (Thereupon an overhead presentation was  
16 presented as follows.)

17 SPACE ACQUISITION MANAGER CYPRIAN: Thank you,  
18 Richard. Good morning.

19 CHAIR NICHOLS: Your microphone is not on.

20 SPACE ACQUISITION MANAGER CYPRIAN: Okay. Thank  
21 you.

22 Thank you, Richard. Good afternoon, Chair  
23 Nichols and members of the Board. In today's  
24 presentation, I will provide you with an update on our  
25 efforts to evaluate potential sites for ARB's new

1 emissions testing and research facility in Southern  
2 California.

3 --o0o--

4 SPACE ACQUISITION MANAGER CYPRIAN: Here are the  
5 topics that I will cover today.

6 --o0o--

7 SPACE ACQUISITION MANAGER CYPRIAN: The following  
8 slides provide some background that will help put the site  
9 evaluations in perspective.

10 --o0o--

11 SPACE ACQUISITION MANAGER CYPRIAN: The Southern  
12 California operations are the cornerstone of ARB's mobile  
13 source program. With the focus on emissions testing and  
14 research, these operations have supported virtually every  
15 mobile source action that ARB has implemented.

16 In the future, the Southern California facilities  
17 will be critical to the development of the State  
18 Implementation Plan, the scoping plan, and the sustainable  
19 freight initiative. With upgraded testing capabilities,  
20 we will be able to provide the technical data and  
21 engineering solutions necessary to meet our existing and  
22 future air quality and climate change mandates. Some of  
23 the key programs are listed on this slide.

24 --o0o--

25 SPACE ACQUISITION MANAGER CYPRIAN: Our

1 operations are currently located at the State-owned  
2 Haagen-Smit Laboratory and five adjacent leased facilities  
3 in El Monte. The Haagen-Smit Laboratory opened in 1971  
4 and was designed to support 40 staff. Today, there are  
5 about 400 staff with 90 percent of these staff associated  
6 with testing and research activities.

7 ARB also operates a limited heavy-duty test  
8 facility at the Metropolitan Transit Authority in Los  
9 Angeles. These operations are conducted under an MOU with  
10 MTA. In total, ARB occupies approximately 135,000 square  
11 feet of office and laboratory space in Southern  
12 California.

13 --o0o--

14 SPACE ACQUISITION MANAGER CYPRIAN: Existing  
15 Southern California facilities are now stretched beyond  
16 their capacity --

17 CHAIR NICHOLS: May I ask that you move the mic  
18 even a little closer. Sorry.

19 SPACE ACQUISITION MANAGER CYPRIAN: No problem.  
20 Is this better?

21 CHAIR NICHOLS: Yes, it is. Thanks.

22 SPACE ACQUISITION MANAGER CYPRIAN: Okay. The  
23 existing Southern California facilities are now stretched  
24 beyond their capacity, cannot support ARB's existing and  
25 future testing needs, do not provide adequate

1 infrastructure to expand or upgrade equipment, and are not  
2 energy efficient. Therefore, ARB is proposing to relocate  
3 and consolidate existing operations in a proposed new  
4 emissions testing and research facility.

5 --o0o--

6 SPACE ACQUISITION MANAGER CYPRIAN: The goals for  
7 the project are listed on this slide and establish the  
8 overall framework for not only site selection, but  
9 construction and operation of the proposed new facility.

10 --o0o--

11 SPACE ACQUISITION MANAGER CYPRIAN: In designing,  
12 constructing, and operating the facility, ARB will seek to  
13 establish a model for sustainable laboratories by pursuing  
14 the highest level of LEED certification as well as zero  
15 net energy. Due to the nature of testing operations, this  
16 will be a challenge. However, pursuing these goals is  
17 consistent with ARB's mission on climate change, as well  
18 as the Governor's initiatives for green buildings.

19 I will now present few facts about the proposed  
20 new facility.

21 --o0o--

22 SPACE ACQUISITION MANAGER CYPRIAN: ARB worked  
23 with an outside consultant to complete a feasibility study  
24 for the new facility. The study concluded that a facility  
25 size of approximately 299,000 square feet is necessary to

1 meet ARB's needs. The site requirements are approximately  
2 14 to 17 acres, and the total project cost is estimated at  
3 \$366 million.

4 Additional land may be necessary to support ZNE.  
5 If all goes well, ARB would take occupancy in 2020.

6 --o0o--

7 SPACE ACQUISITION MANAGER CYPRIAN: The study was  
8 the basis for this year's approved budget proposal. In  
9 the budget, ARB was authorized \$0.2 million for evaluating  
10 sites, and \$5.7 million for developing design guidelines  
11 and performance criteria that are used to select the team  
12 that will design and build the facility.

13 For the fiscal year '17-'18 budget year, ARB will  
14 need to submit another budget proposal for the balance of  
15 the funds needed for the project.

16 --o0o--

17 SPACE ACQUISITION MANAGER CYPRIAN: ARB staff  
18 plans on releasing a staff report in January that presents  
19 the staff's recommendations. The Board will consider the  
20 staff's recommendations in February. If appropriate, the  
21 Board will approve a resolution that sets forth the  
22 Board's recommendations for a site, and then forward the  
23 recommendations to the Joint Legislative Budget Committee  
24 for review.

25 After review, and any appropriate updates, ARB

1 will then forward the recommendation to DGS who will then  
2 complete the process of acquiring the site.

3 --o0o--

4 SPACE ACQUISITION MANAGER CYPRIAN: Siting is  
5 typically the lengthiest element of these types of  
6 projects and is critical to the overall schedule. Any  
7 delays in the sight selection process can result in  
8 increased construction costs. In addition, from a program  
9 perspective, we are anxious to move the project forward as  
10 expeditiously as possible to meeting our testing needs.

11 --o0o--

12 SPACE ACQUISITION MANAGER CYPRIAN: Since the  
13 budget was approved, we have been working with DGS to  
14 evaluate various sites.

15 --o0o--

16 SPACE ACQUISITION MANAGER CYPRIAN: To provide a  
17 common framework for this evaluation, ARB and DGS  
18 developed a site evaluation matrix that included a number  
19 of different attributes. We are using this matrix to  
20 evaluate the three sites shown on this slide.

21 --o0o--

22 SPACE ACQUISITION MANAGER CYPRIAN: This slide  
23 lists examples of some of the general attribute categories  
24 we are using. As you can see, the categories include  
25 legal, technical, environmental, transportation and

1 circulation, neighborhood characteristics, and the  
2 potential for site-specific LEED points. We will present  
3 the results of this analysis in the January report.

4 --o0o--

5 SPACE ACQUISITION MANAGER CYPRIAN: We are also  
6 considering other factors. This includes the requirement  
7 that the 14 to 17 acres be available at no cost. Other  
8 considerations include the ability to move quickly, the  
9 potential availability of additional land for zero net  
10 energy or future expansion, access to campus resources,  
11 and the potential for ARB/university collaborations.

12 These collaborations are win-win propositions  
13 that benefit both ARB and the affected university. The  
14 following slides highlight examples of potential  
15 collaborations.

16 --o0o--

17 SPACE ACQUISITION MANAGER CYPRIAN: General  
18 program collaborations are not specific to any educational  
19 program. As you can see, there is a wide variety of  
20 potential opportunities. Relative to the last bullet, ARB  
21 does plan on establishing a broad intellectual partnership  
22 that will help govern both the design and use of the new  
23 facility. This intellectual partnership will involve  
24 national and international experts in the field of engine  
25 and vehicle emissions, testing, and research.

1                   --o0o--

2           SPACE ACQUISITION MANAGER CYPRIAN: This slide  
3 provides examples of potential program collaborations  
4 specific to educational programs. Opportunities in this  
5 areas would be developed based on the needs of ARB and the  
6 affected university.

7                   --o0o--

8           SPACE ACQUISITION MANAGER CYPRIAN: I will now  
9 present information specific to the three proposed sites.

10                   --o0o--

11           SPACE ACQUISITION MANAGER CYPRIAN: This slide  
12 shows an overall view of the three potential sites and the  
13 existing ARB facilities. The proposed Pomona site is  
14 approximately 17 miles from the existing facilities. The  
15 Riverside sites are approximately 45 miles from the  
16 existing facilities.

17                   --o0o--

18           SPACE ACQUISITION MANAGER CYPRIAN: Here is a  
19 closer view of the two Riverside sites. The technology  
20 court site is located about three miles from the main  
21 university campus and about four miles from downtown  
22 Riverside. The Iowa site is located less than one mile  
23 from the main campus and about two miles from downtown  
24 Riverside. The two sites are approximately three miles  
25 apart.

1                   --o0o--

2                   SPACE ACQUISITION MANAGER CYPRIAN: The first  
3 Riverside site that we evaluated is located about one half  
4 mile from the university's Center for Environmental  
5 Research and Technology. CE-CERT has long been a partner  
6 with ARB on emissions testing and air pollution research.

7                   The technology court site is located in  
8 University Research Park and involves light industrial and  
9 warehousing.

10                   --o0o--

11                   SPACE ACQUISITION MANAGER CYPRIAN: The acreage  
12 available at this site is about 19 acres and is a  
13 combination of public and private land. The county owns  
14 about seven and a half acres, and has indicated that they  
15 would acquire the private land to make up the needed  
16 acreage. They have also indicated a willingness to  
17 acquire additional land, if needed.

18                   The site is adjacent to the 1,100-acre Box Spring  
19 Mountain Reserve. Other nearby site attributes include a  
20 new metro station, a new housing development under  
21 construction about one mile from the site, and a grocery  
22 store in the planning stage. The county also indicated  
23 that they expect the opening of the metro station and the  
24 addition of our facility would spur additional mixed-use  
25 development near the site, but there are no specific plans

1 available at this time.

2 --o0o--

3 SPACE ACQUISITION MANAGER CYPRIAN: This site  
4 appears to have sufficient acreage available to support  
5 the project, as well as acreage necessary to support ZNE.  
6 It is a very low traffic area and has easy access to the  
7 freeways. As mentioned previously, it is near CE-CERT,  
8 and that would facilitate collaboration on ARB research  
9 contracts. The site does have very limited access to  
10 restaurants transit and diverse uses. The site may have  
11 slightly increased construction costs due to the uneven  
12 topography of the site, and the elongated nature of the  
13 property makes it a little bit more difficult for design  
14 purposes. Now, let's take a look at the second Riverside  
15 site.

16 --o0o--

17 SPACE ACQUISITION MANAGER CYPRIAN: As you can  
18 see on this slide, the site is bordered by agricultural  
19 property owned by UCR and by retail and shopping. The  
20 Marriott Hotel is located about half a block from the  
21 northwest point of the property.

22 --o0o--

23 SPACE ACQUISITION MANAGER CYPRIAN: The Iowa  
24 Avenue site consists of about 18 acres. The land is part  
25 of a 100-acre parcel that is planned for campus

1 development. The university has indicated that they would  
2 consider further discussion on additional land to support  
3 ZNE, but has not committed any specific property at this  
4 time.

5 The land is likely designated as prime  
6 agricultural land and is currently being used as a part of  
7 UCR's agricultural research program. The university has  
8 indicated that any ongoing research would be relocated, if  
9 ARB recommends this site.

10 The flat and rectangular site allows flexibility  
11 in project design. The site also has good freeway access  
12 and site access, although Iowa Avenue would need to be  
13 widened.

14 --o0o--

15 SPACE ACQUISITION MANAGER CYPRIAN: The Iowa site  
16 has access to retail and restaurants. It is also close to  
17 transit. In addition to buses along University Avenue,  
18 the downtown metro station is about two and a half miles  
19 away and has more options for metro than the Hunter Park  
20 station near the other site.

21 As mentioned before, the site is located less  
22 than one mile from the main campus. ARB and DGS have  
23 initiated detailed investigation of this site, including  
24 environmental and other assessments. There are residences  
25 located within 1,000 feet of the property boundary.

1 However, neither ARB nor DGS expects to find any  
2 attributes that would make the site unworkable.

3 --o0o--

4 SPACE ACQUISITION MANAGER CYPRIAN: There are  
5 several general considerations associated with locating  
6 the facility in Riverside. The coordinated support from  
7 Riverside representatives is impressive and would likely  
8 help the project stay on track. There is also reasonable  
9 access to campus amenities, such as the student recreation  
10 center, the child development center, campus restaurants  
11 and the performing arts center.

12 The university has a diverse academic program  
13 with a research focus on many areas of interest to ARB.  
14 For example, the university now has an accredited medical  
15 school. These programs lead to ample opportunity for  
16 collaboration.

17 The South Coast Air Quality Management District  
18 has committed \$1 million to CE-CERT should ARB decide to  
19 locate in Riverside. The endowment would be used to  
20 develop an air quality and climate research training  
21 program that would benefit ARB and South Coast AQMD staff.

22 In general, Riverside has access to affordable  
23 housing. However, there would be a significant increase  
24 in commute distance for the existing ARB staff. We are  
25 currently conducting a detailed evaluation of the impact

1 on our employees, including driving time and distance as  
2 well as the availability for transit. The distance from  
3 the existing El Monte facilities to a Riverside site would  
4 also likely trigger additional costs for -- to ARB for  
5 relocations expenses for employees that move to Riverside.

6 In addition, access to the site would likely be  
7 more difficult for the general public and conversely more  
8 difficult for ARB staff to travel to meet with  
9 stakeholders in Southern California. They are also  
10 conducting an analysis of these impacts.

11 Now, let's look at the Pomona site.

12 --o0o--

13 SPACE ACQUISITION MANAGER CYPRIAN: The Pomona  
14 site is located on agricultural land referred to as Spadra  
15 Farms. This land is currently used in the College of  
16 Agriculture's Educational Program. It is a little less  
17 than a mile from the center of the Cal Poly Pomona campus.  
18 The Cities of Pomona and Walnut are located about three  
19 and one half miles from the site. The City of Diamond Bar  
20 is located about one and one half miles from the site.

21 The now closed Lanterman Development Center is  
22 located just south of the property.

23 --o0o--

24 SPACE ACQUISITION MANAGER CYPRIAN: This slide  
25 shows the area surrounding the Innovation Village II site.

1 The retail and shopping areas are located less than one  
2 half mile away and a Starbucks is planned on the corner of  
3 Pomona Boulevard and Temple. At the south side of the  
4 property, there are heavily used railroad tracks. These  
5 tracks would be less than 1,000 feet from the south side  
6 of the site.

7 --o0o--

8 SPACE ACQUISITION MANAGER CYPRIAN: The Pomona  
9 site consists of about 17 acres. The university has  
10 indicated that they would consider further discussions on  
11 additional land to support ZNE, but has not committed any  
12 specific property at this time. The land is part of  
13 165-acre parcel that is planned for a mix of agricultural  
14 and commercial developmental.

15 The flat and relatively rectangular site allows  
16 flexibility in the project design. In addition, the  
17 university has expressed interest in working with us to  
18 site a new retail complex adjacent to the corner of State  
19 Street and Pomona. We will continue to work with the  
20 university to explore the feasibility of this option. In  
21 general, there is good freeway and site access, but there  
22 is heavy traffic on Temple Avenue during rush hours.

23 --o0o--

24 SPACE ACQUISITION MANAGER CYPRIAN: The  
25 Innovation Village Site has access to many diverse uses,

1 including retail and restaurants. It is also close to  
2 transit. In addition to buses along West Temple Avenue  
3 and South Campus Drive, there are two Metrolink stations  
4 within about five miles of the site.

5 The site is located less than one mile from the  
6 main campus and is a 10 minute drive from the South Coast  
7 Air Quality Management District. Nearby, there is also  
8 the Spadra Landfill and some residences that are within  
9 1,000 feet of the property boundary.

10 --o0o--

11 SPACE ACQUISITION MANAGER CYPRIAN: There are  
12 several general considerations associated with locating  
13 the facility in Pomona. The university is supportive of  
14 the project as are community business leaders and elected  
15 officials. As a tenant of Innovation Village, ARB  
16 employees would have access to many of the same benefits  
17 and privileges afforded to faculty and staff. Some of  
18 these privileges require user fees, such as access to the  
19 Bronco Fitness Center, the children's center, and any  
20 performing arts.

21 Cal Poly does not have the same breadth of  
22 research focus as does UCR. However, we believe that  
23 there are still many opportunities for collaboration,  
24 including with the agriculture and engineering programs.

25 The average housing cost in Pomona appear to be

1 slightly higher than Riverside. Housing costs in nearby  
2 Walnut and Diamond Bar appear to be significantly higher.  
3 Interestingly, both Riverside and Pomona have lower  
4 housing costs than El Monte.

5 For the Pomona site, there would be minimal  
6 impacts on commute distances for the existing ARB staff.  
7 As I mentioned before, we are currently conducting a  
8 detailed evaluation of the specific impact on our  
9 employees, both from the impact on driving time and  
10 distance, as well as the availability of transit. Because  
11 the Pomona site is only 17 miles from the El Monte  
12 facility, ARB would not be responsible for paying any  
13 relocation costs.

14 In addition, it is likely that access to the site  
15 would be less difficult for the general public and  
16 conversely less difficult for ARB staff to travel to meet  
17 with stakeholders in Southern California. We are also  
18 conducting an analysis of these impacts and will provide  
19 our results in the January report.

20 --o0o--

21 SPACE ACQUISITION MANAGER CYPRIAN: Now for the  
22 summary.

23 --o0o--

24 SPACE ACQUISITION MANAGER CYPRIAN: ARB is  
25 considering all three sites. Each has its own pros and

1 cons. We will continue to work with the Pomona and  
2 Riverside representatives to assess the sites. We again  
3 expect to release our staff report in mid-January for  
4 public review. The Board is tentatively scheduled to  
5 consider the report at the February Board meeting. Should  
6 the Board approve recommendations, ARB is then required to  
7 submit these recommendations to the Joint Legislative  
8 Budget Committee for review. After addressing any  
9 comments, ARB would transmit the recommendations to DGS  
10 for final site acquisition.

11 --o0o--

12 SPACE ACQUISITION MANAGER CYPRIAN: That  
13 concludes my presentation, and we would be happy to answer  
14 any questions

15 CHAIR NICHOLS: Okay. Thank you. Before we go  
16 further, I would like to take this opportunity to thank  
17 the representatives of both Riverside and Pomona who have  
18 made really extraordinary efforts to help us to evaluate  
19 the potential sites, and to think through the  
20 opportunities that are presented there. I know we'll be  
21 hearing from some people associated with both of these  
22 potential sites.

23 But even before we hear from them, I just want to  
24 say that we have been afforded not only the courtesy, but  
25 a lot of thinking and really had an opportunity to explore

1 and expand our own views of what the potential for this  
2 new site will mean for us. And so I'm very grateful for  
3 that.

4 I also want to recognize the efforts of Mr. Joel  
5 Griffith who's present at the staff table here, who is the  
6 project director for the Department of General Services  
7 and for his staff's efforts on this as well. This has  
8 been a real partnership, and we're very grateful for all  
9 of their support.

10 So thank you.

11 Okay. Let's then -- are there Board members  
12 who'd would like to say anything before we begin?

13 All right. Why don't we just turn to those  
14 who've traveled to be with us then. And we'll begin with  
15 John Benoit of Riverside County, and a member of the South  
16 Coast Air District Board. Welcome.

17 RIVERSIDE COUNTY SUPERVISOR BENOIT: Thank you  
18 very much, Chair Nichols members, fellow supervisors. My  
19 former colleague stepped out of the room, but all my  
20 friends.

21 I'm pleased to be here today representing  
22 Riverside County. I'm Riverside County Supervisor John  
23 Benoit. And I'm here to emphasize again just how proud  
24 and excited we would be to be the host of CARB's new  
25 facilities in our beautiful inviting and well prepared

1 region in the Inland Empire. We very much appreciate the  
2 open, detailed, and transparent process that has now been  
3 undertaken to allow us to demonstrate what we have to  
4 offer, and as well as to allow you to make a good choice,  
5 and it's been a good process.

6           Regarding that decision, I'm, of course,  
7 hopelessly biased --

8           (Laughter.)

9           RIVERSIDE COUNTY SUPERVISOR BENOIT: -- towards  
10 Riverside and UCR.

11           CHAIR NICHOLS: You should be.

12           RIVERSIDE COUNTY SUPERVISOR BENOIT: This would  
13 clearly be an ideal new home for CARB's Southern  
14 California consolidation. And I'd like to just briefly  
15 highlight a couple of points and the obvious reasons.

16           One is the cost. The land is already owned by  
17 UCR. The newest Iowa location, which I think has kind of  
18 become the focus, is an ideal flat. It has, I think, an  
19 80-year old orchard on it that's no longer being utilized  
20 for that purpose. It could be easily relocated, or those  
21 efforts would be carried on elsewhere.

22           As far as LEED process, our site, our location,  
23 our city is extremely well prepared to help you make your  
24 goal of Platinum LEED for this facility, a very worthy  
25 goal, given your mission.

1 Partnership with UCR and South Coast Air Quality  
2 Management District, I've got to tell you that I was very  
3 anxious to work with Mr. Wallerstein. I'm thankful my  
4 board concluded that this relationship, which we've had  
5 with CE-CERT for years and the College of Air Quality,  
6 even before that, is huge. This is a full-blown research  
7 university that has been focused on air quality for five  
8 or six decades.

9 And then come up with the idea -- and I credit  
10 Mr. Wallerstein. I appreciate his help. I appreciate my  
11 board's support that we would even further emphasize that  
12 with a million dollar endowment to create a specific  
13 school on air quality. It's going to be a huge potential.

14 I see many opportunities for AQMD -- I'm sorry,  
15 CARB employees to teach at the school, to go to the school  
16 to further their educational goals that are directly  
17 related to your mission right there on campus. This new  
18 location is basically on campus. I was surprised to learn  
19 it's not actually on the campus, but it's very close to  
20 the existing major campus, and only a few miles away from  
21 the CE-CERT operation, which is just down the street from  
22 the first location.

23 So the location has those amenities plus a couple  
24 of good hotels for -- I've been a State employee. I know  
25 what the ranges are. And the Courtyard Marriott and the

1 Hampton Inn are close by, restaurants, banks, credit  
2 unions. And I want to point out that there are two  
3 existing Starbucks very close by.

4 (Laughter.)

5 RIVERSIDE COUNTY SUPERVISOR BENOIT: So we do  
6 have a wide range of housing available. Our housing  
7 prices are among the most competitive in Southern  
8 California still. The cost savings, as I've mentioned,  
9 because of the proximity of CE-CERT and the potential dual  
10 use of some of those facilities, employment opportunities,  
11 utility service and water rates. We have a city-owned  
12 utility that will make that process very favorable.

13 Joining me here today, as I conclude, is our  
14 Riverside County Assistant CEO, Rob Field from EDA, Brian  
15 Nestande our Deputy CEO for legislative affairs. You'll  
16 hearing from Mr. Perez from the City of Riverside. Any of  
17 us would be pleased to answer any questions you or the  
18 staff may have.

19 But to summarize we'd love to be your neighbors.  
20 And we think Riverside is a perfect place for CARB's  
21 future. We hope you agree.

22 CHAIR NICHOLS: Thank you very much. I didn't  
23 press the buzzer on you, because we have a special rule  
24 for supervisors and other elected officials, but I do want  
25 to remind you --

1 RIVERSIDE COUNTY SUPERVISOR BENOIT: We have  
2 several of those too.

3 (Laughter.)

4 CHAIR NICHOLS: We do have --

5 RIVERSIDE COUNTY SUPERVISOR BENOIT: But thank  
6 you very much.

7 BOARD MEMBER GIOIA: Madam Chair?

8 CHAIR NICHOLS: -- a three minute limit. Yes,  
9 questions.

10 BOARD MEMBER GIOIA: Those of us in countyland,  
11 of course, know John and his role with the California  
12 State Association of Counties. And, John, you left out  
13 one really important asset that will help swing this base  
14 player over here, and that is that you are the home --  
15 your county is the home to Fender Guitar.

16 RIVERSIDE COUNTY SUPERVISOR BENOIT: Oh, yes we  
17 are. Thank you.

18 (Laughter.)

19 BOARD MEMBER GIOIA: So I think Phil should know  
20 that.

21 RIVERSIDE COUNTY SUPERVISOR BENOIT: Fender has  
22 offered us and we've provided many Fender instruments.  
23 Not that that would have any impact here --

24 (Laughter.)

25 RIVERSIDE COUNTY SUPERVISOR BENOIT: -- but they

1 are available.

2 BOARD MEMBER GIOIA: I know your colleague gets  
3 Steve Miller down there now and then.

4 RIVERSIDE COUNTY SUPERVISOR BENOIT: The Steve  
5 Miller Band, yes absolutely, a very good group.

6 We have a lot of assets and we look forward to  
7 having you.

8 CHAIR NICHOLS: All of these comments are going  
9 to be stricken from the record.

10 Thank you.

11 (Laughter.)

12 RIVERSIDE COUNTY SUPERVISOR BENOIT: Thank you,  
13 Madam Chair.

14 BOARD MEMBER GIOIA: Well, if we do go to  
15 Riverside, can Steve Miller do a sort of welcoming --

16 (Laughter.)

17 RIVERSIDE COUNTY SUPERVISOR BENOIT: Count on it.

18 CHAIR NICHOLS: All right. Thank you. That's  
19 great.

20 All right. Christina Romero.

21 MS. ROMERO: Well, that's a hard act to follow  
22 right there, so...

23 (Laughter.)

24 MS. ROMERO: Hi, Chair Nichols and the members of  
25 the Board. My name is Christina Romero, and I'm a

1 graduate student at the college of agriculture and would  
2 like to provide you with information on the great need for  
3 college graduates in the field of agriculture, and some  
4 background about our program.

5           This USDA has stated by 2050 we will need at  
6 least 600,000 new farmers to be able to feed the world.  
7 Last year, only 1,200 people went into farming. With the  
8 average age of the American farmer now at 58.7 years old,  
9 for every farmer under 25, there are five who are over 75.

10           This year the USDA stated that there will --  
11 there is a need for 58,000 college graduates in  
12 agriculture every year. Yet, the universities are only  
13 generating 35,000 In our program at Cal Poly Pomona, all  
14 of the students in the plant science and ag science  
15 programs who use Spadra Farms have an average of two job  
16 offers when they graduate. With those -- those with  
17 irrigation backgrounds have an average of six.

18           In addition, we have seen a 20 percent increase  
19 each year for the last three years in applications to the  
20 plant science, ag science, ag education, and ag business  
21 management programs. Our animal science program is  
22 already impacted with only a 10 percent acceptance rate.

23           We are the only four year college in agriculture  
24 in the southern part of the State, which contains many of  
25 the highest agriculture value counties in the nation, and

1 the only four year college with an urban and community ag  
2 program.

3           As part of the urban and community ag program, we  
4 also have an organic farm on Spadra that we are planning  
5 to increase in the size now that has a program which -- as  
6 the program, which is enrolling more students.

7           We will also be generating organic feed and  
8 fodder for organic animals and egg production. The  
9 organic farming operation alone utilizes about 30 acres of  
10 farm land once planted out with feed and fodder. Most  
11 importantly, the local surrounding communities benefit  
12 immensely from Cal Poly Pomona farm store, which sells our  
13 locally grown produce, and the access to agriculture,  
14 animals, and horses that community and children would not  
15 otherwise have.

16           We host over 5,000 K through 12 students a year  
17 for field trips to learn about agriculture, gardening, and  
18 animals. Each October, we host a pumpkin festival, which  
19 attracts over 80,000 people.

20           We realize that your plans do not include to  
21 build out all of Spadra Farm, but your project is a  
22 cornerstone to the development of the entire property.

23           December 2nd, President Coley announced she made  
24 the decision to develop 80 acres of Spadra to accommodate  
25 the ARB and its needs, such as solar panels and

1 ammenities. She states she would allow the College of Ag  
2 to continue to farm 70 acres for the next five years. As  
3 you can imagine, this is not an acceptable alternative for  
4 our students or our program.

5 We encourage you as an agency protecting the  
6 environment to consider what will be lost if your facility  
7 is located on an educational farm. It is where we learn  
8 to feed our population with the minimum impact on the  
9 environment. We will no longer have the facilities to  
10 learn what we need to take care of agriculture into the  
11 next generation.

12 So we invite the Air Resource Board to Cal Poly  
13 Pomona, just not on our farm land. At this juncture,  
14 without a more collaborative partnership or plan, the  
15 student body officially opposes any development on our  
16 farm land.

17 Thank you.

18 CHAIR NICHOLS: Thank you very much.

19 BOARD MEMBER GIOIA: John, did you ask her to  
20 come?

21 CHAIR NICHOLS: Question or comment?

22 Sorry?

23 CHAIR NICHOLS: Oh, okay. Sorry. Thank you.

24 Fabiola Perez.

25 MR. PEREZ: Good afternoon, Chair Nichols and

1 Board members. Thank you for providing us the opportunity  
2 to speak to you today. My name is Fabiola Perez. And we  
3 are students from the College of Agriculture at Cal Poly  
4 Pomona. We are here today to provide you with information  
5 about the impact that building the new CARB facility at  
6 Cal Poly Pomona will have on the students and the programs  
7 from the College of Agriculture. The location that has  
8 been proposed for building your facility is on our  
9 educational land Spadra Farm, which we have used as an  
10 important part of our education for the last 50 years.

11 This property is used by our plant science  
12 majors, our agriculture science, agriculture education  
13 majors, students in urban agriculture, pest management,  
14 agronomy, soil science, horticulture, irrigation science,  
15 as well as students in regenerative studies program as a  
16 laboratory space that is irreplaceable on campus.

17 It is on this property that we learn how to grow  
18 crops using fewer pesticide applications, utilizing  
19 biological control, minimizing water use for crop  
20 production, utilizing newer and efficient technologies for  
21 transplanting crops for locally ground vegetables, and we  
22 control soil erosion an agricultural water runoff.

23 It is also on this property that we grow produce  
24 for our on-campus food service, so we can meet our 20  
25 percent locally grown requirement. It is on this property

1 where students with no background in agriculture learn how  
2 to farm, or many students like myself, a first generation  
3 hispanic college student and a daughter of farm workers  
4 have the chance to make a career in agriculture at a  
5 higher -- at a level of greater opportunity than my  
6 parents had.

7           And I hereby oppose any development on Spadra  
8 Farm without a more collaborative partnership.

9           Thank you.

10          CHAIR NICHOLS: Thank you.

11          We have next Moises Lopez from the City of  
12 Riverside.

13          MR. LOPEZ: Good morning, Madam Chair and members  
14 of the Board. My name is Moises Lopez. I'm the  
15 intergovernmental relations officer for the City of  
16 Riverside speaking here on behalf of our entire city. The  
17 decision before you this morning and in the coming months  
18 will have a huge effect on the ARB's ability to continue  
19 its incredibly important work.

20          And equally important, your decision will also  
21 have a very significant impact on the community in which  
22 ARB makes its next home. But I'm here this morning -- or,  
23 excuse me, this afternoon now, to -- very happy to discuss  
24 with you why this city is such a great fit for the Air  
25 Resources Board.

1           We know that Riverside is a great fit for you to  
2 thrive as an agency. Your new home in our city will put  
3 you in great company in the middle of thriving community  
4 and immediately adjacent to UC Riverside, one of the top  
5 research universities in the country and indeed the world.

6           UC Riverside is an integral part of our city and  
7 would play a similar role for the ARB. Its faculty,  
8 students, its research laboratories, its centers of  
9 excellence all offer a wealth of knowledge and a deep pool  
10 of potential collaborators for you.

11           Alongside of them in our city and our region  
12 stand the California Baptist University, La Sierra  
13 University, California State University at San Bernardino,  
14 and the Riverside Community College District all centers  
15 of higher education and research that are ready in terms  
16 of their willingness to partner with the ARB.

17           And as you heard from Supervisor Benoit, the  
18 County of Riverside, the greater Riverside Chambers of  
19 Commerce, and UC Riverside are also ready to partner with  
20 the ARB, and not just to work with you, but to welcome you  
21 into our community. It's this kind of partnership that  
22 embodies who are and why we feel Riverside is a great  
23 choice for the ARB.

24           Our historic downtown, our Fox Performing Arts  
25 Center, where Steve Miller -- I'm sure we can work on

1 having him there.

2 (Laughter.)

3 MR. LOPEZ: Our beautiful neighborhoods, our  
4 parks and our recreation centers, our local schools and  
5 the four colleges and universities that I just mentioned.  
6 These are the things that make Riverside a great  
7 community. Our city, along with our partners, look  
8 forward to partnering with the ARB to ensure that your  
9 agency's employees know how much we look forward to  
10 welcoming them into our community, and to make them feel  
11 at home in the City of Riverside. So thank you very much.

12 CHAIR NICHOLS: Thank you so much. And we have  
13 indeed been warmly welcomed in Riverside when the Board  
14 came out there.

15 Dr. Benjamin Quillian from Cal Poly Pomona. Good  
16 afternoon.

17 DR. QUILLIAN: Thank you very much.

18 My name is Benjamin Quillian, acting vice  
19 president for administrative affairs and chief financial  
20 officer at Cal Poly Pomona.

21 On behalf of Cal Poly Pomona, I want to reaffirm  
22 our commitment to establishing a partnership with this  
23 Board. We believe there are tremendous opportunities for  
24 innovation, research, learning and advancement for your  
25 organization and for Cal Poly Pomona.

1 I might also mention that our campus is located  
2 only five miles from the offices of the South Coast Air  
3 Quality Management District, which will help facilitate  
4 coordination between the Board and the District.

5 We believe the proposed campus site will meet  
6 your needs in three respects. First, the amount of  
7 acreage available on our campus will provide the capacity  
8 to address evolving program needs for at least the next  
9 30 years and ensure that existing programs are achieving  
10 intended emissions reductions and other benefits. Second,  
11 the land designation is appropriate for this type of  
12 development project. And finally, there will be no cost  
13 to the State for this land.

14 Beyond meeting your basic needs, I think it's  
15 important for you to know also that environmental  
16 sustainability is a hallmark of our university. We are  
17 working to become completely carbon neutral by 2030. We  
18 have several LEED certified buildings and have been  
19 honored by many organizations for our green efforts.

20 Last year, for example, we received a Gold Star's  
21 rating from the Association for the Advancement of  
22 Sustainability in Higher Education. As you know, there is  
23 a group of students and some faculty members within our  
24 College of Agriculture who have expressed concerns about  
25 the use of ag land for other purposes.

1           But let me be clear about two points. First,  
2 there are different perspectives within the College of  
3 Agriculture about how ag land should be used.

4           Second, all of the students support the Air  
5 Resources Board locating on our campus. And I should also  
6 point out that the School of Ag uses 500 acres of campus  
7 property.

8           We are excited by the shared opportunities for  
9 education and research as it relates to engineering, the  
10 sciences, and agriculture. And finally, we're proud to  
11 have the support of the California State University  
12 Chancellor Timothy White, State leaders, and the entire  
13 Los Angeles County Board of Supervisors.

14           Cal Poly Pomona is a university with the right  
15 experience and incredible opportunities. And we all hope  
16 that we can be partners on this journey.

17           Thank you very much.

18           CHAIR NICHOLS: Thank you very much.

19           Thanks also to Dr. Coley who has been very  
20 helpful in responding to questions and following up with  
21 us as well.

22           So we are blessed with choices, good choices, but  
23 we have more work to do. The staff has more work to do  
24 before they can come back to us with a recommendation. I  
25 understand you're hoping to be ready shortly after the

1 first of the year?

2 ADMINISTRATIVE SERVICES DIVISION PROJECT MANAGER

3 FLETCHER: Yes. Our plan is to release a staff report in  
4 mid-January that would have the staff's recommendations in  
5 it, and the analysis that we've been doing over the last  
6 six months. That would be out for a 30-day public  
7 comment, and then you folks would consider it at your  
8 Board meeting in February.

9 CHAIR NICHOLS: Great. Any questions at this  
10 point?

11 Yes, Dr. Sperling. We're not coming to Davis.  
12 (Laughter.)

13 BOARD MEMBER SPERLING: Funny thing.

14 CHAIR NICHOLS: This is a Southern California  
15 facility.

16 BOARD MEMBER RIORDAN: Davis.

17 BOARD MEMBER SPERLING: Funny thing, you said  
18 that.

19 (Laughter.)

20 BOARD MEMBER SPERLING: But, as someone familiar  
21 with universities --

22 (Laughter.)

23 BOARD MEMBER SPERLING: -- you know, clearly  
24 CE-CERT has the strong graduate program in air quality  
25 engineering, but universities have the opportunity to --

1 you know, to make changes. And this is a five-year lead  
2 time, so I would think that one could negotiate -- I mean,  
3 one could negotiate with Cal Poly Pomona to recruit -- to  
4 make a commitment to recruit new faculty members in the  
5 air quality engineering area. And, I mean, that would  
6 show evidence of good faith, because, in fact, the  
7 synergies are really important, you know, in terms of  
8 student training, and so on. And so just a thought.

9 CHAIR NICHOLS: Well, my understanding is that we  
10 actually do currently do some research with Cal Poly  
11 Pomona, is that not correct?

12 ADMINISTRATIVE SERVICES DIVISION PROJECT MANAGER

13 FLETCHER: That's not correct actually.

14 CHAIR NICHOLS: Oh.

15 ADMINISTRATIVE SERVICES DIVISION PROJECT MANAGER

16 FLETCHER: I don't think we have -- we used to have  
17 contracts -- Cal Poly used to run the Cal -- the Hornet  
18 found -- not the Hornet Foundation, but the student  
19 contracts for many years, so that was millions of dollars,  
20 but that has not been done --

21 CHAIR NICHOLS: I know we have recruited from  
22 there graduates for our employee base. So we do have some  
23 active proponents of this site working on our staff at the  
24 moment. I want to say a word about that in a minute, but  
25 I want to make sure we have a chance to have Board members

1 ask any questions.

2 Ms. Riordan.

3 BOARD MEMBER RIORDAN: Well, thank you. This is  
4 a request of staff. But just to those of you who came  
5 today, thank you very much, because I know you're all very  
6 interested in the outcome of this quest for a new site.

7 One of the things that I am interested in, staff,  
8 which I wasn't -- I clearly understood the transit issues  
9 from the first site in Riverside that was proposed,  
10 because we physically were there and we saw it. But I'd  
11 like to have you, if you wouldn't mind, to go over again,  
12 not here today, but maybe for the Board, when you actually  
13 submit your next analysis, a very clear analysis of the  
14 transit to the second Riverside site, as well as let's go  
15 back to the Pomona site as well.

16 I just want to be real clear on what is needed  
17 and what can happen, and if there is input from either  
18 group that is here today, from either Riverside or Cal  
19 Poly, to that transit issue. I think we would welcome any  
20 information that you have, or any future development,  
21 because sometimes transit is thinking. They plan ahead as  
22 you know way far in advance. So I think we want to also  
23 be very clear about what are the plans for transit to  
24 these two particular sites. If you could get that please,  
25 I would be very grateful, because I think that's very

1 important, not only for our staff, but also for anybody  
2 who might be doing business with us or having some sort  
3 of, you know, interaction with us. And so if you -- if  
4 you would collect that, I would be very pleased.

5           And I would just tell you that I've learned  
6 something today. I live, as you well know, not far from  
7 either of these sites, quite frankly. Never did I know  
8 about this guitar business.

9           (Laughter.)

10           BOARD MEMBER RIORDAN: I had no idea. I'm going  
11 to go home with a pearl of wisdom that I've never had  
12 before, and I do appreciate that. Thank you.

13           CHAIR NICHOLS: Who said that this wasn't an  
14 opportunity for learning.

15           (Laughter.)

16           CHAIR NICHOLS: All right. Other questions or  
17 comments?

18           Mr. De La Torre, you served with Mrs. Riordan on  
19 the subcommittee that I'd ask to help with this process.  
20 Do you have any additional thoughts?

21           BOARD MEMBER DE LA TORRE: Well, other than we're  
22 dealing with two completely different proposals than what  
23 we started with --

24           CHAIR NICHOLS: That's true.

25           BOARD MEMBER DE LA TORRE: -- in that meeting

1 that we had. As I was telling some folks before, we  
2 started with two plan A's and now we're dealing with two  
3 plan B's. You know, I want to see the comparison of the  
4 two as they exist now. I have a good sense of what each  
5 of them are, but I do want to see the relative merits and  
6 de-merits of each of the proposals as they are today. And  
7 I think we need to take that time to do that.

8 CHAIR NICHOLS: Yeah, I agree. I agree.

9 BOARD MEMBER DE LA TORRE: Thank you.

10 CHAIR NICHOLS: They clearly both have been  
11 listening and have been responsive, but that means the  
12 proposals have changed.

13 Ms. Berg.

14 VICE CHAIR BERG: Thank you. And thank you,  
15 staff. This is a very exciting program. And I was able  
16 to participate in the very beginning. I did attend the  
17 early visits. These are two very impressive institutions,  
18 and I'm glad I'm not going to be involved in the toin  
19 coss{SIC} as we get down, because it is two very exciting  
20 opportunities.

21 I really did want to thank both of the students  
22 from the College of Agriculture. You came a far way to  
23 come up here and make your presentation, and I want to  
24 personally thank you for that. I have seen your site, and  
25 it is impressive the things that are going on there.

1 I think it's important that if we do select Cal  
2 Poly Pomona, we want to be very good neighbors. And so I  
3 would invite you to be vocal, but trust the process. And  
4 in trusting that process, things open up sometimes that we  
5 don't actually see right now. And so I would just invite  
6 you to that, and thank you very much for coming up.

7 And with that, good luck staff. This is a  
8 really, really hard decision. UCR, what an impressive  
9 institution. There are so many great things. I also will  
10 add to your learning, Barbara. As Ellis Paint provides  
11 the coatings that go on many of the Fender guitars.

12 (Laughter.)

13 VICE CHAIR BERG: So --

14 BOARD MEMBER RIORDAN: Well, that is really  
15 interesting.

16 VICE CHAIR BERG: -- you know, I will just add to  
17 that. But also on Cal Poly Pomona, the paint industry has  
18 a program at Cal Poly Pomona. And we have been involved  
19 with Cal Poly Pomona for decades. It is one -- it is the  
20 only paint coatings course in the Southern California  
21 area. The other one is at Cal Poly San Luis Obispo.  
22 That's actually a graduate class. These are the only  
23 polymer coating courses west of the Rockies.

24 So I -- you know, it would be like choosing  
25 between two wonderful children. So good luck.

1 (Laughter.)

2 VICE CHAIR BERG: Thank you.

3 CHAIR NICHOLS: Well, let me just add, first of  
4 all, a word of appreciation to the students who have  
5 participated actively in this process. They came to talk  
6 to us when we visited the site, not these two individuals,  
7 but others that are part of their group. And clearly,  
8 they care passionately about their school and about their  
9 education. And the fact that so many of them are first  
10 generation college attendees speaks very, very well to  
11 what the institution is providing.

12 It's also, I think, worth saying that we are  
13 building a facility for the long term. As has been  
14 pointed out, five years to opening time is optimistic, but  
15 I think it's realistic. And I hope it could be sooner,  
16 but I'm willing to live with that, if that's what it  
17 takes.

18 But what that means is that during the period  
19 that this facility is going to be alive and a vibrant  
20 contributor to the program, a whole new generation of  
21 people will be coming to work for the Air Resources Board.  
22 And so while in no way minimizing the intense feelings of  
23 our current employees, we need to also be focusing on the  
24 people who are to come.

25 Having said that, I have been made aware that

1 we've been doing a lot of presenting and consulting. Bob  
2 has done many briefings, and there's been a lot of  
3 information shared with the staff in El Monte about the  
4 process. But I know that there are people who feel that  
5 they would like to have more direct explicit input to us.  
6 And I'm hesitant to recommend a poll, because I think  
7 those things are too easy to manipulate or misinterpret.  
8 It's very hard to have a poll that speaks to everybody.

9           But I would like to ask the staff if you could  
10 formally open up a process whereby employees could make  
11 their views on this known. Perhaps, a special place on  
12 our website, on our intranet site, where people could file  
13 their comments and views with the assurance then that they  
14 would be made available to the Board members, so that we  
15 can hear from people about their views on this.

16           And I will leave it to you to determine exactly  
17 how to do, but I do think it's important that we make an  
18 extra effort to reach out from the Board itself on this.

19           EXECUTIVE OFFICER COREY: Yes. Thanks, Chairman.  
20 That's understood, and we will pull a plan together and  
21 get that going.

22           CHAIR NICHOLS: Okay. Well, with that, thank you  
23 for all your good work so far. Thanks to those who have  
24 participated. And we'll be eagerly awaiting the staff  
25 report in mid-January.

1           If there are no other speakers -- did anyone sign  
2 up for general public comment?

3           BOARD CLERK JENSEN: (Shakes head.)

4           CHAIR NICHOLS: All right. Then I think we are  
5 in fact ready to adjourn.

6           Happy Holidays to all, and we'll see you in  
7 January.

8           (Thereupon the Air Resources Board meeting  
9 adjourned at 1:00 PM)

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## 1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand  
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the  
5 foregoing California Air Resources Board meeting was  
6 reported in shorthand by me, James F. Peters, a Certified  
7 Shorthand Reporter of the State of California, and was  
8 thereafter transcribed, under my direction, by  
9 computer-assisted transcription;

10 I further certify that I am not of counsel or  
11 attorney for any of the parties to said meeting nor in any  
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 30th day of December, 2015.

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19 

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21  
22 JAMES F. PETERS, CSR  
23 Certified Shorthand Reporter  
24 License No. 10063  
25