

Bay Area Air Quality Management District
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DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
9:30 a.m., Wednesday, July 29, 2009

Call to Order - Roll Call: Chairperson Pamela Torliatt called the meeting to order at 9:30 a.m.

Present: Pamela Torliatt, Chairperson; Brad Wagenknecht, Vice Chairperson; Chris Daly, John Gioia, Mark Ross and Gail B. Uilkema

Absent: Secretary Tom Bates, Scott Haggerty and Yoriko Kishimoto

Also Present: Hearing Board Member Terry Trumbull and Foundation Officer Marland Townsend

Public Comment Period: None

Approval of Minutes: Vice Chairperson Wagenknecht made a motion to approve the June 29, 2009 minutes; seconded by Director Daly; carried unanimously without objection.

Quarterly Report of the Hearing Board – April 2009 – June 2009: Mr. Terry Trumbull, Hearing Board Member, gave the Quarterly Report for April 2009 through June 2009.

Production System Update – Staff Presentation by Director of Information Systems Services John Chiladakis

Mr. Chiladakis provided the Committee with an update on the production system, discussed the timeline of events since the system's first approval in December 2006 to the present, noting that 18 core processes had been analyzed in divisions to optimize efficiency and consistency. Testing occurred every six months and he reviewed the following deliverables completed to date:

- Business Process Improvement
- Technology Selection
- Design and Prototyping
- Online Registration
- Map Integration
- Inspection Assistance

He then reviewed scheduled deliverables as being On-Line Permits, Field Inspection Assistance, On-Line Permit Renewal, NOV Automated Workflow, Title V Permits Integration, and On-Line Activity Authorization. Proof of concept was done with map integration, as well as an inspection assistance product for wood smoke investigation.

Committee/Staff Discussion and Comments:

Directors discussed on-line processes, the desire for air quality links on City and County websites, business process analysis and design, automating grant processes, providing future alternative language capabilities, and on-line reporting of grant awards and payment systems.

Committee Action: None; for information only.

Overview of Strategic Facility Planning Process – Staff Presentation by Senior Policy Advisor Mary Ann Okpalaugo

Ms. Okpalaugo provided an overview of the Strategic Facility Planning Process, stating that the Air District's building is inefficient with regard to energy and deferred maintenance. Its current operational maintenance cost is \$1.825 million.

The Budget & Finance Committee received an overview of the initial RFP in October 2008 and directed staff to provide a status report on vendor selection. Capital facility planning responsibilities were assigned to the Budget & Finance Committee and approved by the Board of Directors on May 6, 2009.

Ms. Okpalaugo said 8 RFP's were received by the deadline, with 2 companies scoring very high, 3 scoring moderately high, and 2 scoring low. A revised RFP was issued May 2009 and the top 3 companies responded. Based upon proposals received, panel review and interviews, HOK, Inc. was selected for a contract amount not to exceed \$35,000.

Pamela Adams, President, HOK, presented a project schedule, discussed initial kickoff meetings with the facilities working group and Executive Management staff and said they will conduct a series of outreach and interviews with division staff and conduct an employee survey.

Ms. Adams then presented a chart of comments and responses relating to building image and character, which revealed a desire for being sustainable/green, functional, a good neighbor, leader, forward thinking, innovative, light-filled and contemporary. Comments on work space interior revealed a desire for being functional, professional, efficient, fiscally sound, technology rich, inclusive and quiet.

Committee/Staff Discussion and Comments:

Director Gioia questioned and confirmed the location of District offices in Richmond and their respective leases.

Chairperson Torliatt suggested the facility embody an educational component focusing on air quality issues.

Director Gioia questioned when location would be discussed as part of the planning process. He discussed co-locating with another regional agency and believed this should be part of the process sooner as opposed to having the design of the building dictate where the District will locate.

Directors briefly discussed potential interest by ABAG staff, discussions with MTC, and Mr. Broadbent reiterated the primary goal to plan for the needs of the District.

Terry Green, Administrator of Technical Services, MTC, said that MTC has had conversations regarding strategic co-location and noted that staff is in the preliminary stages of discussions.

Director Daly supported the process with one caveat—he does not believe it is green to move out of the current building and convert another green space, as it is less environmentally conscious than staying put. He suggested discussion be held on reuse of the building and for the District to address green issues whether the current building is sold or not.

Director Uilkema suggested that discussions focus on financing, resources, grants and current assets, that all alternatives be explored, and that the District determine whether or not Executive Directors of regional agencies are truly interested.

Director Gioia requested clarification as to whether or not there is interest by MTC, ABAG and BCDC which would end up being more cost effective. He asked that a range of cost be determined because this will dictate specifics of the relocation involving acreage, locations, transportation and design.

Chairperson Torliatt noted that next steps would include a summary of survey results and recommendations and she supported the proposed process. Mr. Broadbent said staff is in the initial phases of the project, discussions are being held with regional agency staff, and financial considerations will be brought forward to the Budget & Finance Committee and to the Board of Directors.

Director Ross supported a needs assessment and agreed with Director Daly's comments.

Director Uilkema suggested that staff also research the possibility of partnering with less obvious agencies than those already identified.

Committee Action: None; for information only.

Update of the Air District Foundation – *Staff Presentation by Principal Environmental Planner Young*

Mr. Broadbent provided a background of the Air District Foundation, stating that the Executive Committee directed staff to research options for a Clean Air Foundation to fund climate protection activities. A 501(c)3 incorporation has been established, the Board approved the By-laws and appointed himself, Marland Townsend and Jeffrey McKay as interim officers. He reported that an initial settlement of \$250,000 has been received and will be deposited into the Foundation account.

Principal Environmental Planner Young said the goals of the Foundation are to reduce GHG emissions and criteria pollutants, with the objective to create value by generating offsets, assist stationary sources, foster innovation and build/replicate best practices. She reviewed funding sources as potential donors, said primary funding mechanisms can come from grants and loans and that investments could create carbon offset. Potential projects include energy reduction in stationary sources, mobile source programs and forestry and agriculture.

Ms. Young presented a funding matrix which identified potential project types and those which could be funded from grants, loans and those which create offsets.

In moving forward for the current fiscal year, staff expects to determine categories of projects to be funded. For the next fiscal year and beyond, staff will continue researching options for carbon offsets and loans, continue exploring funding options, and promoting the Foundation to potential donors.

Committee/Staff Discussion and Comments:

Director Ross confirmed with staff that education could be a component of the Foundation and questioned the potential for a perceived conflict of interest, citing donors seeking permit approval and those purchasing offsets to meet regulations. Ms. Young noted the Foundation is not private; the IRS has guidelines which deal with conflicts of interest for board members and personal gain, and separation is created by the incorporation of the Foundation.

Director Daly noted that permitting is made at the staff level and not by the Board of Directors. He felt the public should be made aware that Board decisions are completely independent of the Foundation, that some Board members prefer regulation and taxation as opposed to capping and trading, and suggested incorporating wording in the objectives that states the District feels strongly about using its regulatory powers to achieve its goals. Director Gioia agreed with separation of the two issues but voiced concern about the perception of a conflict of interest and said credibility of the agency must be considered.

Chairperson Torliatt thanked staff for their presentation and requested an update be provided at the next Executive Committee meeting.

Committee Action: None; for information only.

Consideration of Board of Directors' Policy on California Air Resources Board Appointments - Staff Presentation by Executive Officer/APCO Jack Broadbent

Mr. Broadbent said the Board had expressed an interest in developing a protocol for future Board members being appointed to the California Air Resources Board (CARB). He said the position is appointed by the Governor, Director Yeager has been selected and the District has had no formalized process in the past.

Committee/Staff Discussion and Comments:

Director Gioia agreed that the matter is a political appointment by the Governor and legislature, he believed there was no statutory provision for the District to make a recommendation, he thinks it would put members at odds with each other, and suggested that a notice of the vacancy be provided to Board members in the future to determine interest.

Chairperson Torliatt supported the District Board weigh in on the matter citing the fact that a member of the Air District Board is seated on the CARB Board of Directors.

Director Uilkema acknowledged the position is appointed by the Governor and concurred with announcing the vacancy to Board members. She did not support the Board weighing in on the matter and believes involvement would polarize the Board's current healthy relationship. However, if asked by the selected Board member, she would accommodate in providing a letter of support.

Director Ross believed that weighing in on the matter may backfire and noted the Board's choosing has no resonance in the process.

Director Daly confirmed with staff that the South Coast Air District used to recommend the Chair be appointed, and Director Gioia felt there was also nothing to prevent individual Board members from writing personal letters to the Governor.

Committee Action: Vice Chairperson Wagenknecht summarized Committee member discussion and suggested that staff return the matter to the next Executive Committee meeting, with the following direction:

- The Chair will notify Board Members when there is a vacancy and indicate the timeframe and process for applying;
- The Board of Directors and staff will not prepare letters of recommendation. Individual Board Members will not be precluded from writing individual letters of support.

Update on the Indirect Source Rule – Staff Presentation by Air Quality Planning Manager Dave Vintze

Mr. Broadbent suggested, and Chairperson Torliatt concurred, to continue the matter. She requested the item be agendaized at the beginning of the next Executive Committee meeting.

Committee Action: Continued item to next Executive Committee meeting.

Committee Member Comments/Other Business:

Director Uilkema confirmed that the proposal for two year Board officer terms would be discussed at the next Executive Committee meeting.

Time and Place of Next Meeting: At the call of the Chair.

Adjournment: The meeting was adjourned at 10:57 a.m.

Lisa Harper
Clerk of the Boards