

Bay Area Air Quality Management District
939 Ellis Street
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(415) 749-5000

DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
9:30 a.m., Thursday, August 5, 2010

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

Present: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; Committee Members Chris Daly, Susan Garner, Scott Haggerty, Mark Ross, Pamela Torliatt and Gayle B. Uilkema

Absent: None

Also Present: Hearing Board Chairperson Tom Dailey, M.D.

Public Comment Period: None

Approval of Minutes: **Committee Action:** Director Uilkema made a motion to approve the May 24, 2010 minutes; seconded by Director Ross; carried unanimously without objection.

Quarterly Report of the Hearing Board – April 2010 – June 2010

Hearing Board Chairperson Tom Dailey presented the Quarterly Report of the Hearing Board – April 2010 – June 2010. He briefly reviewed filings of Accusations by District Counsel relating to gas station EVR compliance, noting that several hearings have been scheduled and held before the Hearing Board, with many to follow. He especially thanked District Counsel and the Hearing Board Clerk for their work on Hearing Board matters.

Committee Action: None; for information only.

Production System Project Update

Deputy APCO, Jeffrey McKay, introduced the update and emphasized that the project team has integrated various geospatial, regulatory, and applicant information in a seamless fashion. He discussed the thoroughness of review which is reflective of results achieved.

Director of Information Services, John Chiladakis, discussed current technology for permitting and inspections and said the District is currently a paper-based organization. He discussed manual business processes of reviews and approvals, said staff reviewed overall processes in an attempt to streamline operations, and presented the current system to input permit

applications. He reviewed staff's efforts and work with a consultant to map out optimization with criteria to improve staff efficiency in permitting. The system will improve consistency for the regulated community. It will enhance customer experiences, resources and deliverables, with a project philosophy to use computer information systems to integrate information through smart inspection and permitting.

Mr. Chiladakis reviewed project metrics which involve customer self-service for 60% of permits issues and 90% of permit renewals and reducing the turnaround time for permits from 45 days to minutes with the hopes of performing more field compliance tasks.

Committee Comments/Questions:

Directors questioned how information and permitting is verified and questioned the status of registrations. Mr. Chiladakis said certain source categories are reviewed and audited, and information is also verified in the field. He then gave an example demonstration of an online registration, a permit customer portal, and an Engineering Manager portal. He explained that the District has about 1,000 registrations to date, and less than 10 questions having been received regarding registration.

In response to timeline and funding for the project, Mr. McKay said in 2006 staff brought forward the project with the goal of completing it by 2010 and at a cost of \$5.6 million from reserves. He briefly discussed outside resources, technology transfer and education of staff to support the system, as well as underlying rules created in a way that are accessible to inspection and engineering staff. He added that there could be expenses to further improve the District's business in other areas such as records storage, grants, accounting, and others. Staff proposes to cover on-going expenses utilizing internal staff with the existing information systems budget. He said senior staff will soon meet to review deployment to ensure a smooth transition, and a plan will be developed which will be presented at the next Committee meeting.

Directors questioned back-up of information and suggested staff review and consider proprietary issues. Mr. Chiladakis agreed that the District's backup servers are dated; a co-location facility has been established to currently replicate key systems. Mr. Broadbent added that staff will review the issue of District proprietary development and return to the Committee with information.

Directors questioned employee feedback and training. Mr. McKay said key personnel in many divisions were identified as leads in 2006. There is a lot of excitement among employees and the system will provide significant efficiencies. Mr. Chiladakis reviewed the support system centered around engineering to help customers in the field, in-house IS support staff to handle questions from staff, and a formalized training program being developed for staff to utilize every part of the system.

Directors questioned and confirmed that other air districts have been surveyed and do not have comparable systems. Directors questioned and discussed intellectual property protection for the system, noting the potential for it to be a valuable asset to multiple organizations. Staff was asked to ensure that copyright laws are upheld for the District's benefit. Mr. Bunger noted that the system was developed with a lot of input and customization; it is unique because of the District's licensing of underlying software and specific rights, and he suggested that there may be potential interest for the District to serve as a host to other organizations.

Mr. Broadbent provided closing remarks, emphasized that the system is one of the District's highest priorities. He recommended a presentation to the Board of Directors be held on September 1, 2010.

Committee Action: None; for information only.

Update of Strategic Facilities Planning Process

Director of Administration, Jack Colbourn, introduced and welcomed Pat Jones from ABAG and Teri Green from MTC. He reported that the Board provided staff direction to move forward with choosing a firm to develop a feasibility study in order to determine cost effectiveness.

Strategic Facilities Planning Manager, Mary Ann Okpalaugo, introduced representatives from CB Richard Ellis (CBRE). She said on May 24, 2010, the Executive Committee received a status report on the Strategic Facilities Planning process which included an overview of a Request for Information (RFI) for Commercial Real Estate Broker and Advisory Services and a Request for Proposal (RFP) for Commercial Real Estate Broker Services. At its June 2, 2010 meeting, the Board approved establishment of a Strategic Facilities Planning Ad Hoc Committee comprised of the Chair, Vice-Chair, and Executive Officer/Directors of the Air District, Metropolitan Transportation Commission (MTC), and the Association of Bay Area Governments (ABAG).

An interview process was held for the Phase II portion of the project with the primary objective of exploring alternative headquarters solutions and a real estate strategy that best fits the needs of the District, MTC, and ABAG. Eight proposals were received, panel interviews were held, and CBRE was chosen for the contract award in an amount not to exceed \$65,000 for services. Ms. Okpalaugo then introduced Raul Campos and Darin Bosch of CBRE, who provided a brief presentation.

Raul Campos discussed project organization, scope of work and process, noting that CBRE's brokerages services and capital market as being the largest in the United States. He highlighted that CBRE's core focus is larger, tenant advisory and headquarters strategies. He acknowledged the three agencies' needs of one common mission, and said their scope of work involves a strategy to determine facility and real estate planning criteria, develop alternative real estate scenarios, compare costs, benefits and risks with base case, and review with stakeholders, executives and board members to build consensus on final real estate strategy.

Aside from a common vision, he said there are more specific issues with each agency, and he noted that the Phase II will be the development of these scenarios. Three segments of work will include: 1) a needs analysis to determine facility and real estate criteria, 2) scenario planning to develop alternative real estate solution scenarios, and 3) strategy development and review with stakeholders and refining of solutions.

Mr. Campos briefly reviewed the San Francisco and Oakland real estate climates and credit market and values, which reveals that 2012 will be the peak year for lease renewals. He said CBRE looks at build-to-suit, Class A buildings, and older buildings that can be successfully renovated.

Darin Bosch, CBRE, briefly discussed rental markets in both San Francisco and Oakland. He clarified with Directors that the approximately 200,000 square feet of office space is needed for all three agencies, with shared Board meeting space, with each agency having a strong

preference for a location near transit. Purchase options and recommendations will be presented to the Strategic Facilities Ad Hoc Committee on September 21, 2010.

Pat Jones, ABAG, discussed their board's exploration of the consolidation which they believe has merit, and she noted their organization comprises of 80 employees who primarily live in the East Bay, and San Francisco and other regions.

Terry Green, MTC, voiced interest in consolidating and acknowledged the sensitivity of the office location. She said MTC has 200 employees primarily in the East Bay, expressed the importance of the proximity to public transit, and noted their Board is awaiting information from CBRE. They currently have enough space, are not growing, and the building has recently been seismically retrofitted.

Committee Action: None; for information only.

Update of Video Conferencing and Webcasting Capabilities

Jack Broadbent, Executive Officer/APCO briefly introduced the item, stating opinions have been expressed both ways about whether or not Board Members should call in by telephone and Mr. Hundel would review the District's capabilities with the Committee.

Business Manager, Satnum Hundel, gave the staff presentation and said two remote video conference locations have been confirmed; one in Santa Rosa at Santa Rosa Junior College and one in San Jose at the County of Santa Clara Building. An East Bay location is yet to be determined.

Mr. Hundel reviewed benefits such as increased public access to Committee meetings, convenience for Board Members, low cost, and he then demonstrated video conferencing capabilities at the two remote locations.

On the topic of webcasting Mr. Hundel said webcasting for Board meetings was done at the June 16, 2010 meeting, which was viewed by 40 people with 135 hits. He confirmed that the District does not have equipment in place and, therefore, the cost for each webcast meeting is currently about \$5,000, plus an additional \$660 monthly fee for software licensing. He noted that it would cost approximately \$80,000 to install robotic cameras and have one staff member control and "tag" agenda items.

After brief discussion, Committee Members unanimously recommended moving forward and supported the upfront investment of equipment at approximately \$80,000. Staff will next webcast the September 15, 2010 Board of Directors Meeting.

Committee Action: None; for information only.

Committee Member Comments/Other Business: Vice Chair Bates congratulated staff on their work on the production system. Regarding relocation efforts, he asked fellow Board Members to think about first serving the District's own purpose, as relocation may be more difficult for other agencies.

Draft Minutes of the August 5, 2010 Board Executive Committee Meeting

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

Adjournment: The meeting was adjourned at 11:15 a.m.

Lisa Harper
Clerk of the Boards