



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

**BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING**

COMMITTEE MEMBERS

**BRAD WAGENKNECHT –
CHAIRPERSON
MARIA AYERDI
MARK DeSAULNIER
DENA MOSSAR
JOHN SILVA**

**PAMELA TORLIATT–VICE CHAIRPERSON
CHRIS DALY
LIZ KNISS
MARK ROSS**

**MONDAY
NOVEMBER 17, 2003
9:30 A.M.**

**FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES**

AGENDA

1. CALL TO ORDER - ROLL CALL

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. APPROVAL OF MINUTES OF JUNE 9, 2003

4. SUMMARY OF 2003 LEGISLATION

T. Addison/5109

taddison@baaqmd.gov

Staff will present a summary of bills that the District adopted positions on, and how those bills fared this year.

5. POTENTIAL LEGISLATIVE PROPOSALS FOR 2004

T. Addison/5109

taddison@baaqmd.gov

Staff will present potential legislative measures for consideration by the Committee to form the District's legislative agenda for 2004.

6. COMMITTEE MEMBERS' COMMENTS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. TIME AND PLACE OF NEXT MEETING AT THE CALL OF THE CHAIR

8. ADJOURNMENT

**CONTACT CLERK OF THE BOARDS - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities (notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:30 a.m., Monday, June 9, 2003

1. Call to Order - Roll Call: Chairperson Wagenknecht called the meeting to order at 9:45 a.m.

Present: Brad Wagenknecht, Chairperson, Maria Ayerdi, Liz Kniss, John Silva, Pam Torliatt.

Absent: Chris Daly, Mark DeSaulnier, Dena Mossar, Mark Ross.

Also Present: Scott Haggerty (9:47 a.m.).

2. Public Comment Period: There were none.

3. Approval of Minutes of April 9, 2003: Director Kniss moved approval of the minutes; seconded by Deputy Director Ayerdi; carried unanimously by acclamation with Directors Torliatt and Silva abstaining.

4. Consideration of new Legislation and Corresponding Agency Positions: Staff presented the following bills with a recommendation for each one:

Bill	Brief Description	Staff Recommendation
SB 288 (Sher)	<i>New Source Review Restoration Act of 2003</i>	Support in concept, and seek amendments
AB 170 (Reyes)	<i>Mandates that, over time, local governments in the San Joaquin Valley adopt air quality elements in their General Plans</i>	Support
AB 1409 (Wolk)	<i>Allows buses longer than 40 feet to have bike racks in front</i>	Support

Tom Addison, Advanced Projects Advisor, stated that there has been some significant legislation since the Committee last met. Mr. Addison discussed the bills as follows:

SB 288 (Sher) is an attempt to prevent the Federal New Source Review (NSR) program from being weakened. Staff are strongly supportive of this goal. However, there is language in the bill that sets up a new category of citizen suits whereby stationary sources, local districts, and the Air Resources Board (ARB) could all be sued by anyone, and could end up paying attorneys' fees to the plaintiffs, regardless of whether the plaintiffs won or lost. In addition, the bill as drafted, would weaken the Air District's NSR program, which is more stringent than that previously mandated by the US Environmental Protection Agency (EPA).

There was considerable discussion on what position the Committee should take on the bill.

Committee Action: Director Kniss moved the Committee recommend the Board adopt a position to "Oppose the current language, but support the intent of the legislation and seek amendments;" seconded by Deputy Director Ayerdi; carried unanimously by acclamation.

AB 170 (Reyes) would mandate that local governments in the San Joaquin Valley include air quality elements in their general plans. This bill is for the San Joaquin Valley only and looks at the transportation, land use, and air quality connection. Staff is recommending a support position. During discussion, the Committee determined that the staff position should be changed to "Watch" instead of "Support."

Committee Action: Director Kniss moved the Committee recommend the Board adopt a "Watch" position on AB 170 (Reyes); seconded by Director Torliatt; carried unanimously by acclamation.

AB 1409 (Wolk) is being sponsored by the Metropolitan Transportation Commission, and would amend state law to allow bike racks to be placed on the front of buses longer than 40 feet. The unions are no longer opposed to this bill.

Committee Action: Director Haggerty moved that the Committee recommend the Board adopt the staff's recommendation of "Support" on AB 1409; seconded by Director Silva; carried unanimously by acclamation.

5. Discussion or Comments by Committee Members on any Previously Agendized Legislation, or Bills Included on Attached "BAAQMD Bill Discussion List-June 2003":

Mr. Addison noted that the three bills that would fund the Carl Moyer Program are dead and briefly discussed property tax issues that could affect the Air District.

6. Committee Members' Comments: Director Torliatt requested the list of bills and the Board positions be forwarded to MTC after the June 18th Board meeting.

6. Time and Place of Next Meeting: 9:45 a.m., Monday, July 14, 2003, 939 Ellis Street, San Francisco, CA 94109.

7. Adjournment: The meeting adjourned at 10:30 a.m.

Mary Romaidis
Clerk of the Boards

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
 Members of the Legislative Committee

From: Thomas Addison
 Legislative Analyst

Date: November 7, 2003

Re: Summary of 2003 Legislation

RECOMMENDED ACTION:

None (informational item)

BACKGROUND

At the start of 2003, the defining political issue of the year in Sacramento promised to be the State’s unprecedented budget crisis. Indeed, California’s financial woes certainly had far more influence on legislation this year than any other issue. However, the issue that will be remembered above all others was the gubernatorial recall.

We are currently roughly half-way through the 2-year legislative session. Typically, the Legislature would be on recess until early January of 2004. It appears, however, that Governor-Elect Schwarzenegger will call the Legislature into special session starting November 18th. Mid-year budget cuts are likely to be considered, if not in November, certainly early in 2004.

While well over 3,000 bills were introduced this year, most of these that had significant costs failed to become law. Because California’s financial woes were so large this year, the budget affected most policy discussions in Sacramento. Looking ahead to 2004, when the State’s fiscal woes will continue, the fiscal impact of bills will continue to be of paramount importance.

DISCUSSION

There were far more air quality bills introduced this year than has been typical over the last decade, and the District adopted formal positions on 26. These bills are presented in the table below. (The longer list of bills that staff track is presented in the much larger table that follows.)

<i>Bill</i>	<i>Brief Description</i>	<i>Final Board Position</i>	<i>Outcome</i>
AB 471 (Simitian)	Requires cruise ships to cut air emissions	Support	Sen. Approps.
AB 698 (Lieber)	Establishes “Perc” Cost Recovery Fund, and charges \$10 per gallon of perc used by dry	Support	Asm. Approps.

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	cleaners		
AB 720 (Matthews)	Specifies statewide policy on woodburning and voids local or air district rules	Oppose	Defeated in Asm. Natural Res.
AB 729 (Lieber)	Requires BAAQMD to impose refinery controls and grants BAAQMD indirect source authority	Oppose unless amended	Not heard
AB 740 (Pavley)	Clean Air, Clean Water, and Coastal Protection Bond Act of 2004	Support and seek amendments	Asm. Approps.
AB 788 (Chavez)	Delays ARB ability to regulate disinfectants	Oppose	Sen. Env. Quality
AB 854 (Koretz)	Eliminates perc use in dry cleaning and provides grants for less toxic alternatives	Support and seek amendments	Not heard (but see AB 998)
AB 925 (Richman)	Extends and increases air district expedited powerplant permitting	Oppose	Not heard
AB 998 (Lowenthal)	Establishes grant program for non-toxic alternatives to perc dry cleaning	Support	Chaptered
AB 1279 (Horton)	Allows SOVs into HOV lanes	Oppose	Not heard
AB 1409 (Wolk)	Allows bike racks on buses longer than 40 feet	Support	Chaptered
AB 1468 (Pavley)	Requires testing of negative air machines at asbestos abatement sites	Support in concept	Sen. Approps.
AB 1500 (Diaz)	Establishes Petroleum Pollution Cleanup and Prevention Act with \$1 per barrel petroleum fee	Support	Asm. Trans.
AB 1624 (Benoit)	Limits percentage of vehicles required to go to test-only smog check stations	Oppose	Not heard
AB 1637 (La Suer)	Deletes ARB's administrative penalty authority	Oppose	Not heard
SB 207 (Ackerman)	Removes district enforcement authority over vapor recovery equipment	Oppose	Sen. Env. Quality
SB 288 (Sher)	Protect California Air Act of 2003	Support in concept & seek amdmts.	Chaptered
SB 656 (Sher)	Requires ARB and districts to reduce PM emissions	Support	Chaptered
SB 700 (Florez)	Eliminates exemption for agriculture from air quality regulation	Support in concept	Chaptered
SB 702 (Florez)	Exempts medium-weight farm equipment from Moyer cost-effectiveness	Oppose	Not heard
SB 705 (Florez)	Eliminates agricultural burning and requires districts to develop alternative programs	Support if amended	Chaptered
SB 706 (Florez)	Specifies statewide policy on woodburning, and voids local or air district rules	Oppose	Not heard

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SB 708 (Florez)	Partially removes current smog check exemption for vehicles more than 30 years old	Support	Chaptered
SB 825 (Torlakson)	Creates Pedestrian and Bicyclist Safety and Mobility Fund	Support	Sen. Trans.
SB 916 (Perata)	Calls for election on \$1 bridge toll surcharge for transit	Support in concept	Chaptered
SB 981 (Soto)	Establishes Petroleum Pollution Cleanup and Prevention Act with \$0.30 per barrel fee	Support	Sen. Rev. & Tax

There were 10 bills on which we had either an “oppose” or “oppose unless amended” position. None of these bills became law. These bills would have eliminated local regulations controlling woodsmoke emissions, required an abbreviated permit process for powerplants, limited our enforcement against vapor recovery violations, required the BAAQMD to adopt a regulation on refinery fugitive emissions, and a variety of other things as well. Blocking all of these bills was a very successful outcome for us.

Our success with the 16 bills that we supported was more mixed, however. The majority of the bills that had significant costs (whether through bonds or fees) were unsuccessful, primarily as a result of the State’s financial problems. Perhaps most disappointing were the failures of AB 740 (Pavley), a bond measure for clean air, including funding for the Moyer and low-emission schoolbus programs, and AB 1500 (Diaz) and SB 981 (Soto), which both were petroleum fee measures that would have provided a stable, long-term funding stream for the Moyer program. The other most significant bills that we supported were SB 700 (Florez), SB 656 (Sher), SB 288 (Sher), and AB 998 (Lowenthal). Each of these bills was signed into law. SB 700 eliminated agriculture’s historic exemption from regulation by local air districts, and will bring about significant reductions especially in the Central Valley. SB 656 was perhaps the most important air quality bill this year. It increases the ability of ARB and local districts to aggressively implement measures to reduce fine particulate. AB 998 will cut emissions of the solvent “perc” used by dry cleaners, by imposing a new per-gallon fee on the solvent, and using the proceeds to incentivize cleaner technologies. SB 288 conceptually was designed to retain strong new source review programs in California, a goal the District strongly supports. As initially drafted, however, the bill presented substantial problems for local districts. After extensive negotiations with the sponsor, significant modifications were made which eased our concerns.

On the budget front, given the State’s fiscal crisis, 2003 was a remarkably good year for the District. We actually had a slight increase in subvention funds, which had been cut by a third in 2002. (In 2003, we received roughly 75% of the subvention amount we got in 2001.) But most significantly, the District did not lose any property tax revenues in 2003, despite a number of proposals that would have cut multi-county special district property tax funds. However, given the initial comments made by the Governor-elect on addressing the budget shortfall, and the magnitude of the deficit, staff anticipate that we will see dramatic cuts in both subvention and property tax revenues, in the 2004-2005 budget year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

See discussion above for budget impacts of this legislative year.

Respectfully submitted,

Thomas Addison
Legislative Analyst

Reviewed by: _____

FORWARDED: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Legislative Analyst

Date: November 7, 2003

Re: Potential Legislative Proposals for 2004

RECOMMENDED ACTION:

Recommend a legislative agenda for 2004 to the Board.

DISCUSSION

California's huge fiscal shortfall will again have a dramatic impact on legislation both introduced and passed in 2004. Additionally, the Governor-elect has pledged not to raise taxes, and to substantially reduce the vehicle license fee. Staff suspects that this legislative year will thus prove very challenging. Passing bills with costs to the State will likely prove quite difficult, and the District will almost certainly face the loss of subvention funds, and probably property tax revenues.

This situation certainly influences potential legislative proposals the District may consider in 2004. Staff recommends that our primary goal should be to minimize the fiscal harm to the District from the State. While we have been able to minimize fiscal effects in 2002 and 2003, Staff believes that prior successes will not be possible in 2004. Thus, our proposal is to mitigate to the extent possible the impact to the District of any State raids on District funding.

Staff proposes that an additional goal in 2004 should be to attempt to find a stable, long-term source of funding to mitigate emissions of diesel particulate. After 2004, the small trickle of Moyer funding established by Proposition 40 will end. Without legislation establishing a new funding stream for diesel cleanup, public exposure to unacceptably high levels of diesel particulate will continue. Establishing a new fiscal mechanism is thus a critical public health goal. Last year, the District supported two bills that would have established a per-barrel fee on petroleum—AB 1500 (Diaz) and SB 981 (Soto)—and funded diesel cleanup with part of the proceeds. Staff recommend continuing to support such measures this year, but also exploring other options. These could include higher registration fees for diesel vehicles, or an increase in the diesel fuel tax with new funds targeted to cleanup measures. Another possible option is an increase in the Transportation Fund for Clean Air. Since 1992, the \$4 yearly assessment has been constant. The South Coast and the San Joaquin Valley now each receive a fifth dollar, as authorized by State law. Such an additional dollar-per-vehicle in the Bay Area would be a very significant addition to our efforts to clean the air.

Staff is recommending these two proposals for consideration by Committee at this point.

BUDGET CONSIDERATION/FINANCIAL IMPACT

See discussion above for budget impacts of this legislative year.

Respectfully submitted,

Thomas Addison
Legislative Analyst

Reviewed by: _____

FORWARDED: _____