

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
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(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Wednesday, March 19, 2003
Following adjournment of 9:45 a.m. Board Meeting

1. Call to Order – Roll Call: 10:56 a.m.

Roll Call: Mark DeSaulnier, Chairperson; Jerry Hill, Julia Miller, Mark Ross, Marland Townsend, Shelia Young.

Also Present: Scott Haggerty.

Absent: Harold Brown, John Silva, Gayle Uilkema.

2. Public Comment Period: There were none.

3. Review of Mission, Goals, and Objectives of the Committee: *The Committee reviewed the mission statement, goals, and short-term objectives and provided direction to staff on future assignments and meetings.*

William C. Norton, Executive Officer/APCO, stated that the Board of Directors created the Committee to look at stationary sources and that Peter Hess, Deputy APCO, has worked on the goals and objectives and setting up the topics for discussion.

Mr. Hess reviewed the list of items that staff has identified as potential topics for discussion and stated that the topic of changes to the transport mitigation requirements that the Air Resources Board (ARB) is considering would be brought to the Committee at its next meeting. A review of the flare-monitoring rule would be a topic for a future meeting. The Committee requested that there be a discussion on the Title V program so that the Committee would have a better understanding of the implications of Title V.

Chairperson DeSaulnier discussed the objectives of the Committee and suggested there be at least one focus meeting at a refinery and/or a large stationary source where the Committee could take a tour.

Committee Action: The Committee gave direction to staff on matters the Committee wished to review.

4. Consider Recommending Approval of Supplemental Environmental Project Policy: *The Committee considered recommending that the Board of Directors approve a District policy*

regarding the use of Supplemental Environmental Projects (SEP) in settlements. The primary purpose of this Policy is to obtain environmental and public health protection and improvements that may not otherwise occur without the settlement incentives to be provided by this policy.

Mr. Norton stated that currently the District has no policy on the types of projects that the SEP settlement money can be used for and that there should be a policy in place from the Board before the District goes into the community to discuss eligible projects. Currently there is over \$800,000 available for Supplemental Environmental Projects.

Mr. Hess added that there are two parts to a settlement of notices of violation (NOV's), one is the penalty amount which is the portion that comes to the District, and another portion would be used for SEP projects. There would be limits on how the SEP money would be used in the community and the projects must have adequate nexus. Mr. Bunger stated that if the all the money collected were considered a penalty, the money would go into the General Fund Revenue. The SEP Policy would allow the District to earmark a portion of the amount collected in the settlement for expenditure in the community. Mr. Bunger stated that the project itself, in some cases, would be described in the framework of the settlement, and in other cases the District would collect the money and determine the project at a later date.

There was discussion on the nexus including the communities in the impacted area or region, or downwind from the impacted area. The primary requirement is a nexus requirement that the community impacted by the violation would get some benefit from it. In response to a question from Director Townsend, Mr. Bunger stated there is no matrix on various diseases to exposure to air pollution, but there are studies underway to establish some of these.

Speaker: Dan Phelan
CCEEB

The Committee discussed ways the affected communities would have input in establishing the SEP guidelines and policies. Mr. Bunger suggested that the guidelines and policies be taken to the Board so that the District could start taking care of the incoming projects. The Committee directed staff to contact any interested parties to receive feedback on the document. There was discussion on working on a simultaneous track and that the guidelines would be considered a "living" document. The Committee would review the Policy again in approximately three months, which would be after input is received from the interested parties.

Chairperson DeSaulnier summarized the discussion by stating that the Committee can go to the Board and indicate these are interim guidelines and policies and it will be recommended it be put in place for three months, at which time the guidelines and policies would be reviewed again by the Committee. Director Haggerty discussed the nexus issue and stated he is interested to see the results of the nexus because the episodes could affect other areas, possibly downwind. Director Ross requested that SEP's be limited to this Air District's region and that this should be included in the document.

Committee Action: The consensus of the Committee was to take the guidelines and policies to the Board and the Committee will look at them again in approximately three months after input from the community has been received.

5. **Committee Member Comments/Other Business:** There were none.

6. **Time and Place of Next Meeting:** The Committee members will be polled to confirm the next meeting will be immediately following the Board meeting of Wednesday, April 16, 2003.
7. **Adjournment:** 11:30 a.m.

Mary Romaidis

Mary Romaidis
Clerk of the Boards