

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET – SAN FRANCISCO, CA 94109

Approved Minutes: Board of Directors Regular Meeting – October 20, 2004

Call To Order

Opening Comments: Chairperson Scott Haggerty called the meeting to order at 9:46 a.m.

Roll Call: Present: Scott Haggerty, Chair, Harold Brown, Chris Daly (9:58 a.m.), Mark DeSaulnier, Dan Dunnigan, Erin Garner (9:55 a.m.), Jerry Hill, Patrick Kwok, Nate Miley, Julia Miller, Mark Ross, John Silva, Tim Smith, Pam Torliatt (10:05 a.m.), Marland Townsend, Gayle Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Roberta Cooper, Erling Horn, Liz Kniss, Jake McGoldrick.

Pledge of Allegiance: Jack Broadbent, Executive Officer/APCO, led the Board in the Pledge of Allegiance.

Commendations/Proclamations: There were none.

Chairperson Haggerty announced the November 3rd Board meeting is cancelled; the next Board meeting will be November 17th; and the December 1st Board meeting will be a Retreat at the Waterfront Plaza Hotel in Oakland. Chairperson Haggerty announced the members of the 2005 Nominating Committee as follows: Directors Miller, Smith, Silva and Hill. The Committee members will be notified when a meeting is scheduled.

Chairperson Haggerty deferred appointing members the Joint Policy Committee (JPC) until after a meeting on Friday in which there will be discussion in reference to Committee make up. The meeting will start at 9:00 a.m. at the Metropolitan Transportation Commission (MTC) headquarters and any Board member interested in serving on the JPC are invited to attend Friday's meeting.

Director Uilkema noted that there is a California State Association of Counties (CSAC) meeting the week of November 15th.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 8)

1. Minutes of September 15, 2004
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council. There was no report.

4. Quarterly Report of the Clerk of the Boards
5. Quarterly Report of Air Resources Board Representative, Honorable Mark DeSaulnier
6. Consider Approval of the Establishment of a New Classification of Executive Office Manager

The Board of Directors considered approval of the establishment of a new classification of Executive Office Manager at salary Range 133. This is a one-incumbent classification that would incorporate the current duties of Executive Secretary, Mary Ann Goodley.

7. Approval of Proposed Amendments to Administrative Code Division II, Section 3.6(c) Administrative Policies and Purchasing Procedures

The amendment allows the Executive Officer/APCO to approve refunds in excess of \$50,000. Each refund in excess of \$50,000 will be reported to the Board of Directors under the Consent Calendar.

8. Notice of 3rd Salary Advance

In accordance with Memorandum of Understanding, Section 7.12, requiring Board of Director notification of salary advances, the Executive Officer/APCO approved a 3rd salary advance for L'Tanya Lee for calendar year 2004.

Board Action: Director Brown moved approval of Consent Calendar Items 1 through 8; seconded by Director Miller; carried unanimously by acclamation.

Committee Reports and Recommendations

9. Report of the Stationary Source Committee Meeting of September 27, 2004

Action(s): The Committee recommended Board of Director approval of procedure to provide advance notification to the Board of Directors of permit applications for proposed new and modified permits that are to undergo public notice.

Director DeSaulnier presented the report and stated that the Committee met on Monday, September 27, 2004. Staff provided a report on the Air District's Community Air Risk Evaluation (CARE) program and reviewed the program and technical goals. Staff reviewed the background of the Air District's monitoring program; discussed successful risk reduction measures; and reviewed the District's toxic programs. The CARE program elements are: public outreach, a technical foundation, additional air monitoring, risk assessment, targeted action plans, and a legislative and regulatory agenda. An Advisory Committee will review the data that are gathered. The Committee requested staff provide a list of the possible members of the Advisory Committee before it is made final.

Staff provided a summary of the proposed revisions to the District's permit regulations and noted that larger facilities provide their own offsets and the District uses a Small Facility Bank (SFB) to provide offsets for smaller facilities.

Director Erin Garner arrived at 9:55 a.m.

Staff reviewed the upcoming lower CARB-required threshold for offsets (from 15 tons per year facilities down to 10 tons per year facilities) and proposed changes to the thresholds for facilities that may obtain offsets from the SFB (from a range of 15 to 50 tons per year facilities down to a range of 10 to 35 tons per year facilities). The four categories of miscellaneous revisions include an obligation to obtain a permit for all crematories, a provision to extend the term of authorities to construct, clarification of requirements for submittal of trade secrets, and a provision for certification of compliance with an authority to construct. There was a workshop on October 12th and staff intends to bring the revisions to the Board for approval in December 2004. The emission reductions from the revisions are approximately 20 tons per year. Staff was requested to provide a list to the Committee members of the plants affected by lowering the SFB eligibility.

Staff presented, and the Committee recommended that the Board approve the proposed procedures to notify the Board members of permit actions requiring public notice. The next meeting of the Committee is scheduled for Monday, November 22, 2004.

Board Action: Director DeSaulnier moved that the Board approve the report and recommendations of the Stationary Source Committee; seconded by Director Silva; carried unanimously without objection.

10. Report of the Executive Committee Meeting of September 29, 2004

Action(s): The Committee recommended Board of Director approval of the following items:

- A) Air District participation in the Hydrogen Highway Blueprint planning process;*
- B) Air District participation in the California Stationary Fuel Cell Collaborative;*
- C) Allocation of \$38,400 in Diesel Back-up Generator Mitigation funds for the demonstration of a hydrogen fuel cell light duty vehicle.*

Chairperson Haggerty presented the report and stated that the Committee met on Wednesday, September 29, 2004 and received and filed the Report of the Hearing Board.

Elinor Blake, Chairperson of the Advisory Council, presented the Report of the Advisory Council. Recommendations from the Council regarding the District's 2004 Ozone Control Strategy, indoor air quality, and the proposed elimination of the California Air Resources Board by the Governor's California Performance Review were presented to the Committee.

Staff presented a status report on the Bay Area 2004 Ozone Strategy and reviewed the following:

- The control strategy, including the draft Control and Further Study Measures.
- The public outreach, including the community meetings planned for 2004.
- Ozone modeling.
- The schedule, which includes releasing the draft 2004 Ozone Strategy and EIR for public review and comment in November 2004 and bringing the final documents before the Board for hearing and adoption in early 2005.

Staff presented information to the Committee pertaining to a District-sponsored Hydrogen Fuel Cell Conference held in July 2004. The Committee recommends the Board approve the following:

- 1) The District's continued participation in the Hydrogen Highway Blueprint planning process.
- 2) The District's participation in the California Stationary Fuel Collaborative.
- 3) An allocation of \$38,400 in Diesel Back-up Generator Mitigation funds to participate with DaimlerChrysler in demonstrating a light duty fuel cell vehicle.

Director Chris Daly arrived at 9:58 a.m.

The Committee requested staff provide additional information on the request for the District to join the California Fuel Cell Partnership before allocating \$90,000 from Program 104 to cover dues for one year.

Staff provided a summary of an upcoming conference on goods movement in Northern California. The conference will be held on December 8th and 9th at the Oakland Marriott City Center and Convention Center. Staff presented an update on the District's production system for IRIS/Databank Replacement.

The Committee met in Closed Session and direction was given to the Executive Officer to continue discussions with the Employees' Association.

Chairperson Haggerty stated that he had requested any Board member interested in being on the Nominating Committee or the Joint Policy Committee to contact him. The next meeting of the Executive Committee is scheduled for 9:45 a.m., Monday, November 29, 2004.

Board Action: Director Haggerty moved that the Board approve the report and recommendations of the Executive Committee; seconded by Director Miller; carried unanimously without objection.

11. Report of the Budget and Finance Committee Meeting of September 30, 2004

Action(s): The Committee referred to the Board of Directors, staff's request to approve a contract with Stonefield Josephson, Inc. for \$180,000 to conduct a Cost Recovery Study for the District.

Director Miller presented the report and stated that the Committee met on Thursday, September 30, 2004 but lacked a quorum to take action on agenda items. Staff presented the fourth quarter financial report for fiscal year 2003/2004.

Staff presented a report on the selection of a contractor to perform the Cost Recovery Study. Staff reviewed the objectives, the members of the Steering Committee, tasks that have been completed, and the tentative schedule for completion of the Study. Staff recommends, and the Committee concurs, that the Board approve a contract with Stonefield Josephson, Inc. to complete the 2005 Cost Recovery Study.

Director Miller stated that the October 27th meeting of the Committee is cancelled and the next meeting will be in November.

Board Action: Director Miller moved the Board approve the report of the Budget and Finance Committee; seconded by Director Kwok; carried unanimously without objection.

12. Report of the Legislative Committee Meeting of October 13, 2004

Action(s): The Committee recommended that the Board of Directors adopt a \$2 Motor Vehicle Registration Fee Increase, as Authorized by AB 923 (Firebaugh);

The Committee discussed the issue of adopting a position on the local transportation sales tax measures on the November 2nd ballot; this item was moved to the full Board without recommendation for further discussion.

Director Wagenknecht recognized the efforts of Thomas Addison, Advanced Projects Advisor, for the work he has done to help the Air District have a successful legislative year, in particular his efforts with respect to AB 2683 (Lieber).

Director Wagenknecht presented the report and stated that the Committee met on Wednesday, October 13, 2004 and staff provided a summary of the 2004 legislative year. The 18 bills the District took positions on are in the Board packet.

Staff discussed AB 923 (Firebaugh), which authorizes local Air Districts to increase local registration fee surcharges for clean air from \$4 to \$6, and imposes a state tire fee for clean air. The Committee recommends the Board adopt a \$2 motor vehicle registration fee increase for clean air, as authorized by AB 923 (Firebaugh).

The Committee discussed and considered five Bay Area county sales tax transportation ballot measures. A majority of the Committee determined the issue should be forwarded to the full Board for further discussion without a recommendation.

Staff presented several ideas for consideration for the Air District's 2005 legislative agenda. The Committee provided input and staff will develop the proposals and will bring them back to the Committee at its next meeting.

Staff presented a summary of the California Performance Review, specifically on the elimination of the Air Resources Board and the issue of streamlining petroleum infrastructure permitting. The District's position on these two issues was addressed in a letter to the Governor. The next Committee meeting will be at the Call of the Chair.

Board Action: Director Wagenknecht moved the Board adopt a \$2 motor vehicle registration fee increase, as authorized by AB 923 (Firebaugh); seconded by Director Daly.

Director Pam Torliatt arrived at 10:05 a.m.

In response to a question from Director Townsend, Mr. Addison clarified that several bills were combined which ultimately became part of AB 923. The motion passed on the following roll call vote:

AYES: Brown, Daly, DeSaulnier, Dunnigan, Garner, Hill, Kwok, Miley, Miller, Ross,

Smith, Torliatt, Townsend, Wagenknecht, Young, Haggerty.

NOES: Silva, Uilkema.

ABSENT: Cooper, Horn, Kniss, McGoldrick.

There was discussion on the issue of the Board adopting a position on the local transportation sales tax measures.

Board Action: Director Wagenknecht moved that the Board not address the tax measures; seconded by Director Townsend.

Speaker: Lewis Lem, Ph.D.
Transportation Policy Manager
American Automobile Association of Northern California
San Francisco, CA 94102

The motion then passed unanimously without objection.

There was considerable discussion by the Board on the pros and cons of taking positions on the county tax measures. Chairperson Haggerty recommended that, in the future, the Board and staff become more actively engaged as these measures are being crafted so that the District could speak as an advocate while the measures are being put together.

13. Report of the Mobile Source Committee Meeting of October 14, 2004

Action(s): The Committee recommended approval of the following:

- A) Contractor selection for the expansion of the Vehicle Buy Back Program;*
- B) Transportation Fund for Clean Air Regional Fund grant awards for fiscal year 2004-2005;*
- C) Report on the audit of the Transportation Fund for Clean Air County Program Manager Fund;*
- D) Amendment to the Contra Costa County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004-2005;*
- E) Amendment to the Santa Clara County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004-2005; and*
- F) Amendments to the Solano County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004-2005.*

Director Young presented the report and stated that the Committee met on Thursday, October 14, 2004. Staff presented a report on the vehicle scrapping contractor selection for the Vehicle Buy Back (VBB) Program. The Committee recommends the Board:

1. Approve Environmental Engineering Studies, Inc., Pick-N-Pull, and Pick Your Part as the vehicle scrapping contractors for the fiscal year (FY) 2004/2005 VBB Program;
2. Authorize the Executive Officer/APCO to execute contracts to provide vehicle scrapping and related services for up to: \$1,250,000 with Environmental Engineering Studies, Inc.; \$1,000,000 with Pick-N-Pull; and \$1,250,000 with Pick Your Part;

3. Authorize the Executive Officer/APCO to amend the existing FY2003/2004 VBB Program contracts to pay \$650 per vehicle and increase the eligible vehicle model year to 1985 and older.

Staff presented a report on the Transportation Fund for Clean Air (TFCA) Regional Fund grant awards for FY 2004/2005. The District received 66 grant applications totaling \$17.3 million in funding requests. There is \$10.5 million available for allocation to qualified projects. Staff indicated that two projects not being recommended for funding, sponsored by the San Francisco and Oakland International Airports, respectively, would be further reviewed, and the results of this process would be presented during the next Committee meeting. Director Miller requested that Project # 04R48, sponsored by the City of Sunnyvale, be taken off the list of recommended projects for further review by staff. After considerable discussion, the Committee bifurcated this issue to two items and recommends the Board approve (1) Staff's recommendations for FY 2004/2005 TFCA Regional Fund grant awards as presented, totaling \$8.9 million (including the Regional Rideshare Program), minus Project # 04R48; and (2) staff's recommendation to allocate \$1.5 million in TFCA Regional Funds to provide incentives for surplus emissions reduction from refuse truck fleets.

Staff presented the results of the Transportation Fund for Clean Air County Program Manager Audit report, and discussed the auditor's findings and recommendations as well as the actions to be taken. The Committee received and filed the results of the TFCA Audit Report # 7, an audit of the County Program Managers, including the auditor's findings and recommendations for actions to address financial and administrative issues.

Staff presented reports on the allocation of additional funds for new projects under the County Program Manager Fund, and the Committee recommends the Board approve the following:

1. An amendment to Contra Costa County Transportation Fund for Clean Air Expenditure Program for FY 2004/2005:
 - Approve allocation of \$119,508 in TFCA Program Manager funds for two additional projects: (1) City of Martinez: Class 1 Bicycle Path – San Francisco Bay Train, Phase II; and (2) Contra Costa County General Services Department: CNG Direct Line Fast Fill Fueling Station.
2. An amendment to Santa Clara County Transportation Fund for Clean Air Expenditure Program for FY 2004/2005:
 - Approve allocation of \$329,397 in TFCA Program Manager funds for one additional project: (1) City of San Jose: Bascom Avenue Transit Signal Priority Project.
3. An amendment to Solano County Transportation Fund for Clean Air Expenditure Program for FY 2004/2005:
 - Approve allocation of \$82,000 for two additional projects: (1) City of Suisun City: Central County Bikeway Gap Closure; and (2) Solano County Fleet Operations Division: Electric Vehicle Public Charging Station.

The November 11, 2004 meeting of the Committee is cancelled due to the holiday. The next meeting of the Committee is scheduled for 9:30 a.m., Monday, December 6, 2004.

Board Action: Director Young moved that the Board approve recommendations A, C, D, E and F as stated on the agenda; seconded by Director Smith; carried unanimously without objection.

There was discussion on the allocation of the \$1.5 million to provide incentives for surplus emissions reduction from refuse truck fleets. Peter Hess, Deputy APCO, stated that because of the California Air Resources Board (CARB) regulation and the time limit to retrofit these trucks, if applications were open to all fleets, more time would be needed and this window would be missed. Mr. Hess noted additional funds will be coming in and the process would then be opened up to all cities and counties at that time.

Board Action: Director Young moved that the Board approve the Transportation Fund for Clean Air Regional fund grant awards for fiscal year 2004-2005; seconded by Director Uilkema; carried on the following roll call:

AYES: Brown, Daly, DeSaulnier, Dunnigan, Garner, Hill, Kwok, Miley, Miller, Ross, Silva, Smith, Townsend, Uilkema, Wagenknecht, Young, Haggerty.

NOES: Torliatt.

ABSENT: Cooper, Horn, Kniss, McGoldrick.

Presentation

14. Summary of 2004 Ozone Season

Staff provided a summary of the 2004 Ozone Season, and the Bay Area's attainment status with respect to the National one-hour and 8-hour ozone standards.

Chairperson Haggerty stated that during the summer months there were no exceedances of the federal eight-hour or one-hour standards.

Gary Kendall, Director of Technical Services, presented the report and reviewed the following: 1) 2004 ozone exceedances through October 19th; 2) the locations of the state one-hour ozone exceedances for 2004, which may have been a result of the Rumsey fire; 3) Bay Area ozone exceedance days by year from 2000 through 2004; 4) the number of days and the stations where the one-hour national ozone standard was exceeded; and 5) the 3-year average of the 4th highest 8-hour ozone reading in parts per billion (ppb).

Mr. Kendall noted that attainment of the federal one-hour standard will continue if there are less than three exceedances at Livermore in 2005. In addition, attainment of the federal eight-hour standard will continue if the 4th highest ozone reading is less than 94 ppb at Livermore and less than 97 ppb at San Martin in 2005.

Mr. Kendall reviewed the 2004 ozone exceedances in major California air basins and the Bay Area ozone precursor emission trends. Director Townsend requested the presentation be sent to the Board members. Mr. Broadbent stated that the District intends to put out a press release announcing this has been the cleanest year in the Bay Area.

Board Action: None. This report provided for information only.

15. Report on Air District's Enhanced Outreach for 2004 Ozone Strategy

Staff gave the Board a presentation on the Air District's enhanced outreach efforts for the 2004 Ozone Strategy.

Jean Roggenkamp, Director of Planning and Research, presented the report and stated that the 2004 Ozone Strategy addresses the State and national ozone planning requirements. Ms. Roggenkamp reviewed the public outreach that has been done since March 2003, the community meetings held in September 2003, and the community meetings held in September and October of 2004.

Ms. Roggenkamp reported that the next steps include consideration of the public comments, completion of the Draft 2004 Ozone Strategy and draft EIR, releasing the document(s) for public review and comment, and conducting additional public outreach.

Board Action: None. This report provided for information only.

Other Business

16. Report of the Executive Officer/APCO – Mr. Broadbent stated he had nothing to report.

17. Chairperson's Report:

- A) Joint Policy Committee Appointments*
- B) Nominating Committee Appointments*

Chairperson Haggerty noted the two items were handled at the beginning of the meeting.

Closed Session (The Board adjourned to Closed Session at 11:03 a.m.)

18. Conference with District's Labor Negotiators
(Government Code § 54957.6(a))

*Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
Michael Rich, Human Resources Officer*

*Employee Organization: Bay Area Air Quality Management District Employees'
Association, Inc.*

Open Session (The Board reconvened to Open Session at 11:07 a.m.)

Brian Bunker, Legal Counsel, reported that action was taken and the Board provided general direction to the Executive Officer on Agenda Item 18.

19. Board Members' Comments – There were none.

20. Time and Place of Next Meeting - 9:45 a.m., Wednesday, November 17, 2004, 939 Ellis Street, San Francisco, California.

21. Adjournment: The meeting was adjourned at 11:08 a.m.

/s/ Mary Romaidis

Mary Romaidis
Clerk of the Boards