

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

Approved Minutes: Board of Directors' Regular Meeting – April 20, 2005

Call To Order

Opening Comments: Chairperson Marland Townsend called the meeting to order at 9:47 a.m.

Roll Call: Present: Marland Townsend, Chair, Harold Brown, Roberta Cooper, Chris Daly, Mark DeSaulnier, Erin Garner, Scott Haggerty (9:50 a.m.), Jerry Hill, Liz Kniss (9:55 a.m.), Jake McGoldrick, Nate Miley (9:50 a.m.), Julia Miller, Mark Ross, Michael Shimansky, John Silva, Pam Torliatt, Gayle B. Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Dan Dunnigan, Patrick Kwok, Tim Smith.

Pledge of Allegiance: Director Shimansky led the Board in the Pledge of Allegiance.

Commendation/Proclamation: There were none.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 7)

1. Minutes of March 16, 2005
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council. There was no report.
4. Monthly Activity Report

Report of Division Activities for the month of March 2005.

5. District Personnel on Out-of-State Business Travel
6. Consider Approval of Resolution to Increase the Salary Range for the Vacant Finance Manager Job Classification to Support Recruitment

Considered Approval of an Increased Salary Range for the Finance Manager Job Classification from Range 139 set at \$76,845 to \$93,406 to Range 146 set at \$91,155 to \$110,799 respectively.

7. Set Public Hearing for May 18, 2005 to Consider Approval of Proposed Amendments to District Manual of Procedures, Volume III: Laboratory methods and Approval of a California Environmental Quality Act (CEQA) Notice of Exemption

The proposed amendments to the Manual of Procedures, Volume III: Laboratory Methods would incorporate advances in analytical equipment, add clarity, improve accuracy, reduce expenses and respond to comments by EPA technical staff.

Board Action: Director Brown moved approval of the Consent Calendar; seconded by Director Wagenknecht; carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, DeSaulnier, Garner, Hill, McGoldrick, Miller, Ross, Shimansky, Silva, Torliatt, Uilkema, Wagenknecht, Young, Townsend.

NOES: None

ABSENT: Dunnigan, Haggerty, Kniss, Kwok, Miley, Smith

Adopted Resolution No. 2005-02 – A Resolution of the Bay Area Air Quality Management District Board of Directors increasing the salary of the Finance Manager job classification

Chairperson Townsend requested the Closed Session be held next.

Closed Session – The Board Convened to Closed Session at 9:49 a.m.

17. Conference with Legal Counsel – Anticipated Litigation

Pursuant to Government Code Section 54956.9(b), a need existed to meet in Closed Session to discuss a potential threat of litigation

Directors Scott Haggerty and Nate Miley arrived at 9:50 a.m.
Director Liz Kniss arrived at 9:55 a.m.

Open Session – The Board Reconvened to Open Session at 10:48 a.m.

Committee Reports and Recommendations

8. Report of the Public Outreach Committee Meeting of March 21, 2005

Director Young presented the report and stated that the Public Outreach Committee met on Monday, March 21, 2005. Staff updated the Committee on the 2004-2005 wintertime outreach program and reviewed the results of the survey on wood burning and wood smoke air pollution. It was noted that the City of Gilroy has adopted a model woodsmoke ordinance and it is anticipated that Sonoma County will adopt a model ordinance soon.

Staff provided a status report on the Lawn Mower Buyback Program and reviewed this year's program. After discussion, the Committee provided direction to staff to continue with

the original program of holding the events on Saturdays and staff should move forward with planning the events. The cap for this program is \$100,000.

Staff reviewed the methods used by the American Lung Association to produce a yearly “Report Card” of air quality throughout the country. Staff reported that the “State of the Air” report is issued by the national ALA organization and local affiliates have little or no input into the report.

Linda Civitello-Joy, Executive Director of the ALA of San Francisco-San Mateo, provided additional information to the Committee on efforts being made to collaborate with the national organization to make changes to the report to better reflect air quality conditions. Ms. Civitello-Joy noted that the local ALA has partnered with this Air District on several issues hopes to continue that partnership. The Committee requested that staff draft a letter to the national organization, with copies to the local affiliates, regarding the Air District’s position on the grading system and that it be sent to all Board members for signature. The Committee directed staff to send out a preemptive press release.

Staff updated the Committee on the progress made in planning the District’s 50th anniversary celebration. The Committee provided direction to staff on several activities. Staff updated the Committee on the referrals from the previous meeting. The next meeting of the Committee is scheduled for 9:30 a.m., Monday, May 16, 2005.

Board Action: Director Young moved that the Board approve the report of the Public Outreach Committee; seconded by Director Miller; carried unanimously without objection.

9. Report of the Stationary Source Committee Meeting of March 28, 2005

Action(s): Approve Committee recommendation that a letter be sent to the Siting Committee of the California Energy Commission with the Air District’s position on Petroleum Infrastructure Project Permitting

Director DeSaulnier presented the report and stated that the Committee met on Monday, March 28, 2005. The Committee received a report on the California Energy Commission (CEC) workshops conducted on petroleum infrastructure project permitting. Staff reported that the focus of the workshops has been on the CEQA process and noted that some of the proposals being considered would affect the Air District’s authority. Staff presented a draft letter to the Committee that would be sent to the CEC that outlines the District’s position on the proposals and the recommendations the District would like the state to take on these issues.

There was a lengthy discussion on pipelines and staff noted that the District does not have regulatory authority over them. This issue will be brought back to the Committee at a later date.

Staff indicated the District will remain a participant in the CEC workshops and will monitor any legislation. The Committee provided direction to staff regarding stronger language in the letter to the CEC. The Committee recommends the Board of Directors send a letter to the Siting Committee of the CEC expressing concerns regarding some of the options being considered relative to permitting of petroleum infrastructure projects.

Staff provided an update on the development of the Refinery Flare Control Rule and reviewed the purpose of the Rule. Elements of the Rule include a Flare Management Plan, administrative requirements, and monitoring and recordkeeping. Staff noted that the District held two public workshops and has had meetings with interested parties. The next steps to be taken were also reviewed.

The Committee discussed safety issues as they relate to flaring. Staff noted this rule is designed to minimize the frequency of flaring and the amount of emissions released. The next meeting of the Committee is scheduled for Monday, May 23, 2005.

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

10. Report of the Executive Committee Meeting of March 30, 2005

Action(s): A) Approved Committee recommendation that the Air District join the California Hydrogen Business Council at the Silver Member level
B) Approved Committee recommendation that the Board of Directors authorize
1) Approval of a transfer of funds from the Capital Account to the Professional Services Account in the Information Services Division Budget (Program 705); and 2) Authorize the Executive Officer/APCO to execute a purchase order not to exceed \$140,000 to Doculabs for consulting services to cover design and implementation support for internal pilots of the Production System replacement of IRIS and Databank

Chairperson Townsend presented the report and stated that The Committee met on Wednesday, March 30, 2005 and received and filed the Report of the Hearing Board. Brian Zamora, Advisory Council Chairperson, presented the Report of the Advisory Council and noted that the Council would be discussing a Code of Conduct at its next meeting. In addition, the Council will submit recommendations to the Board later in the year on the issues the Council is discussing this year.

Staff presented an update on ozone modeling and the Central California Ozone Study.

Staff presented a status report on particulate matter (PM) planning. Staff reviewed SB 656 requirements; the sources of PM; the ARB's and District's lists of potential PM measures; the District's current efforts; and the next steps to be taken.

Staff presented information on the California Hydrogen Business Council. The Committee approved the staff recommendation that the Board of Directors approve the Air District joining the California Hydrogen Business Council at the Silver (\$1,000/year) Membership level.

Staff reviewed the work being done on the Production System Replacement. The Committee approved the staff recommendation that the Board of Directors authorize approval of the transfer of funds in the amount of \$140,000 from the Capital Account to the Professional Services Account in the Information Systems Division Budget and the execution of a

purchase order not to exceed \$140,000 to Doculabs for consulting services. The next meeting of the Executive Committee is scheduled for 9:45 a.m., Friday, May 20, 2005.

Board Action: Chairperson Townsend moved that the Board approve the report and recommendations of the Executive Committee; seconded by Director Miller.

Director Daly requested a roll call vote and Chairperson Townsend so ordered. Due to a question from Director Kniss, the roll call was suspended. There was discussion on the approval of the action items by the Committee and not the Board. The motion then passed on the following roll call:

AYES: Cooper, DeSaulnier, Garner, Haggerty, Hill, McGoldrick, Miley, Miller, Ross, Shimansky, Silva, Torliatt, Uilkema, Young, Townsend.

NOES: Daly.

ABSTAINED: Kniss.

ABSENT: Brown, Dunnigan, Kwok, Smith, Wagenknecht.

14. Report of the Joint Policy Committee Meeting of April 15, 2005

Vice-Chair Uilkema presented the report and stated that the Joint Policy Committee met in Oakland on April 15, 2005. Two agenda items were discussed.

1. MTC staff summarized MTC's proposed Transit-Oriented Development (TOD) Policy. The TOD policy would establish land use criteria for corridors receiving transit expansion funding through MTC's Resolution 3434. The discussion focused on 4 key questions posed by staff:

- What are the appropriate housing and jobs thresholds to be set for each corridor?
- Should the TOD Policy require affordable housing in the corridors?
- Should the TOD Policy require local parking policies for station areas?
- Should the TOD Policy prohibit auto-dependent uses in station areas, e.g., big box retail?

The JPC discussion focused on the substance of each question, as well as the appropriate role for MTC in addressing these issues. No clear consensus emerged. Staff will summarize the JPC discussion and provide it to MTC's Planning and Operations Committee when they discuss the TOD Policy in May.

2. Business, Housing and Transportation Secretary Sunne Wright McPeak discussed the Administration's efforts to increase housing supply and affordability. The Administration proposes actions at the State and local level, including:

- Revising General Plan laws and the Regional Housing Needs Allocation process to require jurisdictions to take specific actions to plan and zone for long-range housing needs.

- Encouraging Councils of Governments to facilitate cooperative planning between neighboring jurisdictions.
- Revising CEQA to promote long-range planning.
- Providing incentives for local jurisdictions, such as additional infrastructure funding.

District representatives to JPC in attendance were Chris Daly, Mark DeSaulnier, Pamela Torliatt, and Gayle B. Uilkema. The next JPC meeting will be Friday, May 27.

Board Action: Director Uilkema moved that the Board receive the report of the JPC; seconded by Director Torliatt; carried unanimously without objection.

11. Report of the Legislative Committee Meeting of April 4, 2005

Action(s): The Committee recommended the Board of Directors adopt positions on 17 bills as indicated in the Committee report.

Director Torliatt presented the report and stated that the Committee met on Monday, April 4, 2005. The Committee reviewed seventeen bills and, after discussion, is recommending the positions indicated in your packet. The Committee provided direction to staff for follow-up on several bills.

The next Committee meeting will be at the Call of the Chair.

Board Action: Director Torliatt moved that the Board approve the recommendations of the Legislative Committee; seconded by Director Cooper; carried unanimously without objection.

12. Report of the Budget and Finance Committee Meeting of April 6, 2005

Action(s): Approved Committee recommendation to increase the FY 2004/05 budget by \$780,000 in program 306 to assist in funding the Spare the Air free morning commute program this summer.

Director Miller presented the report and stated that the Committee met on Wednesday, April 6, 2005. Staff requested and the Committee recommends that the Board increase the fiscal year 2004/05 budget by \$780,000 in program 306 to assist in funding the Spare the Air free morning commute program this summer.

Nanette Lee Miller, CPA of Stonefield Josephson, Inc. provided an overview of the final report of the Cost Recovery Study. The report included key findings and short- and long-term recommendations. Staff provided responses to the recommendations made by Stonefield Josephson. The Committee provided direction to staff regarding a matrix comparing the Air District's fee schedules with those of the South Coast AQMD.

Staff from the Compliance and Enforcement Division presented a plan to update and upgrade the field communication system to modernize the two-way radio system and ensure its capabilities are integrated with other communication devices. The report included information on the business uses of the system, an overview of the communication system, and annual costs.

Staff provided a status report on the internal systems and controls audit. The next meeting of the Committee is scheduled for 9:45 a.m., Friday, May 5, 2005.

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

13. Report of the Personnel Committee Meeting of April 7, 2005

Action(s): The Committee recommended Board of Director approval of Julio Magalhães and Terry Trumbull to fill the Regular Public Member positions and Peter Chiu and Richard Grundy to fill the Alternate Public Member Positions on the Air district's Hearing Board.

Director Ross presented the report and stated that the Committee met on April 7, 2005 to conduct interviews of candidates to fill the regular and alternate Public Member positions on the District's Hearing Board. Seven candidates were interviewed for the regular and alternate positions:

1. Julio Magalhães
2. Terry Trumbull
3. DeLia Sarmiento
4. Charles Belcher
5. Peter Chiu
6. Barbara Cahrssen
7. Richard Grundy

The Committee voted unanimously to recommend the reappointment of Julio Magalhães and Terry Trumbull as the regular members; and the reappointment of Peter Chiu and Richard Grundy as the alternate members for the Public Member positions. The appointments are for a three-year term of office ending April 2, 2008.

The Committee directed staff to forward the application and resume of Charles Belcher to the Advisory Council Applicant Selection Working Group to be included in their pool of applicants for positions on the Advisory Council.

The next meeting of the Committee will be at the Call of the Chair.

Board Action: Director Ross moved that the Board approve the Committee recommendations for the Public Member positions on the District's Hearing Board; seconded by Director Cooper; carried unanimously without objection.

17. Conference with Legal Counsel – Anticipated Litigation

Mr. Bunger stated that the Board met in Closed Session with Counsel and necessary staff to discuss the matter identified at item 17 on the agenda and provided general direction to Counsel on the item.

Other Business

15. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following items:
 1. In honor of Earth Day staff would like the Board to see the performance of Smogzilla which will start after the Board meeting at about 11:30 a.m.
 2. June 1, 2005 is World Environment Day and the Air District is hosting an event with the City of San Francisco including showcasing a fuel cell car.
 3. On June 20, 2005 the Air District's 50th anniversary symposium will be held.
 4. The District has been working with MTC and the transit agencies to coordinate the free transit on five Spare the Air days this year.
 5. The District will be holding three lawn mower buy back days as follows: May 7th in Sunnyvale, May 14th in Pleasanton, and May 21st in Concord.
16. Chairperson's Report: Chairperson Townsend reported on the Air and Waste Management Association's 98th Annual Conference being held from June 21st to June 24th and urged Board members to attend.
18. Board Members' Comments – Chairperson Townsend thanked the Board for understanding the need to hold the lengthy Closed Session.
19. Time and Place of Next Meeting – 9:45 a.m., Wednesday, May 4, 2005, 939 Ellis Street, San Francisco, CA 94109.
20. Adjournment – The meeting adjourned at 11:17 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards