

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

Approved Minutes: Board of Directors’ Regular Meeting – December 7, 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, Roberta Cooper, Chris Daly (9:56 a.m.), Mark DeSaulnier, Dan Dunnigan, Erin Garner, Scott Haggerty (10:52 a.m.), Jerry Hill, Liz Kniss (10:07 a.m.), Patrick Kwok, Jake McGoldrick (9:49 a.m.), Julia Miller, Mark Ross, Michael Shimansky, John Silva, Tim Smith, Pam Torliatt, Gayle B. Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Harold Brown, Nate Miley.

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

Commendations/Proclamation: There were none.

Director Jake McGoldrick arrived at 9:49 a.m.

Public Comment Period: There were no speakers.

Consent Calendar (Items 1 – 4)

1. Minutes of November 16, 2005 Meeting
2. Communications. Correspondence addressed to the Board of Directors
3. Notice of Total Liabilities for Workers’ Compensation reported for Fiscal Year 2004-2005 and Compliance with Government Accounting Standards for Self Funded Workers’ Compensation Program

Pursuant to Labor Code Section 3702.6(b), the District is required to notify its governing Board of the total liabilities reported and whether current funding of those liabilities is in compliance with the requirements of Government Accounting Standards Board Publication 10 (GASB 10).

4. Considered Approval of Agreement with Employees’ Association and Recommendation that Allows Employees to Sell-Back Leave for Donations to Victims of Hurricane Katrina

The Board of Directors considered approval of a recommendation to allow employees on a voluntary basis to sell-back leave for donations to victims of Hurricane Katrina.

Board Action: Director Wagenknecht moved approval of the Consent Calendar; seconded by Director Silva; carried unanimously without objection.

Committee Reports and Recommendations

5. Report of the Nominating Committee Meeting of November 16, 2005

Action(s): The Committee recommended that the Board of Directors approve the Board of Director Slate of Officers for 2006

Director Young presented the report and stated that the Committee met on Wednesday, November 16, 2005 and recommends the Board of Directors approve the following slate of Board Officers for the 2006 term of office: Gayle B. Uilkema, Chairperson; Mark Ross, Vice-Chairperson; and Jerry Hill, Secretary.

Board Action: Director Young moved that the Board of Directors approve the recommendations of the Nominating Committee; seconded by Director Garner; carried unanimously without objection.

6. Report of the Joint Policy Committee Meeting of November 23, 2005

Chairperson Townsend presented the report and stated that the Joint Policy Committee (JPC) met on Wednesday, November 23, 2005. District staff provided an overview of the 2005 Ozone Strategy, and discussed linkages between the Ozone Strategy and other regional planning efforts the JPC has discussed. The JPC voted unanimously to endorse the 2005 Ozone Strategy.

Also at the November 23rd meeting, Metropolitan Transportation Commission (MTC) staff reported on their analysis of travel behavior at transit oriented development projects, and the JPC discussed the role of the JPC in implementing and refining the regional smart growth vision.

The next meeting is scheduled for 10:00 a.m., Friday, January 20, 2006.

Board Action: Chairperson Townsend moved that the Board of Directors accept the report; seconded by Director Torliatt; carried unanimously without objection.

7. Report of the Stationary Source Committee Meeting of November 28, 2005

Director DeSaulnier presented the report and stated that the Committee met on Monday, November 28, 2005.

The Committee received a status report on Regulation 12, Rule 12: Flares at petroleum refineries. The report included a summary of the Board's previous direction to staff and work conducted by staff, including analysis and modeling of flare emissions. Staff also presented a comparison of the Bay Area AQMD and South Coast AQMD flare control rules.

Based on these analyses, staff recommended and the Committee concurred that a rule development process should be initiated to amend the rule to require a causal analysis for events where 500 pounds or more of sulfur dioxide are released on the same schedule as those events where more than 500,000 standard cubic feet per day of vent gas is flared.

Staff presented a status report on scheduled 2005 refinery rule development efforts for Further Study Measure 11 regarding Marine Tank Vessels and Further Study Measure 8 regarding Atmospheric Blowdown Systems and Pressure Relief Devices. Public hearings on these items are scheduled for the December 7th Board meeting.

The Committee provided general direction to staff on several discussion items. The next meeting of the Committee is scheduled for Monday, March 27, 2006.

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

8. Report of the Executive Committee Meeting of November 30, 2005

Action(s): The Committee recommended Board of Director approval of pursuing the creation of a self-insured retiree life insurance program.

Director Chris Daly arrived at 9:56 a.m.

Chairperson Townsend presented the report and stated that the Committee met on Wednesday, November 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 announced that Kraig Kurucz is the Council Chairperson for 2006. Mr. Zamora summarized three key accomplishments of the Council this year: 1) a Resolution on Climate Change; 2) Indoor Air Pollution; and 3) the establishment of a Code of Conduct for the Advisory Council.

Ted Droettboom, Regional Planning Program Director of the Joint Policy Committee provided an update on the JPC.

Staff presented a report on the possibility of self-insuring the existing retiree life insurance benefit. The Committee directed staff to take preliminary steps to remove obstacles to self-insuring the retiree life insurance benefit. The Committee recommended Board of Director approval of staff moving forward with further exploring the implementation of a self-insured retiree life insurance benefit. In addition, direction was given to staff to provide additional information, at a future meeting, relating to the retiree life insurance benefit.

A status report was provided to the Committee on the progress being made regarding the installation of teleconferencing equipment in the 4th floor conference room. Installation will begin in December.

Staff presented an update on the ongoing work on the Production System replacement. The next meeting of the Executive Committee will be at the Call of the Chair.

Board Action: Chairperson Townsend moved that the Board of Directors approve the report and recommendation of the Executive Committee; seconded by Director Uilkema; carried unanimously without objection.

9. Report of the Budget and Finance Committee Meeting of December 5, 2005

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

- A) Amend the FY 2005/2006 Budget by transferring \$102,000 from the Reserves for Contingencies to the Payroll Budget (Program 106) and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$102,000 to Ceridian Corporation to replace the District's current payroll system; and*
- B) Amend the FY 2005/2006 Budget by accepting a \$278,935 EPA Grant from the National Environmental Information Exchange Network (NEIEN), and awarding a \$278,935 contract to Sonoma Technology, Inc. for Phase II Development of a new Data Management System for Ambient Air Quality and Meteorological Data.*

Director Miller presented the report and stated that the Committee met on Monday, December 5, 2005.

Staff presented reports on and the Committee recommended that the Board of Directors approve an:

- A) Amendment of the fiscal year 2005/2006 Budget by transferring \$102,000 from the Reserves for Contingencies to the Payroll Budget (Program 106) and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$102,000 to Ceridian Corporation to replace the District's current payroll system; and also*
- B) Amend the fiscal year 2005/2006 Budget by accepting a \$278,935 EPA Grant from the National Environment Information Exchange Network, and awarding a \$278,935 contract to Sonoma Technology, Inc. for Phase II development of a new data management system for ambient air quality and meteorological data.*

The next meeting of the Committee is scheduled for 9:45 a.m., Wednesday, January 25, 2006.

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

Public Hearings

- 10. Public Hearing to Consider Approval of Proposed Amendments to Regulation 8, Rule 44: Marine Vessel Loading Terminals; Rule 46: Marine Vessel to Marine Vessel Loading; District Manual of Procedures, Volume IV: Source Test Policy and Procedures, ST-34: Bulk and Marine Loading Terminals-Vapor Recovery Units; and approval of a California Environmental Quality Act (CEQA) Negative Declaration

The proposed amendments to Regulation 8, Rule 44 would reduce the standard allowable for organic vapor leaks for equipment and connections associated with loading activities, expand the applicability of the rule to include additional organic chemicals, require control of organic vapors during cleaning, purging and gas freeing of cargo tanks on vessels.

Julian Elliot, Senior Air Quality Engineer, presented the report and stated that the rule was adopted in 1989 and is being amended for the first time.

Mr. Elliot discussed the following:

- Background information on marine loading operations.
- The proposed amendments, which include consolidating Rule 44 and Rule 46 requirements into Rule 44 and amending source test method ST-34.
- The rule development process, which included six meetings of the Technical Working Group; public workshops in 2002, 2003, and 2005; and numerous meetings with interested parties.

Mr. Elliot stated that the staff recommends that the Board of Directors adopt amendments to Regulation 8, Rule 44 and Rule 46; adopt amendments to Source Test Method ST-34; and adopt a CEQA Negative Declaration.

There was discussion on the District's access to vessels and it was noted that the District will participate in outreach and education to the affected parties.

Director Liz Kniss arrived at 10:07 a.m.

The Board requested staff provide an update in six months on the District's ability to enforce the regulation. In response to a question from Director Shimansky, Mr. Elliot stated that every marine terminal within the Air District's jurisdiction is considered a large facility.

Chairperson Townsend opened the Public Hearing at 10:13 a.m.

Speakers: The following individuals spoke on this agenda item:

Dennis Bolt
WSPA
Concord, CA 94518

John Showalter
International Longshore & Warehouse Union
San Francisco, CA 94109

Julia May
Oakland, CA 94609

There was discussion regarding the flash point as the appropriate surrogate; on accountability if venting should occur; safety issues; and the applicability of vessels reporting on the root cause if venting occurs.

Board Action: Director Uilkema moved the staff recommendations and requested that staff review the data required to be provided under the rule and to report back to the Board with any recommendation to modify the rule, if appropriate; seconded by Director McGoldrick.

Jack Broadbent, Executive Officer/APCO, confirmed that the District staff will look at the reports and then bring that information back to the Board with a recommendation to amend the regulation if necessary. Mr. Elliott noted that all of the monitoring requirements are not in effect until a year from now.

Chairperson Townsend closed the Public Hearing at 10:37 a.m.

The motion then carried unanimously with the following Board members voting:

AYES: Cooper, Daly, DeSaulnier, Dunnigan, Garner, Hill, Kniss, Kwok, McGoldrick, Miller, Ross, Shimansky, Silva, Smith, Torliatt, Uilkema, Wagenknecht, Young, Townsend.

NOES: None.

ABSENT: Brown, Haggerty, Miley.

Adopted Resolution No. 2005-15: A Resolution of the Board of Directors of the Bay Area Air Quality Management District

Amending: District Regulation 8, Rule 44: Marine Vessel Loading Terminals; District Manual of Procedures, Volume IV, ST-34: Bulk and Marine Loading Terminals, Vapor Recovery Units;

Deleting: District Regulation 8, Rule 46: Marine Tank Vessel to Marine Tank Vessel Loading; and

Adopting a CEQA Negative Declaration for this Project.

11. Public Hearing to Consider Approval of Proposed Amendments to Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices in Petroleum Refineries and Chemical Plants and approval of a California Environmental Quality Act (CEQA) Negative Declaration

The proposed amendments to Regulation 8, Rule 28 clarify the equipment subject to the rule and require that monitoring equipment be installed on each PRD, that a demonstration be made that this monitoring equipment is capable of detecting releases as defined by the rule, and that the required monitoring data be kept for two years and made available to District staff.

Mr. Broadbent presented a summary of the issues, including clarifying language defining process units and three key concerns of the refiners. Mr. Broadbent reviewed slides that illustrated the difference in interpretation of process unit between the Air District and the refiners. The refineries have until March 1, 2006 to determine what they consider a process unit.

Mr. Broadbent stated that these episodic releases are sporadic and non-routine. Mr. Broadbent stated that the proposed rule amendments regarding process unit merely clarify the intent of the current rule, and added that staff will re-examine the current approach

through a separate rule-making process. District staff will provide the Stationary Source Committee with a time line for conducting this separate rule making process for PRDs.

Director Scott Haggerty arrived at 10:52 a.m.

There was discussion on the direction give by the Stationary Source Committee, and Mr. Broadbent stated that the proposed amendments regarding the definition of process unit clarify the rule and reiterated that the Board would not be adopting any additional requirements on this point. There was also discussion on cost effectiveness.

Victor Douglas, Senior Air Quality Engineer, presented the remainder of the report and provided information on the following:

- Background information on PRDs.
- Current Rule 8-28 requirements
- Release events and emissions since July 1998.
- Rule 8-28 evaluation.
- The proposed amendments.
- The issues (blanket control for all PRDs, catastrophic releases, and definition of “Process Unit”).
- The regulatory process.

Mr. Douglas stated that staff recommends that the Board of Directors’ adopt the proposed amendments to Regulation 8, Rule 28 and adopt the CEQA Negative Declaration.

Chairperson Townsend opened the Public Hearing at 11:23 a.m.

Speakers: The following individuals spoke on this agenda item:

Adrienne Bloch
CBE
Oakland, CA 94612

Carla Perez
CBE
Oakland, CA 94612

Julia May
Plumbers & Steamfitters 342 &
Electrical Workers 303
Oakland, CA 94609

Ahmadia Thomas
West County Toxics Coalition
Richmond, CA 94804

Allison Vogel
CBE
Crockett, CA

David Farabee
WSPA
San Francisco, CA 94105

Wanna Wright
CBA
Emeryville/Richmond, CA

At 11:41 a.m., Chairperson Townsend continued the Public Hearing on agenda item 11 to the Board of Directors’ Regular Meeting of December 21, 2005.

Brian Bunger, District Counsel, noted that there is a December 31, 2005 deadline to complete the public hearing for these regulations. Director Uilkema requested a copy of the legal cite that indicates the December 31st date.

12. Public Hearing to Consider Report on Further Study Measure 8: Atmospheric Blowdown Systems

Staff has examined atmospheric blowdown systems at Tesoro Refinery and regulations applicable to various types of emission and recommends no amendments to District regulations at this time.

The Public Hearing on this matter has been rescheduled to the Board of Directors' Regular Meeting of Wednesday, December 21, 2005.

Other Business

13. Report of the Executive Officer/APCO – Mr. Broadbent deferred his report to the next meeting.
14. Chairperson's Report: Chairperson Townsend stated that he had no report.
15. Board Members' Comments – Director Kniss expressed her concerns about having three Public Hearings on the same day.
16. Time and Place of Next Meeting –9:45 a.m., Wednesday, December 21, 2005 - 939 Ellis Street, San Francisco, CA 94109.
17. Adjournment – The meeting adjourned at 11:49 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards