

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109**

APPROVED MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:45 a.m., Wednesday, March 22, 2006

1. **Call to Order:** Chairperson Chris Daly called the meeting to order at 9:47 a.m.

Roll Call: Chris Daly, Chair; Harold Brown, Roberta Cooper (10:00 a.m.), Dan Dunnigan, Erin Garner, Jerry Hill, Patrick Kwok, Mark Ross, Tim Smith.

Absent: None.

Also Present: Gayle B. Uilkema

2. **Public Comment Period:** There were none.

3. **Approval of Minutes of March 1, 2006:** Director Kwok moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.

4. **Consider Recommending Budget Amendment to Conduct Greenhouse Gas Study:** *The Committee considered recommending that the Board of Directors amend the FY 2005/2006 budget by increasing the Penalties and Settlements General Fund Revenue by \$100,000, and by correspondingly increasing the Professional Services & Contracts budget for Climate Protection (Program 608) by \$100,000 and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$100,000 for a Greenhouse Gas Mitigation Study.*

Jack Broadbent, Executive Officer/APCO stated that the Ad Hoc Committee on Climate Protection approved the staff's recommended elements of the climate change program. One of the initiatives was a Request for Proposals (RFP) to be undertaken that would identify control technologies by stationary sources to control climate change precursors.

Jeff McKay, Chief Financial Officer, stated that this item is a budget amendment in the amount of \$100,000 to allow the RFP. The penalties and settlements predictions for the current year exceed the budget by over \$300,000 and so the \$100,000 is well under that amount.

Committee Action: Director Hill moved that the Committee recommend Board of Director approval of the staff recommendation; seconded by Director Smith.

In response to questions from the Committee, Mr. Broadbent stated that this study will look at climate change emissions as opposed to smog precursors. There are a number of engineering firms that look at various types of controls and they would look at the stationary

source process and make recommendations on how to reduce CO₂, methane and other types of emissions. The study would provide information on how the Air District could potentially develop a regulatory program for these emissions. It would also be informative in that stationary sources would be advised of steps they could undertake to voluntarily reduce emissions. The study will take from six to nine months and should be available the first quarter of 2007.

In response to Chair Daly, Mr. Broadbent stated that the key element of the Climate Change Program is to integrate climate change into all of the District's processes, like CEQA comments and Transportation Fund for Clean Air (TFCA) criteria. One of the key efforts of the Program is the summit that the District will host.

The motion then carried without objection.

5. Discussion of Five-Year Capital Plan: *Staff provided the Committee with a draft version of a five-year capital plan.*

Mr. McKay presented the report and provided a summary of a draft five-year capital plan. Project highlights include a networked storage solution, air monitoring instruments, re-locatable air monitoring station, life safety fire alarm system, and vehicle replacement. The total draft five-year capital plan cost is \$7.3 million. Mr. McKay stated that the budget details of the draft plan will be available at a future meeting.

Director Roberta Cooper arrived at 10:00 a.m.

In response to Director Kwok, Mr. McKay stated that the vehicle replacement is based on the useful life and repair cost of vehicles, and an opportunity to increase the District's fleet. Director Garner recommended that when the capital plan is done, that several past years should be added so there is a record of what has led up to the five-year plan.

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

The Clerk noted for the record that Board Chair Gayle B. Uilkema was present during the roll call and that Director Cooper arrived at the meeting.

6. Overview Regarding Civil Penalty Recovery and Budgeting: *Staff provided an overview to the Committee on civil penalty recovery and budgeting.*

Brian Bunger, Legal Counsel, provided an overview regarding collection of civil penalties by the District and also discussed budget considerations regarding civil penalties as an element of revenue for the Air District. The overview included discussion on the following:

- Determining the appropriate civil penalty based on Health and Safety Code Section 42403;
- Additional considerations for settlements;
- Recent budget versus actual penalty collections;
- Penalty collection statistics for fiscal year 2004/2005 and for fiscal year 2005/2006, through March 2006; and
- A comparison of penalties collected and violations closed from 1998 to date.

Mr. Bunger introduced the staff members of the Mutual Settlement section, and several attorneys from the District Counsel's office..

In response to a question from Chairperson Daly, Mr. Bunger reviewed the process from the receipt of a Notice of Violation (NOV) to its resolution. In response to a question from Director Hill, Mr. Bunger reviewed the small claims court process and the process for negotiating settlements of NOVs.

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

7. **Committee Member Comments/Other Business.** Mr. Broadbent stated that Board Chair Uilkema requested that the Committee be made aware of an article from the Home Builder Association monthly about San Joaquin Valley adopting a rule on indirect sources that charges a fee for new home development. The article highlights the fact that that this is something that will be coming out in the Bay Area. Chair Uilkema asked that this subject be on a future agenda of the Budget and Finance Committee, and Mr. Broadbent suggested it should also go before the Mobile Source Committee.
8. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, April 26, 2006, 939 Ellis Street, San Francisco, California 94109
9. **Adjournment:** The meeting adjourned at 11:06 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards