

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

Approved Minutes: Board of Directors’ Regular Meeting – June 7, 2006

Call To Order

Opening Comments: Chair Gayle B. Uilkema called the meeting to order at 9:51 a.m.

Roll Call: Present: Gayle B. Uilkema, Chair, Harold Brown, Roberta Cooper, Chris Daly, Dan Dunnigan, Erin Garner (9:54 a.m.), Scott Haggerty (10:12 a.m.), Yoriko Kishimoto, Patrick Kwok, Janet Lockhart, Jake McGoldrick, Nate Miley (10:12 a.m.), Mark Ross, Michael Shimansky, Tim Smith, Pamela Torliatt, Brad Wagenknecht.

Absent: Mark DeSaulnier, Jerry Hill, Carol Klatt, Liz Kniss, John Silva.

Pledge of Allegiance: The Board of Directors recited the Pledge of Allegiance.

Public Comment Period: The following individual spoke:
Will Saltz
President, Employees’ Association

Mr. Saltz urged the Board of Directors to approve the budget item relating to the San Francisco Special Police patrolling around the District building.

Director Erin Garner arrived at 9:54 a.m.

Commendations/Proclamations: The Board of Directors recognized and presented a plaque to outgoing Board member, Director Roberta Cooper, for her exemplary service on the Board of Directors.

The Board of Directors recognized and presented a proclamation to Allan R. Saxe for his outstanding service on the Air District’s Hearing Board representing the attorney member category and adopted Resolution No. 2006-08 with the following Board members present:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Kishimoto, Kwok, Lockhart, McGoldrick, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Haggerty, Hill, Klatt, Kniss, Miley, Silva.

Adopted Resolution No. 2006-08: A Resolution to Express the Appreciation of the Board of Directors of the Bay Area Air Quality Management District to Allan R. “Bob” Saxe, Esq., for His Outstanding and Distinguished Service on the Hearing Board

Consent Calendar (Items 1 – 6)

1. Minutes of May 17, 2006 Meeting
2. Communications. Correspondence addressed to the Board of Directors. For information only.
3. District Personnel on Out-of State Business Travel
4. Consideration of an Amendment to the Side Letter of Agreement in the Memorandum of Understanding (MOU) Between the Air District and the Employees’ Association to Set Hourly Pay Rate for the High School Intern Classification

Considered approval of staff recommendation to amend a Side Letter of Agreement in the MOU between the District and the Employees’ Association setting hourly pay rate for the High School Intern Classification at the San Francisco minimum wage.

5. Considered Approving a Side Letter of Agreement Between the District and the Employees’ Association to Allow Concurrent Recruitments in the Laboratory Job Classification Series

The Board of Directors considered approval of a Side Letter of Agreement to allow concurrent recruitments in the laboratory job classification series.

6. Set Public Hearing for July 19, 2006 to Consider Adoption of District Regulation 2, Rule 10: Large Confined Animal Facilities, and Amendments to District Regulation 1, and Regulation 2, Rule 1, Related to Agricultural Sources of Air Pollution

The proposed adoption of a rule for Large Confined Animal Facilities and associated rule amendments are needed to comply with the requirements of SB 700 regarding agricultural sources of air pollution.

Board Action: Director Brown moved approval of the Consent Calendar; seconded by Director Wagenknecht.

It was noted that due to a typographical error, Item 6 was not included in the Consent Calendar. The motion was amended to include Item 6. The motion then carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Kishimoto, Kwok, Lockhart, McGoldrick, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Haggerty, Hill, Klatt, Kniss, Miley, Silva.

Adopted Resolution No. 2006-09: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Approving an Amendment to a Side Letter of Agreement in the MOU Between the Air District and the Employees' Association to Set the Hourly Pay Rate for the High School Intern Classification at the San Francisco Minimum Wage

Adopted Resolution No. 2006-10: A Resolution to Approve a Side Letter of Agreement Regarding Concurrent Recruitments for the Laboratory Job Classification Series

Committee Reports/Recommendations

7. Report of the Legislative Committee Meeting of May 22, 2006

Action(s): The Committee recommended that the Board of Directors approve the following bill positions:

Bill	Brief Description	Staff Recommendation
AB 32 (Nunez and Pavley)	<i>California Global Warming Solutions Act of 2006</i>	Support and seek amendments
AB 2264 (Pavley)	<i>Establishes fuel economy standards for new state vehicle purchases</i>	Support
AB 2276 (Pavley)	<i>Establishes ARB regulatory program for ozone-producing indoor air cleaning devices</i>	Support
AB 2444 (Klehs)	<i>Bay Area registration fee surcharge for congestion relief and environmental regulation</i>	Support and seek amendments
AB 2600 (Lieu)	<i>Extends current HOV lane use by natural gas vehicles</i>	Support
AB 2791 (Ruskin)	<i>Establishes California Clean Vehicle Discount Program</i>	Support
AB 3018 (Lieber)	<i>Establishes indoor air quality regulatory program administered by the ARB</i>	Support
SB 1205 (Escutia)	<i>Creates the California Children's Breathing Rights Act and changes air penalty law</i>	Oppose unless amended
SB 1601 (Lowenthal)	<i>Requires BACT on emissions sources at ports for new or renegotiated leases</i>	Support

Director Garner presented the report and stated that the Committee met on Monday, May 22, 2006.

Staff presented several bills for the Committee's consideration. The bills, a brief description, and the Committee's recommendations are listed above.

Staff also provided a brief update on the State budget and impacts to the District. Both houses are recommending an increase of \$10 million in the State Subvention Fund. If this increase remains in the final budget approved by the Governor, this Air District would receive \$1.7 million of the funds.

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

Board Action: Director Garner moved that the Board of Directors approve the recommendations of the Legislative Committee; seconded by Director Torliatt.

Directors Scott Haggerty and Nate Miley arrived at 10:12 a.m.

There was discussion on several of the bills. Chair Uilkema requested that AB 2444 be removed for a separate vote and Director Shimansky requested that AB 2600 be removed for a separate vote. The motion then carried unanimously without objection excluding AB 2444 and AB 2600.

The Board of Directors voted to approve the Legislative Committee recommendation of “support and seek amendments” on AB 2444 on the following roll call:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Smith, Torliatt, Wagenknecht.

NOES: Shimansky, Uilkema.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

The Board of Directors voted to approve the Legislative Committee recommendation of “support” on AB 2600 on the following roll call:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: Shimansky.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

8. Report of the Executive Committee Meeting of May 30, 2006

Director Ross presented the report and stated that the Committee met on Tuesday, May 30, 2006 and received and filed the Reports of the Hearing Board and Advisory Council. Advisory Council Chair, Kraig Kurucz, provided a brief update on the following topics: particulate matter, woodsmoke, climate change, goods movement, asthma and the Community Air Risk Evaluation (CARE) Program. Direction was provided to the Advisory Council regarding outreach to the community.

Staff provided an overview of the Environmental Protection Agency’s proposed revisions to the national ambient air quality standards for particulate matter. The report included background information, the proposed new standards, the new air quality standards

implementation schedule, background information on PM monitoring in the Bay Area, proposed changes to PM monitoring requirements and implications for Air District programs.

Staff provided a status report on the methodology for allocating Carl Moyer Program funds to the Bay Area and other regions. The California Air Pollution Control Officers Association (CAPCOA) has had discussions regarding changing the allocation to population-based, and ways to implement these changes to the allocation formula.

The update on the Joint Policy Committee was deferred to the next meeting of the Committee. The next meeting of the Committee will be at the Call of the Chair.

Board Action: Director Ross moved that the Board of Directors approve the report of the Executive Committee; seconded by Director McGoldrick; carried unanimously without objection.

Jack Broadbent, Executive Officer/APCO, noted that a copy of the April 14, 2006 letter to the Environmental Protection Agency regarding the National Ambient Air Quality Standards for Particulate Matter was at each Board members place.

9. Report of the Budget and Finance Committee Meeting of May 30, 2006

Action(s): The Committee recommended that the Board of Directors approve the amendment of the FY 2006/2007 Budget by increasing the Federal BioWatch Grants Fund Revenue from \$478,609 to a total of \$1,943,818 and correspondingly increase the budget for BioWatch (Program 809), and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$1,670,000.

Director Daly presented the report and stated that the Committee met on Tuesday, May 30, 2006 and staff presented the third quarter financial report for fiscal year 2005/2006.

The Committee recommends that the Board of Directors amend the fiscal year 2006/2007 budget by increasing the Federal Bio-Watch Grants Funds revenue from \$478,609 to a total of \$1,943,818 with a corresponding increase in the budget for BioWatch (Program 809), and by authorizing the Executive Officer to issue a purchase order not to exceed \$1,670,000. Director Daly noted that the Committee had extensive discussions on the BioWatch program.

Gary Caporicci from the CPA firm Caporicci & Larson presented the Audit Report for fiscal year 2004/2005. The District responded to the audit findings as follows:

1. Utilization Reports have been submitted to the Grant Management Office;
2. Beginning in May 2005, a separate time-code was implemented for the Toxics Monitoring Grant; and
3. An RFP has been issued to provide for bi-yearly audits of all Transportation Fund for Clean Air (TFCA) projects.

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

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

10. Report of the Personnel Committee Meetings of May 31, 2006 and June 7, 2006

Action(s): The Committee recommended that the Board of Directors approve the appointments of candidates to fill one regular Attorney position and one alternate Medical Profession position on the Air District's Hearing Board.

Director Kwok presented the report and stated that the Committee met on May 31, 2006 and June 7, 2006 to conduct interviews of candidates to fill the regular and alternate Attorney Member positions and the alternate Medical Profession position on the District's Hearing Board.

At the May 31st meeting, the Committee made two recommendations as stated below:

1. The Committee recommends that the Board of Directors approve the appointment of Dr. Jade Pyle to fill the alternate Medical Profession position on the District's Hearing Board to fill the remainder of a term that expires on April 17, 2007.
2. The Committee recommends that the Board of Directors approve the appointment of Rolf Lindenhayn to the regular Attorney Member position for a three-year term that expires on June 3, 2009.

The Committee met today on the alternate Attorney Member position and, after considerable discussion, recommends that the position be re-advertised.

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

Board Action: Director Kwok moved that the Board of Directors approve the Personnel Committee recommendations for the appointments of the regular Attorney Member position and the alternate Medical Profession position on the District's Hearing Board for the stated terms of office; and that the alternate Attorney Member position is re-advertised; seconded by Director Kishimoto; carried unanimously without objection..

11. Report of the Public Outreach Committee Meeting of May 31, 2006

Director Wagenknecht presented the report and stated that the Public Outreach Committee met on Wednesday, May 31, 2006.

Staff provided an update on the 2006 Spare the Air program. The Spare the Air/Free Fare program begins on June 1st and ends October 13th. There are now 24 participating transit operators. Staff reviewed the goals and objectives, advertising, outreach, events and the employer program.

Tracy Keough of O'Rorke, presented the "It's a Beautiful Day" campaign and the Committee heard several radio and television spots.

Immediately after the meeting, the press conference announcing the Spare the Air/Free Fare campaign took place on Treasure Island. An overview of the media coverage resulting from this successful press release is at each Board member's place.

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

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

The television ads that were presented to the Public Outreach Committee were viewed by the Board. Mr. Broadbent stated that copies of the videos will be sent to each Board member.

12. Report of the Ad Hoc Climate Protection Committee Meeting of June 1, 2006

Action(s): The Committee recommended that the Board of Directors' approve of a contractor to conduct a Greenhouse Gas Mitigation Study.

Director Torliatt presented the report and stated that the Ad Hoc Committee on Climate Protection met on Thursday, June 1, 2006.

Staff presented a status report on the District's climate protection activities, which includes the following initiatives:

- A Climate Protection Summit which will be held on November 10, 2006 with Al Gore as the keynote speaker.
- A Green house gas (GHG) study to begin in June 2006 and continue through October 2006.
- A Bay Area GHG emission inventory.
- Promotion of energy efficiency.
- In-house GHG emissions reductions.
- Green schools.
- Integration with Air District activities

The Committee requested staff develop "talking points" on what people can do regarding climate change.

Staff provided an overview of the process for selecting a contractor to conduct a Greenhouse Gas Mitigation Study. The Committee recommends that the Board of Directors approve URS Corporation as the contractor to conduct a study on Greenhouse Gas Mitigation; and authorize the Executive Officer to execute a contract with the selected contractor for an amount not to exceed \$100,000 to conduct the study.

Shannon Eddy of the California Climate Action Team provided a summary on recent State climate protection activities, including key recommendations and emission reduction strategies.

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

Board Action: Director Torliatt moved that the Board of Directors approve the recommendation and report of the Ad Hoc Committee on Climate Protection; seconded by Director Kishimoto; carried unanimously without objection.

Mr. Broadbent announced that the “talking points” mentioned in the report are at each Board member’s place.

In response to questions from Director McGoldrick, Mr. Broadbent stated that the Air District is trying to get other sponsors for the symposium and that he will report back to the Board with information on the honorarium for Mr. Gore.

Public Hearings

13. Public Hearing on Proposed Amendments to Regulation 3: Fees and Approval of the filing of a CEQA Notice of Exemption

The proposed amendments to Regulation 3: Fees increases fees effective July 1, 2006 in order to enable the District to address increasing regulatory program activity costs.

Brian Bateman, Director of Engineering, presented the report and provided background information on the District’s authority to assess fees and the 2005 Cost Recovery Study.

Mr. Bateman reviewed the details of the proposed fee amendments, presented examples of permit renewal fee increases, and summarized the rule development process. Mr. Bateman stated that these amendments would be effective July 1, 2006. Staff recommends that the Board adopt the proposed amendments to Regulation 3: Fees; and approve the filing of a California Environmental Quality Act (CEQA) Notice of Exemption.

There was extensive discussion on dry cleaners and incentive programs for those dry cleaners that do not use perc. Peter Hess, Deputy APCO, noted that dry cleaners are not charged a permit fee if they use a non-air polluting system.

Chair Uilkema opened the public hearing at 11:00 a.m. There being no public speakers, the public hearing was closed at 11:01 a.m.

Board Action: Director Wagenknecht moved that the Board of Directors adopt the staff recommendation on amendments to Regulation 3: Fees; seconded by Director Brown; carried unanimously with the following Board members voting.

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

Adopted Resolution No. 2006-11: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending Regulation 3 – Fees

14. Final Public Hearing on the Proposed District Fiscal Year 2006/2007 Operating Budget

Pursuant to California Health and Safety Code Section 40131, the Board of Directors conducted the final public hearing on the proposed District Budget and considered adoption.

Mr. Broadbent presented the report and provided background information and the overall direction for the fiscal year 2006/2007 budget. Mr. Broadbent summarized events leading to the request for the enhanced security item in the budget. Jeff McKay, Chief Financial Officer, provided additional information on the enhanced security options and noted that the proposed funds for this security have been reduced from \$160,000 to \$100,000. In addition, neighboring businesses have been approached regarding their participation in helping to defray the costs.

Board Action: Director Kwok moved that the Board of Directors adopt the proposed 2006/2007 budget, including the \$100,000 for enhanced security and the increase in the budget for BioWatch (Program 809); seconded by Director Cooper.

Chair Uilkema opened the public hearing at 11:14 a.m. There being no public speakers, the public hearing was closed at 11:15 a.m. The motion then carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

Adopted Resolution No. 2006-12: A Resolution to Approve the Budget for the Fiscal Year Ending June 30, 2007 (FY 2006-2007) and Various Budget Related Action

Other Business

16. Chairperson's Report – Chair Uilkema reported on the following items:
 - A) The June 22nd and July 5th Regular Board meetings are cancelled. The next Regular Board meeting will be held on July 19, 2006.
 - B) The June 12th Mobile Source Committee meeting has been rescheduled to July 10th.
 - C) The June 26th Public Outreach Committee and June 28th Budget and Finance Committee meetings are cancelled.
 - D) If any Board member has concerns about the April 14th letter to EPA, they should discuss them with Mr. Broadbent or the Chair.
 - E) There will be some changes to the Standing Committee assignments.
 - F) The 2005 Annual Report is at each Board member's place.

15. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following items:
 - A) The Spare the Air campaign started on June 1st and there was a successful kick-off event on Treasure Island on May 31st.
 - B) A list of upcoming community events is at each Board member's place.
 - C) The Annual Report is out.

D) The Air & Waste Management Association's annual conference is the week of June 19th and is being held in New Orleans, Louisiana.

Mr. Hess highlighted some events and workshops at the Air & Waste Management Association's conference this year.

17. Board Members' Comments – Director Haggerty reported on the Special District Institute workshop he attended from June 1st to June 2nd in San Diego.

Several Board members expressed their appreciation to Director Cooper and wished her well on her retirement.

Director Kwok recognized the staff for the work done on the budget preparation.

18. Time and Place of Next Meeting – 9:45 a.m., Wednesday, July 19, 2006 – 939 Ellis Street, San Francisco, CA 94109
19. Adjournment – The meeting adjourned at 11:25 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards