

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

Approved Minutes: Board of Directors' Regular Meeting – September 19, 2007

Call To Order

Opening Comments: Chair Mark Ross called the meeting to order at 9:47 a.m.

Roll Call: Present: Mark Ross, Chair, Tom Bates (9:51 a.m.), Harold Brown (9:52 a.m.), Chris Daly, Dan Dunnigan, Erin Garner (9:55 a.m.), Scott Haggerty, Jerry Hill, Yoriko Kishimoto, Carol Klatt, Liz Kniss (10:10 a.m.), Patrick Kwok, Janet Lockhart, Nate Miley, Michael Shimansky, Tim Smith, Pamela Torliatt, Gayle B. Uilkema, Brad Wagenknecht.

Absent: John Gioia, Jake McGoldrick, John Silva.

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

Commendation/Proclamation: There were none.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 4)

1. Minutes of September 5, 2007 Regular Meeting
2. Communications. Correspondence addressed to the Board of Directors. For information only.
3. District Personnel on Out of State Business Travel

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the memoranda in the meeting packet lists District personnel who traveled on out-of-state business.

4. Approval of a Contract to Study and Define the Essential Job Functions for District Classification Specifications

The Board of Directors considered approval to enter into a contract with Medtox for the purpose of developing essential physical job functions for all District positions and coordinating the results with the Air District's occupational health and physical testing programs; and authorized the Executive Officer/APCO to execute a contract with Medtox in an amount not to exceed \$100,000.

Board Action: Director Shimansky moved approval of Consent Calendar items 1 through 4; seconded by Director Hill; carried unanimously without objection.

Committee Reports and Recommendations

5. Report of the Executive Committee Meeting of September 13, 2007

Chair Ross presented the report and stated that the Committee met on Thursday, September 13, 2007 and received and filed the Reports of the Hearing Board and Advisory Council. Advisory Council Secretary, Harold Brazil provided a brief update on the work of each of the Advisory Council's standing committees, including the discussions by the Executive Committee and the full Council regarding possible restructuring of its Standing committees.

The Committee received an update on the progress made with regard to the Production System. Staff reported that the project plan is ahead of schedule and, to-date, below budget.

The Executive Officer provided a status report on the Air District's 2007 initiatives. The report highlighted the Climate Protection Program; the Community Air Risk Evaluation Program; the Green Ports Initiative, and the Enhanced Wood Smoke Strategy Rule development.

The Committee received information and a status report on the Air District's existing facilities and the challenges associated with District growth.

The Committee provided direction to staff on the agenda items.

An update on the Joint Policy Committee was provided to the Committee.

The Committee adjourned to Closed Session to conduct performance evaluations of the Executive Officer/APCO and the District Counsel. A report on the Committee's Closed Session discussions and recommendations will be discussed during Closed Session under agenda item #9.

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 Hill; carried unanimously without objection.

6. Report of the Climate Protection Committee Meeting of September 13, 2007

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

A) Approved the Climate Protection Grant Program Guidelines (Attachment A to the Committee staff report).

Director Pamela Torliatt presented the report and stated that the Committee met on Thursday, September 13, 2007. One member of the public spoke under the Public Comment Period regarding AB 32.

Due to time constraints, agenda items 4 and 5 were deferred to a future meeting.

The Committee received a report on the Climate Protection Grant Program Guidelines. Staff reviewed the goals and objectives of the program, provided an overview of the program categories, application procedures, and evaluation criteria. A brief overview was provided regarding outreach and the program timeline. The Committee recommends Board of Directors' approval of the Climate Protection Grant Program Guidelines.

The next meeting of the Committee is at the Call of the Chair.

Director Tom Bates arrived at 9:51 a.m.

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

7. Report of the Stationary Source Committee Meeting of September 17, 2007

Director Hal Brown arrived at 9:52 a.m.

Director Scott Haggerty presented the report and stated that the Committee met on Monday, September 17, 2007. One member of the public spoke under the Public Comment Period regarding mercury emissions from refineries.

Staff provided further information on proposed Regulation 6, Rule 2: Commercial Cooking Equipment as requested by the Board of Directors at the May 16, 2007 public hearing on the regulation. The report included information on grill sizes in restaurants, emissions from various meats, and the impact of the regulation on small businesses. Staff will continue discussions with affected parties, revise the rule language, and conduct another workshop. It is anticipated that a public hearing for Board approval of the proposed regulation will be held in late 2007. One member of the public spoke on this agenda item.

The Committee received an update on the Wood Smoke rule development and the Cleaner Burning Technology Incentives Program that will reduce emissions of PM2.5. After several public workshops in late October 2007, a public hearing for Board approval of the new rule would be held in early 2008.

A report on proposed amendments to Regulation 9, Rule 6: Nitrogen Oxides from Natural Gas-Fired Water Heaters was presented to the Committee. Revisions to the proposed rule amendments are based on comments received at the workshop held on June 29th. In addition to lowering the NOx standard for home water heaters, the rule will also apply to small heaters and boilers. The CEQA and socio-economic analyses is complete and the public hearing for Board approval of the amendments will be held in November 2007.

The Committee received an update on the approval of Flare Minimization Plans (FMPs) submitted by refineries. Staff provided information on compressor redundancy and

operation. The FMPs were approved by the APCO on July 16, 2007 and the updates to the Plans are due July 16, 2008. One member of the public spoke on this agenda item.

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

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

Discussion Item

8. Consideration of Change to Board Policy Regarding Reimbursement for Expenses Related to Upcoming Travel to China

The Board of Directors considered changing its policy regarding reimbursement for Board of Directors' attendance at the Air and Waste Management's People to People Program 2007 Delegation to China.

Chair Ross introduced the item and stated that in January 2007 the Board adopted a policy to limit the reimbursement to Board members attending the 2007 People to People Program Delegation to China to \$2,500 per Board member. Director Garner is requesting the Board reconsider its funding policy to fund the full program fees.

Director Erin Garner arrived at 9:55 a.m. and presented his position on the matter. Director Garner also recommended that the Board of Directors set a policy regarding funding for trips out of country.

There was extensive discussion on the issue, including members receiving the \$100 a day per diem while on the trip, a cap was set in January 2007 at \$2,500 per Board member, and that there are only three Board members attending the conference.

Board Action: Director Bates moved that the Air District reimburse the expenses for the Board members traveling to China, less the per diem of \$100 per day and that the Board members cover their carbon footprint expenses; seconded by Director Hill.

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

There was further discussion regarding guidelines and Directors Haggerty offered a friendly amendment that the matter of handling future out of country travel be sent back to the Executive Committee for discussion. Directors Bates and Hill accepted the amendment.

The motion then failed on the following roll call:

AYES: Bates, Brown, Dunnigan, Haggerty, Hill, Kwok, Miley, Torliatt.

NOES: Daly, Kishimoto, Klatt, Kniss, Lockhart, Shimansky, Smith, Uilkema, Wagenknecht, Ross.

ABSTAIN: Garner

ABSENT: Gioia, McGoldrick, Silva.

The Board referred the matter to the Executive Committee to develop a policy on expenses for all trips. Director Uilkema requested that staff poll other agencies on their policies and report back to the Executive Committee.

Closed Session

9. Report of Executive Committee Meeting of September 13, 2007 and Closed Session to Conduct Public Employee Performance Evaluations

Pursuant to Government Code Section 54957 and 54957.6 performance evaluations were conducted of the Executive Officer/APCO and the District Counsel.

The Board convened to closed session at 10:24 a.m.

Open Session: The Board reconvened to open session at 11:06 a.m.

Director Ross reported that the Board met in closed session on item 9 on the agenda to conduct performance evaluations of the Executive Officer/APCO and the District Counsel. The Board gave direction to the Chair to conduct negotiations with the Executive Officer/APCO and the District Counsel regarding compensation. The Board will take final action on compensation for the Executive Officer/APCO and the District Counsel in open session at the next Board meeting in connection with approving the contract amendments for these employees.

Other Business

10. Report of the Executive Officer/APCO – Jack Broadbent, Executive Officer/APCO reported on the following:
- A) There have been no additional Spare the Air days since August 29th and 30th.
 - B) The Board members are invited to attend the Climate All Stars Conference on Friday, September 21, 2007 being held at St. Mary's Cathedral.
11. Chairperson's Report – Chair Ross had no report.
12. Board Members' Comments – Director Daly requested a hearing and status report on air quality issues related to construction at the Hunters Point Shipyard. Mr. Broadbent stated that the issue would be discussed at a Stationary Source Committee meeting.

Director Haggerty reported on his attendance at a Special District Institute conference in Monterey from September 5th through 7th regarding financial management. Director

Haggerty stated that this was the third and final conference in the series and that he received his Certificate of Completion.

13. Time and Place of Next Meeting –9:45 a.m., Wednesday, October 3, 2007 – 939 Ellis Street, San Francisco, CA 94109
14. Adjournment – The meeting adjourned at 11:11 a.m.

/s/ Mary Romaidis

Mary Romaidis
Clerk of the Boards