



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
AD HOC COMMITTEE ON PORT EMISSIONS

COMMITTEE MEMBERS

NATE MILEY – CHAIRPERSON
TOM BATES
LIZ KNISS
TIM SMITH
GAYLE B. UILKEMA

JOHN GIOIA – VICE CHAIRPERSON
SCOTT HAGGERTY
MARK ROSS
PAMELA TORLIATT

WEDNESDAY
JULY 2, 2008
9:30 A.M.

PORT OF OAKLAND
BOARD ROOM
530 WATER STREET
OAKLAND, CA 94607

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF DECEMBER 6, 2007**
4. **UPDATE ON THE BAY AREA SEAPORTS AIR EMISSIONS INVENTORY B. Bunger/4920**
bbunger@baaqmd.gov

The Committee will receive an update on emission inventories being prepared for the ports of Benicia, Redwood City, Richmond, and San Francisco under a Memorandum of Agreement signed by the Air District, the Bay Planning Coalition, and the Ports.

5. **DISCUSSION OF CALIFORNIA GOODS MOVEMENT BOND PROGRAM**
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will discuss and receive an update on the Goods Movement Bond program.

6. **STATUS REPORT ON PORT OF OAKLAND'S MARITIME AIR QUALITY IMPROVEMENT PLAN (MAQIP)**
R. Sinkoff
rsinkoff@portoakland.com

Mr. Richard Sinkoff, Manager, Port Environmental Planning and Permitting will provide the Committee with a status report on the Port of Oakland's Maritime Air Quality Improvement Plan (MAQIP).

7. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

8. **TIME AND PLACE OF NEXT MEETING - AT THE CALL OF THE CHAIR**
9. **TOUR OF THE PORT OF OAKLAND**
10. **ADJOURNMENT**

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SAN FRANCISCO, CA 94109

(415) 749-5073
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

JUNE 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month) - CANCELLED	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Legislative Committee (Meets 4 th Monday of every Month) - CANCELLED	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee (Meets 4 th Wednesday of each month) - CANCELLED	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room

JULY 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee – (Meets 4 th Thursday of each Month) - RESCHEDULED	Tuesday	1	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Ad Hoc Cme. on Port Emissions	Wednesday	2	9:30 a.m.	Port of Oakland Board Room 530 Water Street Oakland, CA 94607
Board of Directors Public Outreach Committee (Meets 1 st Thursday every other Month) - CANCELLED	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – (Meets 4 th Thursday of each Month)	Wednesday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month)	Wednesday	9	11:00 a.m.	Board Room
Advisory Council Regular Meeting (Meets 2 nd Wednesday Every Other Month)	Wednesday	9	2:00 p.m.	2 nd Floor Conf. Room
Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month) - CANCELLED	Wednesday	16	9:45 a.m.	Board Room
Joint Policy Committee	Friday	18	10:00 a.m. – 12:00 p.m.	MTC 101 - 8 th Street Oakland, CA 94607
Board of Directors Budget & Finance Committee (Meets 4 th Wednesday of each month)	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room

JULY 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	30	9:45 a.m.	Board Room

AUGUST 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Technical Committee <i>(Meets 1st Monday of every even Month)</i>	Monday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month) - CANCELLED</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Air Quality Planning Committee <i>(Meets 1st Thursday Even Month) - RESCHEDULED</i>	Thursday	7	9:00 a.m.	Room 716
Advisory Council Air Quality Planning Committee <i>(Meets 2nd Monday Even Month)</i>	Monday	11	9:00 a.m.	4 th Floor Conf. Room
Advisory Council Public Health Committee – <i>(Meets 2nd Wednesday Even Month)</i>	Wednesday	13	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month) - CANCELLED</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of every Month) - CANCELLED</i>	Monday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month) - CANCELLED</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month) - CANCELLED</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

HI
6/18/08 (10:25 a.m.)
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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Miley and Members
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 25, 2008

Re: Ad Hoc Committee on Port Emissions Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Ad Hoc Committee on Port Emissions meeting of December 6, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the December 6, 2007 Ad Hoc Committee on Port Emissions meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000**

DRAFT MINUTES

Summary of Board of Directors
Meeting of the Ad Hoc Committee on Port Emissions
9:30 a.m., Thursday, December 6, 2007

1. **Call to Order – Roll Call:** Chairperson Nate Miley called the meeting to order at 9:40 a.m.

Present: Nate Miley, Chairperson, Scott Haggerty, Tim Smith, Pamela Torliatt (9:42 a.m.)
Gayle B. Uilkema

Absent: Tom Bates, John Gioia, Liz Kniss and Mark Ross.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of May 17, 2007 and July 26, 2007:** Director Haggerty moved approval of the minutes, seconded by Director Torliatt; carried unanimously without objection.
4. **Update on Activities at the Port of Oakland:** *Staff provided an update on the West Oakland health risk assessment being prepared by the Air Resources Board and on the Port of Oakland Maritime Air Quality Improvement Plan.*

Director Torliatt arrived at 9:42 a.m.

Jack P. Broadbent, Executive Officer/APCO provided the Committee with this presentation. Mr. Broadbent noted that staff wanted to provide the Committee with an overview of the activities that are going on, in particular with the Port of Oakland. The Port of Oakland is very much engaged in the development of an air quality improvement plan and the Air District is moving forward to develop our own regulatory effort and how it relates to the Air District.

Mr. Broadbent stated that there is a joint California Air Resources Board (CARB), Air District and Port of Oakland effort to better understand health risks associated with diesel PM in West Oakland. The health risk assessment being conducted by the three agencies is nearing completion. Mr. Broadbent noted that there is a plan that is under development by the Port of Oakland and it is also in its final stages; and these two complimentary efforts will help the Air District, CARB and the Port of Oakland and its local residents to help prioritize and expedite some of the efforts to reduce diesel PM.

The health risk assessments have been underway for some time, they focus on diesel PM, which under the CARE program we have found to represent as much as 80% of the risks in particular communities in and around the Bay Area. These health risk assessments are based on a base line of 2005 and it is important to understand that there are actually three separate health risk assessments underway. The three parts include:

- Part 1 – Seaport – Port of Oakland;
- Part 2 – Union Pacific Rail Yard, as part of the adoption of the MOU as the State level by CARB; and
- Part 3 – One that is looking at the entire West Oakland area that is adjacent to the Port

Mr. Broadbent indicated that some of the health risk assessments being conducted will also show that there is an elevated risk, probably not anywhere close to the order or magnitude of the Roseville yard, just the nature of the source in and around the seaport and around the rail yard.

In the emissions inventory overview that the health risk assessments are based on, the numbers reflect Diesel PM, tons per year which include:

- Port of Oakland 261 tpy
- UP Rail Yard 7 to 11 tpy
- Other West Oakland 627 tpy – driven largely by both ship and truck traffic

Mr. Hilken noted that the previous speaker only listed the sources on land, but also included in the inventory for both Part 1 and Part 3 are emissions from ships and boats, as they are traveling in the Bay and even outside the Golden Gate. That contributes to both of the inventories, especially in Part 3.

Mr. Broadbent noted that the next steps and schedule include the following:

- Finalize inventory report – December 2007
- Complete modeling – December 2007
- Cancer and non-cancer risk assessment – January 2008
- Future risk – January 2008
- Draft HRA released for public review – February 2008
- Complete final HRA report – Early Spring 2008

Mr. Broadbent stated that what is anticipated to happen is that the California Air Resources Board (CARB) will release the information and seek public comment on HRA, which may define when the HRA is actually finalized.

In addition the Maritime Air Quality Improvement Plan (MAQIP) is being prepared by the Port of Oakland. The goals of MAQIP are to reduce the public health impacts of the ports seaport related activities, both at the seaport and the neighboring communities. It is designed to be able to reduce the adverse health effects of the port.

Jean Roggenkamp, Deputy Air Pollution Control Officer, indicated that there is a taskforce that the port has initiated that has members from the community, other agencies and industry that is interested in operating at the port to help with development of this air quality improvement

plan. The port had designated co-chairs, and the Air District is one of those co-chairs. The co-chairs meet to talk about how to make this process move forward and organize the taskforce meetings.

- The effort began in late 2006;
- The task force with as many as 31 members with diverse interests;
- Four co-chairs: Omar Benjamin, Executive Director, Port of Oakland; Jack P. Broadbent, Executive Officer, Air District; Brian Beveridge, Co-Chair, West Oakland Environmental Indicators Project; Andy Garcia, Executive Vice President, GSC Logistics, Inc.;
- Four meetings to date, with a fifth meeting that was held on December 14, 2007; and
- Adoption of MAQIP by Port of Oakland currently scheduled for February 2008

Mr. Broadbent commented that the Air District's program is designed to ensure that the measures are being implemented at the ports. It is the answer to the communities that the Air District is indeed serious about making sure that the health risks associated with these activities are going to take place.

Director Torliatt asked if there will be a cost assessment for the mitigation so that we have a quantifiable number of how much the investment would have to be and where the Air District might help. Mr. Broadbent noted that the Air District has grant dollars, but there is also I-Bond discussions with the Port of Oakland in terms of expanding the rail service, being able to remove trucks off the road including more trucks on the rail itself. Also, be able to double the tunnels that over in the Donner Pass area, as these are things that are part of the entire discussion. Mr. Broadbent also indicated that the Committee will present this information at a future meeting.

Speaker: The following individual spoke on this agenda item:

Danny Wan
Port of Oakland

Committee Action: Director Smith requested that staff provide a more definitive breakdown of the Emissions Inventory, tons per year (tpy); at its next meeting.

5. **Discussion of Preliminary Draft Rule Regarding Port Emission Inventories and Plans:** *The Committee was presented with a preliminary draft rule that requires emissions inventories and plans to reduce emissions from Bay Area ports. The preliminary draft rule was the subject of a workshop that was held on December 11, 2007.*

William Guy, Assistant Counsel presented the Committee with the plan of general concepts as this would be the Air District's first indirect source regulation, and briefly provided the Committee with some of the features that are included in the preliminary draft and the initial issues. Mr. Guy noted that the Air District staff is in the process of developing an agreement with the Bay Planning Coalition and the other ports to develop an inventory that would cover the other four bay area ports.

At this time, the Air District is close to getting that agreement in place. Consultants are ready to go with the use of the same methodology that was used at the Port of Oakland.

Mr. Guy also noted there will be many changes that occur at the ports over the coming years as a consequence of CARB regulations. CARB has primary regulatory authority over all the mobile sources that we see at the port. In addition, the port is into a very large regulatory project. The port has adopted quite a few regulations.

Mr. Guy further stated the Air District has direct authority to require inventories from any kind of source which would include and indirect source such as the port. The Air District also has provisions that state that they have the authority to reduce emissions from indirect sources. At this time the Air District does not have the authority to adopt emission standards on these mobile sources, as that authority lies with ARB.

Requirements for the draft rule include:

- Inventories for ports;
- Allows for collaborative effort with smaller ports;
- Pollutants: PM, NO_x, SO₂, ROG, TOG; and
- Inventory based on Port of Oakland inventory.

Mr. Guy noted that the rules are structured so that those activities would count towards compliance with the rule, as it is not the Air District's intent to impose any new or additional requirements that have not already been met by the Oakland inventory.

Speaker: The following individual spoke on this agenda item:

Ellen Johnck	Darcy Wheelles
Bay Planning Coalition	AAR
10 Lombard St., #408	423 Wast
San Francisco, CA 94111	San Francisco, CA 94111
John Berge	Dave Souten
Pacific Merchant Shipping Assoc.	Environ

Committee Action: Director Torliatt requested that staff provide the Committee with a timeline on the draft rule.

6. **Committee Member Comments/Other Business:** There were none.
7. **Time and Place of Next Meeting:** At the Call of the Chair.
8. **Adjournment:** The meeting adjourned at 10:50 a.m.

Vanessa Johnson
Acting Clerk of the Board

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 25, 2008

Re: Update on the Bay Area Seaports Air Emission Inventory

RECOMMENDED ACTION:

None.

BACKGROUND

To date, much of the discussion about port emissions in California has appropriately focused on the container ports in Los Angeles, Long Beach, and Oakland. The container ports can be distinguished from other California ports because of the scale of commerce involved and the concentration of diesel particulate emissions sources. Smaller maritime ports may also be significant sources of regional and local emissions warranting additional consideration for emission reductions.

Through its Green Ports Initiative, the Air District initially sought to require inventories for all San Francisco Bay Area ports. However, the Port of Oakland completed its draft inventory in August 2007, took public comments, and finalized its inventory in March 2008. In order to assess emissions from the other Bay Area seaports, the Air District, working together with the Bay Planning Coalition, developed a Memorandum of Agreement (MOA) to prepare emissions inventories for the smaller ports of Benicia, Redwood City, Richmond, and San Francisco.

The MOA was executed by the Air District in January 2008 and by the ports thereafter. The MOA establishes a steering committee for the small ports inventory, with the Air District and each of the ports having a seat. Planning and Research Division staff participate on the steering committee for the Air District. The steering committee met in April 2008 to review work plans and preliminary activity data for each of the ports. Through a contract with Bay Planning Coalition, which acts as the administrator for the inventory effort, the consulting firms of Moffatt and Nichol and Environ are preparing the inventories using the same 2005 baseline and the same methodologies as were used for the Port of Oakland inventory, which was prepared by Environ.

The consultants are nearing completion of the data collection portion of the inventory. A meeting of the steering committee is scheduled for July 10, 2008 to review the initial work and discuss approaches and schedule for completing the inventory.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members of the
Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 23, 2008

Re: Discussion of California Goods Movement Bond Program

RECOMMENDED ACTION:

Informational report, receive and file.

BACKGROUND

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to the California Air Resources Board (ARB) to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. On February 28, 2008, ARB approved an allocation of \$140 million for the Bay Area trade corridor (\$35 million per year over the next four years). This funding share represents 14% of the total funding that will be distributed statewide. Additionally, the ARB approved \$3.4 million as part of its early I-Bond grants for a shorepower project and a truck retrofit project at the Port of Oakland (Port).

Under the guidelines for the program, the Air District was then required to submit an application to ARB on April 4, 2008, for the remainder of the \$35 million available less the early grant amount and administrative costs (\$31.1 million). This application was a highly complex document comprised of four sections (Port trucks, other trucks, commercial marine craft and locomotives). Each required the Air District to justify why it will be able to administer the funds requested, describe any matching funds to be used, describe its outreach plan, describe its project application and ranking system, and describe its enforcement and monitoring mechanisms.

ARB staff has accepted the Air District’s application and the following is a summary of what was approved by the ARB Board of Directors on May 22, 2008:

Table 1 -Summary of Projects and Funding Requested as Part of I-Bond Application

Project Type	Funding requested
Trucks at Ports and Intermodal railyards*	\$6.3 million
Other Goods movement trucks*	\$17.4 million
Locomotives	\$3.1 million
Marine harbor craft	\$4.3 million
Total	\$31.1 million

*retrofits, repowers and replacements

DISCUSSION

Subsequent to the approval of this funding by the ARB, the District's Board of Directors took the historical step on June 4, 2008, of reserving an additional \$5 million in Transportation Fund for Clean Air (TFCA) funds limited at \$5,000 per device to provide diesel particulate retrofits for trucks at the Port of Oakland. In order to expend these funds, staff opened a call for projects for Port trucks on May 16, 2008.

Outreach

Since this time, staff has been engaged in an intensive outreach effort, focusing on truckers involved in Port drayage activities. This outreach effort has included:

- 6 workshops to discuss I-Bond and TFCA programs
- 15 meetings with truck owners (firms and independent owners) involved in port trucking operations
- 7 speaking engagements including the Oakland Branch of the California Trucking Association and Port’s Comprehensive Truck Management Plan (CTMP) meetings
- Seeking to partner with local community groups to spread informational materials to affected independent truckers

In addition to these efforts, the District has published items in several trade magazines including “Heavy Duty Trucking” a national industry publication and has sent out over 9,000 postcards to registered truck owners in the Bay Area including port truckers.

Results

To date, Staff has received over 200 applications for retrofits and replacements of Port trucks. These applications were received under the initial call for projects for early grants, with a majority favoring the retrofit option. Additionally, staff has received over \$2 million in letters of commitment from various port trucking companies to seek retrofits and replacements under this program.

Next Steps

The call for projects for Port drayage trucks closes on June 30, 2008, following which the Air District will assess the number of applications received to date and may consider reopening the program depending on results.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

The I-Bond Program distributes funds from ARB to the Air District and then to eligible equipment owners. Staff costs for the administration of the Program are included under Programs 321 "California Goods Movement Bond - Early Grants" and 323 "California Goods Movement Bond Grants" in the FY 2008/2009 budget.

The Air District may use motor vehicle surcharge revenues to match a portion of the eligible projects recommended for funding that qualify. As such, any matching funds allocated will have no impact on the Air District's budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jack M. Colbourn