



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

May 7, 2008

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7th floor Board Room at the Air District headquarters, 939 Ellis Street, San Francisco, California.

Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

BOARD OF DIRECTORS' REGULAR MEETING A G E N D A

WEDNESDAY
MAY 7, 2008
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Proclamations/Commendations

Chairperson, Jerry Hill
Clerk of the Board

PUBLIC COMMENT PERIOD

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 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 Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

CONSENT CALENDAR (ITEMS 1 – 3)

Staff/Phone (415) 749-

1. Minutes of April 16, 2008

V. Johnson/4941

vjohnson@baaqmd.gov

2. Communications

J. Broadbent/5052

jbroadbent@baaqmd.gov

Information only.

3. Quarterly Report of Division Activities

J. Broadbent/5052

jbroadbent@baaqmd.gov

Report of Division Activities for the months of January –March 2008

COMMITTEE REPORTS AND RECOMMENDATIONS

4. Report of the **Legislative Committee** Meeting of April 21, 2008

CHAIR: B. WAGENKNECHT

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Directors' approval of attached positions on key air quality measures.

5. Report of the **Budget and Finance Committee** Meeting of April 23, 2008

CHAIR: C. DALY

J. Broadbent/5052

jbroadbent@baaqmd.gov

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

A) *Proposed Budget for Fiscal Year Ending 2009 upon completion of public hearings;*

5. Report of the **Budget and Finance Committee** Meeting of April 23, 2008 **Continued**

- Action(s):**
- B) *Transfer of \$1,250,000 from the Designated Reserve and a corresponding increase in the Air Districts' FY 2007/08 Information Systems budget.*
 - C) *Transfer of \$2.8 million from undesignated reserves to designated reserves for Production System; and*
 - D) *Authorize the Executive Officer/APCO to solicit bids and execute contracts for the production system project not to exceed \$1.25 million.*

6. Report of the **Public Outreach Committee** Meeting of May 5, 2008

CHAIR: M. ROSS

J. Broadbent/5052

jbroadbent@baaqmd.gov

PRESENTATION

7. Overview of West Oakland Health Risk Assessment

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will present an overview of the Health Risk Assessment for West Oakland conducted by the California Air Resources Board in conjunction with the Air District, the Port of Oakland and the Union Pacific Railroad..

OTHER BUSINESS

8. Report of the Executive Officer/APCO

9. Chairperson's Report

10. Board Members' Comments

Any member of the Board, 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)

11. Time and Place of Next Meeting - 9:45 a.m., Wednesday, May 21, 2008- 939 Ellis Street, San Francisco, CA 94109

12. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5127

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 Executive Office should be given at least 3 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

MAY 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i> CANCELLED	Friday	2	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Monday	5	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets At the Call of the Chair)</i>	Monday	12	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday of every odd Month) – RESCHEDULED TO THURSDAY, MAY 15, 2008</i>	Wednesday	14	10:00 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Wednesday	14	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday of every odd Month)</i>	Thursday	15	9:00 a.m.	Board Room
Advisory Council Executive Committee <i>(Meets 2nd Wednesday of every odd Month)</i>	Thursday	15	Immediately Following the Advisory Council Regular Meeting	Room 716
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i> - TO BE RESCHEDULED	Thursday	15	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	16	10:00 a.m. – 12:00 p.m.	MTC 101 - 8 th Street Oakland, CA 94607
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	19	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i> RESCHEDULED TO WEDNESDAY, MAY 14, 2008	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	28	9:30 a.m.	4 th Floor Conf. Room

JUNE 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	2	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Public Health Committee <i>(Meets 2nd Wednesday of every even Month)</i>	Wednesday	4	1:30 p.m.	Room 716
Advisory Council Air Quality Planning Committee <i>(Meets 1st Thursday of every even Month)</i>	Thursday	5	9:30 a.m.	Room 716
Board of Directors Executive Committee <i>(Meets At the Call of the Chair)</i>	Wednesday	11	10:00 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday quarterly)</i> – RESCHEDULED TO MAY 19, 2008	Monday	16	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of every Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	26	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 Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Executive Committee <i>(Meets 2nd Wednesday of every odd Month)</i>	Wednesday	9	9:00 a.m.	Room 716
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday of every odd Month)</i>	Wednesday	9	10:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i>	Thursday	17	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>
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 <i>(Meets 4th Wednesday of each month)</i>	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	28	9:30 a.m.	4 th Floor Conf. Room

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4/29/08 (10:40 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 30, 2008

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of April 16, 2008.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 16, 2008 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Draft Minutes: Board of Directors' Regular Meeting– April 16, 2008

Call To Order

Opening Comments: Chairperson Jerry Hill called the meeting to order at 9:45 a.m.

Roll Call: Present: Jerry Hill, Chair, Tom Bates, Harold Brown, Chris Daly, Scott Haggerty, Carol Klatt, Liz Kniss (10:00 a.m.), Janet Lockhart, Jake McGoldrick, Mark Ross, Michael Shimansky, John Silva, Tim Smith, Pam Torliatt (9:50 a.m.), Gayle B. Uilkema, Brad Wagenknecht, Ken Yeager.

Absent: Dan Dunnigan, Erin Garner, John Gioia, Yoriko Kishimoto.

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

Public Comment Period: – There were none.

Consent Calendar (Items 1 – 6)

1. Minutes of April 2, 2008
2. Communications
Information only.
3. Quarterly Report of Air Resource Board Representative Honorable Jerry Hill
4. Quarterly Report of the Executive Office Activities
5. Set a Public Hearing for May 21, 2008 to consider adoption of proposed amendments to District Regulation 3: Fees and approval of filing of a Notice of Exemption from the California Environmental Quality Act
6. Consider Approval of Board of Director and Advisory Council Members Attendance at the 101st Annual Air & Waste Management Association Conference and Exhibition in Portland, Oregon

The Board of Directors considered approval of attendance of 5 Board members and 5 Advisory Council members to the 101st Annual Air & Waste Management Association Conference and Exhibition to be held in Portland, Oregon June 24-27, 2008.

Board Action: Director Silva moved approval of Consent Calendar; seconded by Director Shimansky; carried unanimously without opposition.

COMMITTEE REPORTS AND RECOMMENDATIONS

7. Report of the Personnel Committee Meeting of April 4, 2008

Director Brown presented the report and stated that the Personnel Committee met on Friday, April 4, 2008.

The Committee conducted an interview and reviewed applications of candidates to fill the regular and alternate Public member category positions on the Hearing Board.

The Committee recommends Board of Directors' approval of reappointments to the Air District's Hearing Board of: 1) Julio Magalhaes and Terry Trumbull to fill the Regular Public Member positions for a three-year term of office, effective immediately and expiring on April 2, 2011; and 2) Peter Chiu and Richard Grundy to fill the Alternate Public Member positions for a three-year term of office, effective immediately and expiring on April 2, 2011.

The next meeting is at the Call of Chair.

Board Action: Director Brown moved that the Board of Directors approve the report of the Personnel Committee; seconded by Director Shimansky carried unanimously without opposition.

8. Report of the Executive Committee Meeting of April 10, 2008

The Committee received the Quarterly Report of the Hearing Board from Hearing Board member, Terry Trumbull; the Hearing Board dealt with 5 dockets over the past quarter and received a total of \$9,447 in hearing board fees. The Committee also received a Quarterly Report from the Advisory Council Chairperson, Dr. Louise Bedsworth. Chairperson Bedsworth provided the Committee with an overview of activities of the Advisory Council and its Standing Committees over the past quarter.

The Committee received an update on the progress made to date on the Production System. The Committee also received a demonstration on the production system. Staff provided a shortened version of the demonstration to the Board of Directors.

Finally, the Committee adjourned the Closed Session to discuss Air District labor negotiations. The Committee provided direction to staff. A report on the Committee's Closed Session discussions was held during Board of Directors' meeting under agenda item #10.

The next meeting of the Committee will be held Monday, May 12, 2008.

Board Action: Director Hill moved that the Board of Directors approve the report of the Executive Committee; seconded by Director Brown; carried unanimously without opposition.

Jeff McKay, Deputy Air Pollution Control Officer, provided the Board of Directors with a brief presentation and demonstration of the Production System Project.

Mr. John Chiladakis, Information Systems Manager provided the Board of Directors a demonstration of IRIS and Databank.

Mr. Chiladakis stated that the new system will allow searches to be conducted for each facility and the actual permit. Another feature will allow employees to view the location of the facility. In addition, the program will allow employees to view surrounding facilities and their permits.

Mr. Chiladakis concluded his presentation.

Director Bates inquired about the next phase. Mr. Chiladakis responded to Director Bates stating the next phase will include detailed design and development work. The target date of deployment for the entire project is 2010. Mr. Broadbent acknowledged that the Air District is proud of the work that has been done and recognized both Mr. McKay and Mr. Chiladakis and their team for their work.

Chair Hill commented the system is on schedule as proposed and less than the budget initially proposed. Chair Hill thanked both Mr. McKay and Mr. Chiladakis.

Public Hearing

9. Public Hearing to Consider Testimony on Proposed Amendments to the Air District's Regulation 3: Fees

Brian Bateman, Director of Engineering provided the Board of Directors' with the presentation. Mr. Bateman stated that there were 5 topics for discussion.

Background information included:

- Air District legal authority to assess fees to fully recover the direct and indirect costs of implementing and enforcing a program for control of air pollution from stationary sources.
- Fee revenue falls far short of program costs
 - For FYE 2007, fee revenue covered 58 percent of program costs resulting in a revenue gap of \$16.5 million
 - Revenue gap is filled by property tax revenue from the counties
- Cost recovery gap should be reduced
 - Fees must be increased by more than annual cost of living adjustments to narrow the cost recovery gap
- Under State law, permit fee increases are limited to 15 percent in any calendar year

Rule development schedule included:

- Draft fee regulation amendments issued
 - January 31, 2008
- Public Workshop (40 attendees)
 - February 25, 2008

- Committee Briefings
 - Budget & Finance: February 27, 2008
 - Climate Protection: March 13, 2008
- Public Hearings
 - April 16 and May 21, 2008
 - Amendments would be effective July 1, 2008

Details of proposed fee amendments include:

- Similar to fee amendments adopted last year, with the addition of a new Greenhouse Gas (GHG) fee schedule
- Would increase overall fee revenue by 13.9 percent from fee revenue projected for the current fiscal year

Revenue from amendments to existing fee schedules:	\$2.3 million
Revenue from new GHG fee schedule:	<u>\$1.1 million</u>
Overall increase in fee revenue:	\$3.4 million

- Increase in CPI for Bay Area was 3.2 percent
- Would target the Fee Schedules with the most significant cost recovery gaps for the largest fee increases

Mr. Bateman continued his presentation with an outline of the proposed amendments to the existing fee schedule.

Summary of public comments include:

- 20 comment letters received
- Concerns of opponents to GHG fee schedule:
 - GHGs should be regulated only at the State-level by CARB under the AB 32 program
 - Regional/local agency GHG standards of differing detail and stringency may result in:
 - o Inconsistencies
 - o Duplication
 - o Conflicts
 - Air districts lack the legal authority to regulate GHGs
 - CARB may be developing GHG fees to recover AB 32 program costs
- Revisions made to initial draft GHG Fee Schedule in response to comments received:
 - Use same GHG compounds, Global Warming Potential values, that CARB uses
 - Exempt biogenic CO₂ emissions from GHG fees
 - Clarify that GHG fees apply only to permitted sources

Mr. Bateman concluded his presentation.

Director Ross requested that Air District collaborate with CARB.

Director Silva requested a further breakdown of the fee schedule.

The following individual spoke during Public Comment period on item 5.

Irvin Dawid
Sierra Club
753 Alma St., #126
Palo Alto, CA 94301

Mr. Dawid requested that the Board of Directors approve and implement Schedule T, as to make climate protection a self sustaining element.

The following individuals spoke during Public Comment period on item 9.

Linda Weiner
Bay Area Clean Air Task Force
72 Gates St.
San Francisco, CA 94110

Dennis Bolt
WSPA
5486-A Roundtree Dr.
Concord, CA 94527

Chair Hill stated that the public hearing will be continued until May 21, 2008.

Closed Session

10. **Closed Session with Air District's Labor Negotiators**
(Government Code § 54957.6(a))

*Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
Michael Rich, Human Resources Officer*

*Employee Organization: Bay Area Air Quality Management District Employees'
Association, Inc.*

11. **Conference with Legal Counsel – Litigation**

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case(s):

San Francisco Chapter of the A. Philip Randolph Institute, et al. v. United States Environmental Protection Agency, Bay Area Air Quality Management District, Mark Ross, United States District Court, Northern District of California, Case No. C 07 4936 JCS

The Board convened to closed session at 10:48 a.m.

Open Session

The Board reconvened to open session at 11:10 a.m.

Brian Bunger, District Counsel, reported that the Board of Directors met in closed session on agenda items 10 and 11. The Board received reports on those items and provided direction to staff.

Other Business

12. Report of the Executive Officer/APCO

Mr. Broadbent stated that the Air District is in the process of conducting its workshops on the regulation relating to wood burning devices. Meetings were held in Redwood City and Napa.

Mr. Broadbent also informed the Board of Directors that it was a relatively hot weekend and that the Bay Area had readings at several stations that would exceed the new federal ambient air quality standard on April 13, 2008. This was due to high temperatures. The violations were in the cities of Concord, Fremont, Livermore, Napa, San Jose and Sunnyvale.

Mr. Broadbent concluded his report.

13. Chairperson's Report – There was none.

14. Board Members' Comments – Director Torliatt asked Mr. Broadbent to mention the Environmental Award the Air District received from the United States Environmental Protection Agency (EPA). Director Torliatt continued that the Air District should be honored for being recognized by EPA.

15. **Time and Place of Next Meeting** – 9:45 a.m., Wednesday, May 7, 2008 – 939 Ellis Street, San Francisco, CA 94109

16. **Adjournment** – The meeting adjourned at 11:15 a.m.

Vanessa Johnson
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2008

Re: Board Communications Received from April 16, 2008 through May 6, 2008

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from April 16, 2008 through May 6, 2008, if any, will be at each Board member's place at the May 7, 2008, Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

To: Chairperson, Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2008

Re: Report of Division Activities for the Months of January 2008 – March 2008

ADMINISTRATION AND INCENTIVES DIVISION - J. COLBOURN, DIRECTOR

Audit of 2006-07 Financial Statements:

The audit report for the District's 2006-07 financial statements was issued on February 19, 2008, in compliance with the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and *Government Auditing Standards*. There were no audit findings or adjustments in the 2006-07 audit report. The audit report was presented by Gary Caporicci of Caporicci & Larson, Certified Public Accountants, at the February 27, 2008 Budget & Finance Committee meeting.

PERP Fund Receipt:

The Air District received \$148,084 from ARB the first payment for Portable Equipment Registration Program.

Budget Development for Fiscal Year 2008-09

The first draft of the 2008-09 Proposed Budget was mailed to the Board of Directors (Board) on March 12, 2008, and referred by the Board to the Budget and Finance Committee for its March 19, 2008 meeting; there will be a brief staff presentation at the Budget and Finance Committee on March 26, 2008.

Green Business

Scheduling of a recycling brown bag presentation for Air District staff—hosted by the SF Dept. of the Environment. This session should take place in April.

California Goods Movement Bond

The ARB issued their draft staff report for the California Goods Movement Bond on January 3, 2008. As part of the report, the ARB is recommending the Bay Area receive \$3 million for truck retrofits and grid based shore power.

Additionally, based on further recommendations in the staff report, the Bay Area is slated to receive up to \$140 million (\$35 million per year) over the next four years.

Outreach

- Staff attended and spoke at a Port of Oakland workshop to discuss upcoming grant opportunities for drayage trucks.

Program Development

- Staff participated in workshops with the ARB to develop guidelines for the Goods Movement program.

Staff participated in Local Agency Consultation Conference call to assist ARB in development of Goods Movement Bond Guidelines, February 21, 2008.

Staff participated in Shore Side Power workgroup meeting, February 22, 2008.

Staff attended an ARB Board meeting at which the Goods Movement Guidelines were adopted, February 28, 2008. As part of this meeting, the Bay Area secured a 14% share in the overall Goods Movement Bond funding equaling \$35 million in the first fiscal year of the program and \$140 million in total over four years.

Staff submitted a grant request for \$40 million to replace goods movement trucks to MTC through the RTP 2035 on March 5, 2008.

TFCA Program:

- On January 11, 2008 staff provided to the County Program Managers the FY 08/09 TFCA Guidance, fund estimates, and worksheets.
- TFCA County Program Manager Work Group meeting held Thursday, January 24, 2008.

TFCA Audit

- On January 14-16, 2008 staff provided support and documentation for the external audit of selected TFCA projects and programs that are administered by the District.

Bicycle Facility Program (BFP)

- Staff provided draft BFP Guidelines for FY 2008-09 for public comment.

Vehicle Buy Back Program

- Vehicle Buy Back brochures updated with the new criteria.

TFCA Program Manager and Regional Fund

- TFCA Program Manager Work Group met on Tuesday, February 26, 2008.
- On February 14, 2008 staff released for public comment the draft revised TFCA Regional Fund Policies and Evaluation Criteria for FY 08-09.

Carl Moyer Program (CMP)

Staff conducted the following workshops for the year 10 Moyer cycle:

- Alameda County Farm Bureau Board Meeting, February 7, 2009
- Redwood Reliance Sales Company in the City of Cotati, February 7, 2008
- City of Richmond, February 11, 2008
- City/County of San Francisco, February 14, 2008
- City of Vallejo, February 15, 2008
- City of East Palo Alto, February 16, 2008
- Steven's Bay Area Diesel Services, February, 21, 2008
- CalTrux Annual dinner, February 21, 2008
- PG&E On-road contractors, February 27, 2008
- West Oakland Application Workshop, February 28, 2008
- SFO – Airport, February 29, 2008
- Small Boat Commercial Salmon Fishermen's Association Sponsored 2008 Swap Meet, March 1, 2008
- Peterson San Leandro, March 3, 2008
- San Mateo Farm Bureau, March 3, 2008
- Peninsula California Dump Truck Owners Association, March 5, 2008
- San Jose Application Workshop, March 8, 2008
- Outreach efforts and responses to press release for year 10 Moyer cycle:
 - Placed advertisement in the e-newsletter Equipment Today,
 - Placed advertisements in the following trade publications: Caltrux, Pacific Shipper, Pacific Maritime,
 - Distribution of press release resulted in articles in the East Bay Business Times and the North Bay Bohemian Newspapers
 - Placed flyers at marine docks in: Berkeley, Emeryville, Oakland and Treasure Island
- HUSS, manufacturer of diesel retrofit devices, gave a presentation/training session on their retrofit devices for District grant staff.
- Year 10 Moyer applications being accepted until April 4th.

Grant Funds Receipt

The District received Biowatch and PM2.5 grant funds in the amount of approximately \$218,000 and \$186,000, respectively.

COMPLIANCE AND ENFORCEMENT – K. WEE, DIRECTOR**Enforcement Program**

Staff issued public nuisance violations to Evergreen Oil Company in Newark for March 3, 5, & 6, 2008. The Air District received over 48 air pollution complaints and traced the odors to a thermal oxidizer that shut down on March 3, 2008. This unit abates the storage tank emissions.

On March 20, 2008, the Air District obtained a conditional abatement order from the Air District's Hearing Board against Livermore Beacon gas station for failure to pay \$5,360 in permit fees. Subsequently all outstanding fees were paid.

Staff met with representatives of Hanson Permanente Cement On January 8, 2008 and March 12, 2008 to discuss compliance issues at the plant. On February 1, 2008, California Air Resources Board (CARB) staff completed an applicability determination and concluded that Hanson is not subject to the ATCM for Naturally Occurring Asbestos.

Staff attended the CAPCOA Vapor Recovery Committee meeting in Sacramento on January 15, 16, and 17. On February 5, 2008, CARB informed districts that all Healy 900 vapor recovery nozzles manufactured in 2007 are considered defective. CARB advised districts of the agreement it had reached with the manufacturer to repair all nozzles by mid-April. District staff observed repairs at several of the gas stations.

Compliance Assistance Program

On February 26, 2008 staff presented information on the requirements of Regulation 5, Open Burning, to the Knightsen Town Council, Contra Costa County.

Inspection staff met with Contra Costa County Building Department staff to explain what requires a demolition asbestos notification.

Staff produced two Compliance Advisories on controlling Nitrogen Oxides emissions: Regulation 9, Rule 6, Natural Gas-Fired Water Heaters and Boilers, and Regulation 9, Rule 9, Stationary Gas Turbines.

Staff participated in the monthly Truck Work Group Meeting at the Port of Oakland. On March 18, 2008 staff met with representatives of Bayview Hunters Point to answer questions about the Lennar BVHP Parcel A project and the Naturally Occurring Asbestos Dust Mitigation Plan.

Translation from the Hindi, Korean, Punjabi and Spanish languages was provided for Division activities during the period.

Compliance Assurance Program

On February 14, 2008 staff attended the Contra Costa County Hazardous Materials Interagency Task Force meeting.

Staff has under evaluation two project-specific Flare Minimization Plan Updates from Chevron associated with their Renewal Project permit and has approved one for the Tesoro Coker Modification Project. In addition staff approved reporting procedures for Valero's Acid Gas Flare. Staff updated and posted to the Air District website flare data and graphs through December 2007.

Operations

Staff revised draft Regulation 6 Rule 3, Wood Burning Devices, and created Rule Summary and Frequently Asked Questions documents, which were posted on the Air District's website and mailed in advance of nine (9) public information meetings. The meetings, beginning April 14, 2008 running through April 30, 2008 will be held in the following locations: Concord, Livermore, Napa, Novato, Oakland, Redwood City, San Jose, Santa Rosa and Vallejo. Staff also completed a survey of firewood vendors within the Air District to establish the typical moisture content of firewood sold and the amount of wood sold annually as part of research in support of Reg. 6-3 rule development.

The 1st quarter In-Service Training sessions were conducted in January. HAZWOPER 8 hour refresher training was conducted in February. New inspectors completed the CARB Fundamentals of Enforcement (FOE) classes in February. VEE re-certifications were conducted in February and March.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR
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Permit Activity Summary

In the 1st quarter of 2008, 616 new permit applications were received: 309 standard New Source Review applications, 260 Gasoline Dispensing Facility applications, 35 Title V applications, and 12 Banking applications. During this period, the Division issued 305 Authorities to Construct and 346 Permits to Operate.

Engineering Division Permit Activity – 1st quarter 2008			
Annual update packages started	990	Permits to Operate issued	346
Annual update packages completed	1304	Exemptions	32
Total update pages entered	1020	Authorities to Construct denied	0
New applications received	616	New Companies added to DataBank during the 1 st quarter 2008	162
Authorities to Construct issued	305		

Toxics Program

A total of 97 Health Risk Screening Analyses (HRSAs) were completed in the 1st quarter of 2008. The majority of these HRSAs were for diesel engine emergency generators, but HRSAs were also completed for soil remediation projects, gasoline stations, landfills, and petroleum refinery projects. Staff is continuing work on an HRSA for a major modification to the Chevron Refinery in Richmond.

Pacific Steel Casting (PSC) Company in Berkeley submitted a Health Risk Assessment (HRA) for the Air Toxics Hot Spots (ATHS) Program on September 24, 2007. District staff and the Office of Environmental Health Hazard Assessment (OEHHA) have reviewed the document and provided preliminary comments to PSC. The HRA triggers ATHS public notification requirements, but not mandatory risk reduction requirements. Air District staff conducted a community meeting in conjunction with PSC and OEHHA to discuss the HRA in Berkeley on January 9, 2008. Staff is currently reviewing public comments received regarding the HRA, and will soon be notifying PSC of several deficiencies that need to be addressed.

Staff participated in meetings of the CAPCOA TARMAC (Toxics and Risk Management) Committee. TARMAC has been active reviewing ATCMs (e.g., diesel engines), AERMOD and HARP modeling issues, and developing new health risk assessment guidelines for CEQA and Air Toxics Hot Spots Programs.

Title V Program

In the 1st quarter of 2008, Engineering Division staff completed various Title V permit revisions and renewals. Significant progress was made in preparing for the five-year Title V renewal applications for the five Bay Area petroleum refineries, which are due to be submitted by May 31, 2008. Several Title V permit revisions for the refineries were acted on in the 1st quarter of 2008; these revisions are intended to update and improve the permits prior to submittal of the renewal applications. Staff also held several meetings with refinery industry representatives to discuss issues associated with the upcoming renewal applications.

Permit Evaluation Program

Air District staff and EPA Region IX amended the Prevention of Significant Deterioration (PSD) Delegation agreement between the Air District and EPA. The amended PSD Delegation agreement was signed on February 4, 2008. Under the amended delegation agreement, the District is now primarily responsible for issuing and modifying PSD permits in the Bay Area.

Air District staff have identified six Bay Area facilities that are potentially subject to the federal Regional Haze standard in 40 CFR 51, Subpart P: Chevron Richmond Refinery, ConocoPhillips Refinery, Rhodia, Shell Martinez Refinery, Tesoro Refinery, and Valero Refinery. Modeling and applicability determinations are underway for these facilities; if these analyses indicate that sources at these facilities are subject to the standard, the Air District will have to include control measures in the State Implementation Plan.

Staff continued its review of the permit application submitted for Chevron's Energy and Hydrogen Renewal Project at the Richmond Refinery. Staff completed an update of the criteria and HAP emissions estimate for the project. The HRSA has also been re-run several times over the past quarter as emissions calculations are updated and refined. Air District staff is finalizing the BACT determinations, permit conditions, and the statement of compliance for the draft Engineering Evaluation. The Air District held a Community Meeting in Richmond on February 13, 2008, to discuss the permit evaluation for the project. The meeting was well attended and helped the public better understand both the proposed project and the Air District's permitting process. The Authority to Construct for the project cannot be issued until the EIR is certified by the City of Richmond, which is not expected to occur until June 2008 at the earliest.

A Hayward resident filed an appeal to the Air District's Hearing Board for the Authority to Construct issued for the Russell City Energy Center project in Hayward. A jurisdictional hearing was held on March 6, 2008. The Hearing Board dismissed the Appeal.

The Air District has issued a Final Determination of Compliance for the Eastshore Energy Center project in Hayward. The California Energy Commission Evidentiary Hearing for this project continued in January 2008. The CEC Presiding Member has not yet made a proposed decision on whether this project will receive a license.

In November 2006, PG&E acquired from Mirant, equipment, permits, and contracts to a partially completed 530 MW power plant in Antioch named the Gateway Generating Station (GGS). The Air District received an application from PG&E for modifications to switch from wet to dry cooling, and to include more shutdown/startup operations. The resulting increase in CO emissions requires new PSD modeling and issuance of a modified PSD permit. PG&E plans to start-up the GGS power plant in 2008 or early 2009.

Staff met with representatives of Mirant to discuss permitting issues for a proposed new power plant to be located adjacent to their existing Contra Costa Plant (and the partially built GGS) in Antioch. The proposed plant would have a capacity of 830 MW from two combined-cycle turbines and two simple-cycle turbines. The Air District has not yet received a permit application for this project.

Staff attended the San Francisco Board of Supervisor's Land Use Committee meeting on January 28, 2008. The Committee asked staff questions relating to the emissions and efficiency characteristics of the proposed San Francisco Electric Reliability Project (SFERP) compared to the existing Potrero Power Plant. The SFERP withstood a legal challenge filed by a public interest group in U.S. District Court to prohibit the issuance of the Authority to Construct. The Court dismissed the group's motion on March 28, 2007. The City of San Francisco recently surrendered the required emissions offset credits to the Air District, and the Authority to Construct for the SFERP is being prepared for issuance.

On February 25, 2008, the Air District sent EPA a proposed minor Title V modification for the Hanson Permanente Cement Plant in Cupertino. The minor revision incorporates the conditions of two NSR permits, one of which allows Hanson to increase the burning of coke from 8 tons/hr to 20 tons/hr. Staff is following up on a request from EPA regarding criteria pollutant emissions changes resulting from the increased petroleum coke usage. The required data analysis associated with this request is expected to be completed in May 2008.

Staff continues to handle its Responsible Agency responsibilities under CEQA for several proposed projects. Staff has provided assistance to the City of Richmond, the CEQA Lead Agency for the Chevron Renewal Project, and attended public hearings held to consider EIR certification. The public hearing for consideration of EIR certification for this project has been continued to June 5, 2008. Staff prepared comments on an Administrative Draft EIR prepared by Contra Costa County for a proposed Praxair hydrogen pipeline. Work is also underway in preparing comments to the City of Benicia on amendments to the EIR for the Valero VIP project.

Staff continues work to implement the CARB stationary diesel engine ATCM and portable diesel engine ATCM. The Division continues to receive many diesel engine permit applications. The District's Diesel Engine Workgroup met several times during the 1st quarter of 2008 to discuss and resolve issues.

Staff continued to participate in the District's Flare Workgroup. The Flare Workgroup is currently reviewing three Interim FMP updates (Chevron Renewal Project, Tesoro Coker Modification Project, and the Chevron/Praxair Project).

Engineering Projects Program

Staff continues to actively participate in the Air District's Production System project. Staff is developing policies, process, procedures and use cases for Engineering and Compliance & Enforcement work plans. Technical input was provided on the Authority to Construct/Permit to Operate process, the Title V Permit process, the Flare Report Inspection/Review process, and the Permit Renewal process.

The following new/revised BACT determinations were posted on the Air District website during the 1st quarter 2008: (1) CO emissions from IC engines at wastewater treatment plants, (2) coffee roasters between 110,000 and 3.5 MM BTU/hr, and (3) NO_x and CO from refinery process heaters > 50 MM BTU/hr.

A number of existing Division policy documents have been updated and reformatted. These policies will be made available to the public via the Policy and Procedure Manual on the Air District website.

The majority of the Engineering Division staff attended a training course in February on Effective Permit Writing. The course was held at a nearby off-site location.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 222 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 113 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 10 Final 30 Day Letters regarding civil penalties for 14 Violations reflected in NOVs. Finally, Settlement negotiations by Mutual Settlement Program staff resulted in collection of \$64,820 in civil penalties for 66 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 27 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$377,013 in civil penalties for 58 violations. Additionally, the District received \$97,500 in penalties from ConAgra Foods in connection with a settlement. The District also received \$308 from Kelly Engineer in connection with a secured judgment. Furthermore, \$55 was received from Tesoro in connection with resolution of Application for Variance #3543.

The District Counsel's Office represented the Executive Officer/APCO in successfully obtaining an Order for Abatement against Livermore Beacon for failure to maintain required permits to operate a retail gasoline dispensing facility. Livermore Beacon subsequently obtained valid current permits to operate.

(See Attachment for Penalties by County)

OUTREACH AND INCENTIVES – L. FASANO

Spare the Air Summertime – For 2008, the *Spare the Air* program is being expanded to a year-round campaign. Staff is working to integrate climate protection messages and include partners to sponsor a broad range of incentives such as free transit, teleconferencing, discounts on bike rentals and rewards to schools.

Spare the Air Tonight – The close of the wintertime 2007/2008 *Spare the Air Tonight* campaign was announced in a press release on February 11, 2008. The 2007/2008 STAT campaign resulted in more than 300 TV, radio and print stories, 35,000,000 media impressions and an advertising value of more than \$600,000 regarding the District's comprehensive strategy to reduce particulate matter through the public education campaign, draft residential wood smoke rule, and proposed commercial cooking rule. This is an increase in media impressions and advertising value from last year; despite the issuance of only six STAT advisories this season - compared to 30 advisories issued last year.

Behavior change and recognition of the STAT campaign also improved in the 2007/2008 season:

- 18 percent of households with at least one wood-burning device reported not burning wood this winter or a reduction in wood burning for reasons that can be attributed to the campaign. (slightly higher than the 17.6 percent in 2007)
- 62 percent recalled hearing, reading or seeing Spare the Air related news, stories and/or advertisements (also higher than the 56 percent reported in 2007)

Media coverage of the 2007/2008 *Spare the Air Tonight* program and the Air District's wood smoke reduction efforts received an average of 25 media articles per week - *equal to the average amount of media coverage received during the 2007 Spare the Air summer campaign.*

Public Information and Media

During the quarter, 246 print stories were published, and more than 52 radio and television stories aired on a variety of topics concerning the Air District, including: the draft residential wood smoke reduction rule, *Spare the Air Tonight*, the Climate Change grant program, health impacts of wildfires, and emissions from the Port of Oakland. During this period, 64 media calls were fielded, and more than 1,100 inquiries and requests for information were answered.

During the quarter, the Air District issued 11 press releases. Topics included *Spare the Air Tonight*, the fireplace and woodstove change out program, announcement of open burn season, Carl Moyer Program call for projects, landmark settlement with Tesoro Refinery, \$3.4 million award to the Port of Oakland for air quality projects, and draft wood smoke regulation.

The Air District sponsored the Golden State Warriors game against the Chicago Bulls, at Oracle Arena in Oakland on February 7, 2008 to promote the 2007/2008 *STAT* campaign. Staff conducted public outreach at the Annual KCBS Health Etc. event on February 2, 2008. The Air District's Executive Officer introduced the keynote speaker author Dr. Mehmet Oz. He also presented in a panel discussion with Dr. Gerber, Associate Professor at UCSF, on effects of particulate pollution on health.

Staff presented recommendations for the extension of four public outreach contracts to the Public Outreach Committee on Thursday, February 14, 2008. These contracts are for Advertising Design & Production, Media Relations & Employer Program, Community Outreach Services, and Public Opinion Research. The contract extensions were approved by the Board of Directors on Wednesday, February 20, 2008 to provide continuity in the 2008 season and improve timing of issuance of future Request for Proposals (RFP).

Staff coordinated communications in response to the release of the ARB's West Oakland Health Risk Assessment (HRA) on March 19, 2008.

Community Outreach

Bay Area Environmental Health Collaborative (BAEHC) - The Air District's Executive Officer Jack P. Broadbent, along with several staff members met with members of the BAEHC on January 29, 2008 to discuss the goals and priorities of their collaborative as it relates to the Air District. Items discussed include cumulative impacts, pollution reduction, public participation, and collaboration. Both the Air District and the BAEHC agreed to continue a dialogue about goals of both organizations.

Chevron Energy and Hydrogen Renewal Project Community Meeting – Staff coordinated the public outreach for the Chevron Energy community meeting. This included notification to Bay Area Environmental Health Collaborative, Communities for a better Environment, West County Toxics Coalition, the District's Resource Teams, the Contra Costa Times, West County Times, and the Globe. Staff created ground rules, set up, and assisted community members who spoke. Over 120 people participated including Air District staff, Chevron representatives, the City of Richmond, and community members.

Carl Moyer Informational Workshop/San Francisco Clean Construction Ordinance This joint Carl Moyer and San Francisco Clean Construction Ordinance (CCO) workshop was held to advise San Francisco Construction companies, City Staff and interested parties the requirements of the SF CCO which will be implemented in June 2008. Grants staff presented an overview of the Carl Moyer application process and the City of San Francisco provided an overview of their Clean Construction Ordinance which will require city contractors performing major projects (longer than 20 days) to start using cleaner equipment and biodiesel fuel near sensitive sites like schools and hospitals.

CARE Task Force –Community Outreach staff arranged and staffed six community meetings in support of the Task Force's six "priority" areas. These meetings included an overview of the CARE Program, the District's Grant and Incentive Funds, and allowed time for community feedback and participation. Other presentations included a status update on the CARE Program and an overview of the CARE Mitigation Action Plan.

Faster Freight for Cleaner Air – Community Outreach and Planning staff attended the Faster Freight for Cleaner Air Conference in Los Angeles. Staff networked with freight movement operators, Port officials and private and public businesses to promote the Air District's Grant and Incentive Funds. The Air District distributed community outreach materials, Spare the Air information, and overview information on the Carl Moyer Program to conference participants.

West Oakland Health Risk Assessment (HRA) Meeting – Staff coordinated the public outreach and logistics for the West Oakland HRA meeting. Outreach consisted of notification to Bay Area Environmental Health Collaborative, Communities for a Better Environment, West County Toxics Coalition, and the District's Resource Teams. Staff facilitated meeting reservation logistics, provided logistical support during the meeting, and was on-hand to address any questions and concerns.

Carl Moyer Informational Workshop Meeting – Staff assisted with the outreach and approved all outreach materials produced by the grant staff, assisted the grant staff at seven Carl Moyer Informational Workshops held throughout the District.

Goods Movement Program Community Meeting (I-Bond) – Staff assisted with the outreach and meeting logistics for the community meeting in West Oakland. Approximately fifty members of the community, truck owners and operators and business representatives were in attendance.

Proposed Wood-burning Device Rule Outreach – Staff coordinated outreach for the nine informational meetings on the proposed wood-burning device rule scheduled to be held during the month of April. Staff notified approximately 1,000 individuals, 200 civic, environmental, and health organizations in the Bay Area. In addition, staff efforts resulted in seventeen cities and one county posting the notice of the community meetings on their websites. This included the cities of Calistoga, Gilroy, Hercules, Livermore, Los Gatos, Martinez, Mill Valley, Moraga, Napa, Piedmont, Rohnert Park, Sebastopol, Sonoma, Sunnyvale, South San Francisco and Vallejo. Seven newspapers posted notice of the meetings in their community calendars.

PLANNING DIVISION – H. HILKEN, DIRECTOR

Community Air Risk Evaluation (CARE) Program

Staff identified six impacted communities – based on air toxics emissions and vulnerable populations – warranting focused risk reduction activities through the CARE Mitigation Action Plan: Richmond, Concord, Eastern San Francisco, West Oakland, East Oakland/San Leandro, and San Jose. Maps were prepared to direct Carl Moyer funds to these communities. On March 4, 2008, staff convened a CARE Task Force meeting that focused on the Air District’s CARE Mitigation Action Plan, including the Air District’s incentive programs, community outreach meetings for the six impacted communities, and the development of land use guidance for cities and counties. On March 19, 2008, staff participated in a community meeting with ARB and the Port of Oakland to present a draft summary of the West Oakland Health Risk Assessment (HRA) at the West Oakland Senior Center. The draft HRA revealed that residents of West Oakland have about three times the cancer risk from diesel PM emissions than the Bay Area average. Most of the risk was shown to be due to on-road trucks on local streets and freeways. The final HRA is expected to be completed in June 2008. Staff met with San Jose City Council members, City staff, staff from the San Jose Airport and staff from Supervisor Liz Kniss’ office to present background on the CARE program and discuss air quality around the airport. During this quarter, staff participated in the first two of six community meetings in the impacted areas, meeting with community members and local officials in the Cities of Richmond and San Leandro.

Air Quality Planning Program

Staff continued processing contracts for the 53 grant awards under the Climate Protection Grant Program. Staff participated in AB 32 Scoping Plan workshops and related AB 32 implementation work group meetings. Staff is a member of ARB’s Local Government Operations Emission Inventory Protocol Development Workgroup for AB32

implementation. Staff co-convened, along with the San Francisco Foundation, a second meeting of private foundation funders to discuss regional needs and opportunities for funding of climate protection in the Bay Area. Staff hosted a one day community-wide GHG emission inventory development workshop for local governments in Marin County. The Air District co-sponsored and staff participated in the Local Government Commission/Attorney General's CEQA and Climate Change Workshop. Staff oversaw implementation of the pilot phase of the Air District's 4th and 5th grade climate protection curriculum and developed an RFP for implementation of the climate protection curriculum for the 2008 - 2009 school year. CAPCOA released a white paper on CEQA & Climate Change: Evaluating and Addressing Greenhouse Gas Emissions from Projects Subject to the California Environmental Quality Act; development of the white paper was led by Air District staff.

Staff continued to collaborate with MTC on preparation of the T-2035 RTP update, including participating in the Partnership Ad Hoc Committee on developing performance measure to evaluate projects submitted to MTC for funding. Staff continued to participate in the FOCUS (Focusing our Vision) regional smart growth initiative in collaboration with ABAG, MTC, and BCDC, including serving on the FOCUS Station Area Planning Grant review committee. Staff met with staff of the San Francisco Department of Public Health to discuss the Department's draft land use guidance document on local air quality impacts from roadways. Staff continued participation in the Alameda County Public Health Department General Plan Workgroup. Staff participated in the Port of Oakland Maritime Air Quality Improvement Plan Task Force.

Rule Development Program

Staff updated the Stationary Source Committee on proposed amendments to Regulation 9, Rule 7: Nitrogen Oxides and Carbon Monoxide from Industrial, Institutional, and Commercial Boilers, Steam Generators and Process Heaters and Regulation 8, Rule 20: Graphic Arts Printing and Coating Operations. Staff scheduled a public workshop on proposed amendments to Regulation 9-7. Staff spoke at the Multiunit Foodservice Equipment Symposium in Austin, Texas regarding District rule development processes. Staff visited the Shell and Conoco-Phillips refineries to review coking and coke cutting operations as development of further study measure FS-13: Wastewater from Coke-cutting Operations. Staff developed an RFP, and received and considered bids for hiring a socioeconomic contractor.

Research and Modeling Program

Staff continued working on modeling and data analysis to estimate the impact of PM emissions from wood-burning and diesel engines as well as the effects of transported PM from the Central Valley on the Bay Area's ambient PM levels. Staff performed analyses to determine meteorological conditions conducive to 24-hr PM_{2.5} exceedances in the Bay Area. Staff presented results obtained from the recent PM_{2.5} data analysis and modeling to the Advisory Council Technical Advisory Committee. Staff participated in several Central California Ozone Study and California Regional Particulate Air Quality Study Technical Committee meetings to discuss the status of on-going projects and the development of new projects. Staff supported the CARE Program, including improved estimation of toxicity levels assigned to the CARE emissions inventory based upon ambient measurements in the Bay Area, preparation of emissions and demographic maps

used for the CARE Mitigation Action Plan, and preparation of materials for a CARE Task Force meeting.

Special Projects

Staff continued preparation of the Base Year 2005 emission inventory and responded to requests on emissions data. The 2006 point sources detailed emission report was completed and sent to ARB. Staff continued working on updating the Greenhouse Gas emission inventory for the Bay Area. Staff refined the point source GHG emissions data for use in developing the proposed GHG fee schedule. The District's 2006 GHG inventory was approved by the California Climate Action Registry. Staff supported the CARE Program, including analysis of Bay Area construction emissions and review and comment of the Port of Oakland Health Risk Assessment Summary Report.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Quality

During the first quarter of 2008, Bay Area PM_{2.5} levels exceeded the 35 µg/m³ 24-hour national standard on three days. The first exceedance of the year was at San Jose on January 1, 2008. After a period of stormy weather, the next dry period produced exceedances at San Jose on January 15, 2008 and at Vallejo on January 19, 2008. Thereafter, PM_{2.5} levels remained low as another rainy period lasted into early February, followed by unsettled weather the remainder of the quarter. Typically there are no PM_{2.5} exceedances after the first week in February.

The winter Spare the Air Tonight program began on November 13, 2007 and ended on February 11, 2008. Air District filter-based PM_{2.5} monitors recorded 7 days when the 24-hour national PM_{2.5} standard was exceeded during the 2007-2008 winter season compared to 20 days during the 2006-2007 winter season. The decrease was due to frequent weather systems moving across northern California with breezy conditions which kept the air well mixed.

Air Monitoring

31 air monitoring stations were operational from January through March 2008, with all equipment operating on routine, EPA-mandated schedules. The increased wintertime sampling schedule for PM_{2.5} began at designated stations on October 1, 2007 and ended on March 31, 2008. Ozone monitors at six satellite stations were shut down during the low ozone season on December 1, 2007, as allowed under a waiver granted by the EPA. Those six ozone monitors resumed operation on April 1, 2008.

Meteorology and Forecasting

The 4th quarter 2007 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality, Spare the Air Tonight, open burn, and marsh burn forecasts. The final draft Technical Services Division Quality Management Plan (QMP) and Quality Assurance Project Plan (QAPP) were completed and submitted to EPA Region IX for review. Quarterly calibrations of the Air District meteorological network were completed.

Quality Assurance

The Quality Assurance (Q/A) Group conducted regular, mandated performance audits on 81 analyzers at 27 Air District monitoring stations. Staff also participated in ARB audits at 15 Air District monitoring stations.

The Q/A staff also audited the Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂) monitors at the Tesoro Refinery, the Valero Refinery, and the Chevron Refinery Ground Level Monitoring (GLM) networks. All of the GLM monitors passed the audit.

Q/A staff assisted EPA Region IX staff and contractors with the testing of their transportable audit system at the Benicia and San Rafael air monitoring stations.

Laboratory

In addition to routine ongoing analyses, the laboratory performed an extensive microscopic analysis of a used filter taken from the ventilation system of a building in the 4th and Berry area of San Francisco.

The laboratory analyzed one gaseous sample taken from the vapor stream of a tank at Conoco Phillips Refinery for hydrocarbons and reduced sulfur gases.

The laboratory began analyzing samples from the new west Berkeley Air Monitoring station for toxic and carbonyl compounds.

The laboratory also upgraded instrumentation and updated analytical methods to improved detection limits for all toxic compounds.

The laboratory began analyzing samples from the San Jose National Air Toxics Trends Study (NATTS) site for acrolein as well as acrylonitrile, acetonitrile, and ethanol.

Source Test

Ongoing Source Test activities during January, February, and March of 2008 included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Rodeo Refinery's open path monitor monthly reports for December, January, and February were reviewed. The Source Test Section participated in the District's Rule Development efforts and Business System Analysis for the new production system.

STATISTICS

Administrative Services:**Accounting/Purchasing/Comm.**

General Checks Issued	1,438
Purchase Orders Issued	496
Checks/Credit Cards Processed	3,632
Contracts Completed	59

Executive Office:

Meetings Attended	166
Board Meetings Held	6
Committee Meetings Held	19
Advisory Council Meetings Held	2
Advisory Council Committee Mtgs. Held	6
Hearing Board Meetings Held	3
Variances Received	6

Information Systems

New Installation Completed	24
PC Upgrades Completed	17
Service Calls Completed	543

Human Resources

Manager/Employee Consultation (Hrs.)	280
Management Projects (Hrs.)	420
Employee/Benefit Transaction	860
Training Sessions Conducted	32
Applications Processed	528
Exams Conducted	14
New Hires	9
Payroll Administration (Hrs.)	600
Safety Administration	120
Inquiries (voice/telephone/in-person)	1,250

Vehicle/Building Maintenance

Vehicle Services Completed	102
Requests for Building Services	304

Compliance and Operations Program

Asbestos Plans Rec'd	1,242
Coating and other petitions Evaluated	6
Open Burn Notifications Rec'd	1,694
Prescribed Burn Plans Evaluated	14
Smoking Vehicle Complaints Rec'd	4,731
Tank/Soil Removal Notifications Rec'd	31
Compliance Assistance Inquiries Rec'd	228
Green Business Reviews	25
Flare Notifications	44

Compliance Assurance Program

Industrial Inspections Conducted	2,088
GDF Inspections Conducted	609
Asbestos Inspections Conducted	284
Open Burning Inspections Conducted	77
Auto Body/Dry Cleaning Inspections Conducted	168

Engineering Division:

Annual Update Packages Started	990
Annual Update Packages Completed	1304
Total Update Pages Entered	1020
New Applications Received	616
Authorities to Construct Issued	305
Permits to Operate Issued	346
Exemptions	32
New Companies added to Databank during the 1 st Quarter 2008	162

Outreach & Incentives Division:

Presentations Made	32
Responses to Media Inquiries	64
Press Releases	11
General Requests for Information	1,100
Visitors	1

STATISTICS (continued)

Compliance and Enforcement Division:**Enforcement Program**

Reportable Compliance Activity Investigated	150
Citizen Complaints Investigated	708
GDF Tags Issued	202
Violations Resulting in Notices of Violation	140
Violations Resulting in Notice to Comply	114
New Hearing Board Cases Reviewed	3

Technical Services:**1st Quarter 2008 Ambient Air Monitoring**

Days Exceeding Nat'l 24-hour PM _{2.5} Std	3
Days Exceeding Nat'l 24-hour PM ₁₀ Std	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std	1
Days Exceeding the Nat'l 8-hour Ozone Std	0
Days Exceeding the State 1-hour Ozone Std.	0
Days Exceeding the State 8-hour Ozone Std.	0

Ozone Totals, Jan.-Dec. 2008

Days Exceeding Nat'l 8-hour Ozone Std.	0
Days Exceeding State 1-hour Ozone Std.	0
Days Exceeding State 8-hour Ozone Std.	0

Particulate Totals, Jan.-Dec. 2008

Days Exceeding Nat'l 24-hour PM _{2.5} Std.	3
Days Exceeding the Nat'l 24-hour PM ₁₀ Std	0
Days Exceeding State 24-hour PM ₁₀ Std.	1

PM_{2.5} Winter Season Totals for 2007-2008

Days Exceeding Nat'l 24-hour PM _{2.5} Std.	7
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1st Quarter 2008 Agricultural Burn Days

Jan.-Mar. Permissive Burn Days - North	81
Jan.-Mar. No-Burn Days – North	10
Jan.-Mar. Permissive Burn Days – South	81
Jan.-Mar. No-Burn Days – South	10
Jan.-Mar. Permissive Burn Days – Coastal	83
Jan.-Mar. No Burn Days – Coastal	8

Laboratory

Sample Analyzed	1,290
Inter-Laboratory Analyses	1

Technical Library

Titles Indexed/Cataloged	82
Periodicals Received/Routed	413

Source Test

Total Source Tests	143
Pending Source Tests	4
Violation Notices Recommended	5
Contractor Source Tests Reviewed	2,160

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.	40
Monthly CEM Reports Reviewed	111
Indicated Excesses from CEM	15

Ground Level Monitoring (GLM)

Oct.-Dec. Ground Level Monitoring SO ₂ Excess Reports	0
Oct.-Dec. Ground Level Monitoring H ₂ S Excess Reports	1

These facilities have received one or more Notices of Violations
Report period: January 1, 2008 – March 31, 2008

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
1/18/2008	A0703	Pacific Steel Casting Co-Plant #2	Berkeley	Failure to Meet Permit Conditions
3/14/2008	C0120	Xtra Oil Company	Berkeley	Gasoline Dispensing Facilities
3/04/2008	A8391	Western Digital Corporation	Fremont	Failure to Meet Permit Conditions
2/05/2008	B7940	James Nevels Painting	Fremont	Permit to Operate
2/25/2008	L6230	P. W. Stephens, Inc.	Fremont	Asbestos Demolition, Renovation & Mfg.
1/31/2008	C8876	Livermore Beacon	Livermore	Gasoline Dispensing Facilities
3/25/2008	C9825	Livermore Gas Mart	Livermore	Gasoline Dispensing Facilities; Permit to Operate
3/21/2008	L1945	NICA, DMT, Inc.	Livermore	Asbestos Demolition, Renovation & Mfg.
3/04/2008	A1190	Evergreen Oil, Inc	Newark	Public Nuisance
1/29/2008	A0030	Owens-Brockway Glass Container Inc	Oakland	Particulate Matter & Visible Emissions
2/07/2008	C0192	Eagle Gas	Oakland	Gasoline Dispensing Facilities
2/15/2008	C0539	Broadway Express Gas	Oakland	Permit to Operate
2/15/2008	C7074	SF-Oakland Auto Truck Plaza	Oakland	Gasoline Dispensing Facilities
2/11/2008	C8978	Coliseum 76	Oakland	Gasoline Dispensing Facilities
3/17/2008	C9120	SHORE ACRE GAS	Oakland	Permit to Operate
1/23/2008	S7134	Norton Lilly Int'l aka Cosco Busan	Oakland	Public Nuisance
2/25/2008	S7617	Lao Construction Company	Oakland	Asbestos Demolition, Renovation & Mfg.
3/25/2008	S7887	Pacific Drywall/Home 360	Pleasanton	Asbestos Demolition, Renovation & Mfg.
3/25/2008	C8617	UNOCAL Service Station #256277	San Leandro	Gasoline Dispensing Facilities
2/07/2008	C8384	Bedrock Oil	San Lorenzo	Gasoline Dispensing Facilities; Permit to Operate

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
3/17/2008	B2967	TRC	Antioch	Failure to Meet Permit Conditions
3/10/2008	N3114	Rino	Benicia	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
3/03/2008	R6078	Bethel Island Municipal	Bethel Island	Open Burning
2/05/2008	B4830	The City of Brentwood	Brentwood	Failure to Meet Permit Conditions
1/08/2008	A4022	SFPP, L P	Concord	Standards of Performance for New Stationary Sources; Storage of Organic Liquids
3/03/2008	C9169	Super Stop Gas & Mart	El Cerrito	Gasoline Dispensing Facilities
2/22/2008	S4389	SASCO-Selover Construction Operations Inc.	Lafayette	Asbestos Demolition, Renovation & Mfg.

These facilities have received one or more Notices of Violations
Report period: January 1, 2008 – March 31, 2008
Continued

Contra Costa County (continued)

Status Date	Site #	Site Name	City	Regulation Title
1/07/2008	A0011	Shell Martinez Refinery	Martinez	Equipment Leaks; Storage of Organic Liquids; Sulfur Dioxide
2/21/2008	A0907	Central Contra Costa Sanitary District	Martinez	Major Facility Review (Title V)
2/05/2008	A7034	Pacific Atlantic Terminals LLC	Martinez	Organic Compounds: Misc Operations; Storage of Organic Liquids
1/29/2008	B2758	Tesoro Refining and Marketing Company	Martinez	Continuous Emission Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions; Hydrogen Sulfide; Major Facility Review (Title V); Parametric Monitoring & Recordkeeping Procedures; Particulate Matter & Visible Emissions; Sulfur Dioxide; Waste
2/22/2008	A0031	Dow Chemical Company	Pittsburg	Major Facility Review (Title V)
3/14/2008	A0227	Criterion Catalysts Company LP	Pittsburg	Major Facility Review (Title V)
1/15/2008	C5234	Pitcock Petroleum Inc	Pleasant Hill	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
3/11/2008	A0010	Chevron Products Company	Richmond	Authority to Construct; Continuous Emission Monitoring & Recordkeeping Procedures; Equipment Leaks; NOx & CO from Boilers, Steam Generators & Process Heaters in Petroleum Refineries; Process Vessel Depressurization; Public Nuisance; Storage of Organic Liq
3/04/2008	A0057	BP West Coast Products, LLC	Richmond	Storage of Organic Liquids
3/27/2008	A0706	New NGC, Inc	Richmond	Particulate Matter & Visible Emissions
2/28/2008	A0745	Pacific Atlantic Terminals LLC	Richmond	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
3/11/2008	A1840	West Contra Costa County Landfill	Richmond	Major Facility Review (Title V); Solid Waste Disposal Sites
1/29/2008	C7184	Imperial 76 #3713	Richmond	Gasoline Dispensing Facilities
3/14/2008	C9922	Do It Fluid	Richmond	Gasoline Dispensing Facilities
3/06/2008	D0450	Cutting Mini Market (ARCO)	Richmond	Gasoline Dispensing Facilities
1/11/2008	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V); Storage of Organic Liquids
3/12/2008	D0220	San Pablo Gas and Mini Mart	San Pablo	Gasoline Dispensing Facilities

These facilities have received one or more Notices of Violations
Report period: January 1, 2008 – March 31, 2008
Continued

Marin County

Status Date	Site #	Site Name	City	Regulation Title
1/07/2008	A1317	New WinCup Holdings, Inc	Corte Madera	Major Facility Review (Title V)
3/14/2008	C8934	Fara's Auto Repair	San Anselmo	Failure to Meet Permit Conditions; Gasoline Dispensing Facilities
1/11/2008	B5081	Equator Estate Coffees & Teas	San Rafael	Failure to Meet Permit Conditions
2/13/2008	C6967	Irwin Shell - Shell Oil Products	San Rafael	Gasoline Dispensing Facilities
1/30/2008	C8668	Fourth Street Shell - Shell Oil Products	San Rafael	Failure to Meet Permit Conditions

Napa County

Status Date	Site #	Site Name	City	Regulation Title
3/12/2008	K4603	Robert Sinskey Vineyards	Napa	Open Burning
3/11/2008	S7892	Pallet Guy Pallet Co.	Napa	Open Burning
3/11/2008	S7893	Mark Miller	Napa	Open Burning
3/25/2008	S8121	Todd Hudson	Napa	Open Burning

San Francisco County

Status Date	Site #	Site Name	City	Regulation Title
1/30/2008	C5591	Shell Oil Company	San Francisco	Gasoline Dispensing Facilities
2/27/2008	D0011	Ingleside Auto Station	San Francisco	Gasoline Dispensing Facilities
3/21/2008	H8172	St. Ignatius College	San Francisco	Authority to Construct; Permit to Operate
1/16/2008	R9438	Lennar BVHP, LLS	San Francisco	Failure to abide by Asbestos Dust Mitigation Plan
2/22/2008	S7433	Stephen Duffin	San Francisco	Asbestos Demolition, Renovation & Mfg.
2/22/2008	S7589	Bay Cruz Mechanical	San Francisco	Asbestos Demolition, Renovation & Mfg.
2/25/2008	S7614	Alex Toddler	San Francisco	Asbestos Demolition, Renovation & Mfg.

San Mateo County

Status Date	Site #	Site Name	City	Regulation Title
3/12/2008	C2810	ARCO Facility #02090 - COPOWER INC	Daly City	Gasoline Dispensing Facilities
1/18/2008	A0068	Granite Rock	Redwood City	Failure to Meet Permit Conditions
2/08/2008	D0606	SF International Airport	San Francisco	Gasoline Dispensing Facilities
1/31/2008	A5876	South SF-San Bruno Water Quality Plant	South San Francisco	Failure to Meet Permit Conditions
1/30/2008	C5124	Nella Oil Company	South San Francisco	Gasoline Dispensing Facilities

These facilities have received one or more Notices of Violations
Report period: January 1, 2008 – March 31, 2008
Continued

Santa Clara County

Status Date	Site #	Site Name	City	Regulation Title
3/14/2008	A0017	Hanson Permanente Cement	Cupertino	Major Facility Review (Title V)
2/13/2008	S7387	James Blomquist	Gilroy	Open Burning
2/28/2008	A0475	Santa Clara Valley Health & Hospital System	San Jose	Failure to Meet Permit Conditions
1/30/2008	A4020	SFPP, LP	San Jose	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
1/30/2008	B1329	Supertex Inc	San Jose	Failure to Meet Permit Conditions
2/14/2008	B3289	Los Esteros Critical Energy Facility	San Jose	Major Facility Review (Title V)
1/18/2008	B8825	Amberwood Gardens	San Jose	Authority to Construct; Permit to Operate
2/13/2008	B8892	NG Printing	San Jose	Authority to Construct; Permit to Operate
1/10/2008	C4170	Cupertino Chevron Carwash	San Jose	Gasoline Dispensing Facilities
1/31/2008	C4264	Unocal #6915 (Falco Inc)	San Jose	Gasoline Dispensing Facilities
2/11/2008	C7942	Chevron #96215	San Jose	Gasoline Dispensing Facilities
1/30/2008	C8576	ARCO Facility #02089 - DAVID CHANG	San Jose	Gasoline Dispensing Facilities
1/11/2008	C9809	DBA McKee Beacon Service	San Jose	Gasoline Dispensing Facilities
1/11/2008	C9928	76 branded station	San Jose	Gasoline Dispensing Facilities
2/11/2008	D1326	In & Out Gas LLC	San Jose	Failure to Meet Permit Conditions
2/11/2008	S5706	Chris Moradkhani	San Jose	Asbestos Demolition, Renovation & Mfg.
1/30/2008	S7145	Daniel Valencia	San Jose	Open Burning
2/20/2008	P7577	HSR, Inc	Santa Clara	Asbestos Demolition, Renovation & Mfg.
1/30/2008	A0592	Spansion LLC	Sunnyvale	Failure to Meet Permit Conditions
3/21/2008	A5246	Maaco Collision Repair & Auto Painting	Sunnyvale	Failure to Meet Permit Conditions
3/24/2008	B4682	Qwest Communications Corporation	Sunnyvale	NOx & CO from Stationary Internal Combustion Engines
2/27/2008	C0746	Mathilda Shell	Sunnyvale	Gasoline Dispensing Facilities

These facilities have received one or more Notices of Violations
Report period: January 1, 2008 – March 31, 2008
Continued

Solano County

Status Date	Site #	Site Name	City	Regulation Title
1/11/2008	A0901	Valero Benicia Asphalt Plant	Benicia	Equipment Leaks
2/21/2008	A9963	L & R Truck Trailer & Bus Painting	Benicia	Motor Vehicle & Mobile Equip Coating Operations
3/17/2008	B2626	Valero Refining Company - California	Benicia	Equipment Leaks; Flare Monitoring at Petroleum Refineries; Major Facility Review (Title V); Storage of Organic Liquids
3/11/2008	B1683	Scott Lamp Co Inc	Fairfield	Failure to Meet Permit Conditions
3/21/2008	B2868	Duracite	Fairfield	General Solvent & Surface Coating Operations
3/11/2008	S7890	Jensen Precast	Fairfield	Authority to Construct; Permit to Operate
1/23/2008	C6537	N & M Market (Arco)	Vallejo	Gasoline Dispensing Facilities

Sonoma County

Status Date	Site #	Site Name	City	Regulation Title
3/21/2008	A1541	Stony Point Rock Quarry, Inc	Cotati	Authority to Construct; Permit to Operate
1/03/2008	A2254	Sonoma County Department of Public Works	Petaluma	Major Facility Review (Title V)
2/22/2008	D0371	Grand Valero	Petaluma	Authority to Construct; Gasoline Dispensing Facilities; Permit to Operate
1/03/2008	B6205	Goode Printing & Mailing	Rohnert Park	Graphics Arts Printing & Coating Operations
1/29/2008	C0867	Save Mart Supermarkets	Rohnert Park	Gasoline Dispensing Facilities
1/15/2008	B8850	Selvage Concrete Products, Inc	Santa Rosa	Authority to Construct; Permit to Operate
1/07/2008	S6598	Michael Berkowitz	Santa Rosa	Open Burning
1/15/2008	S6879	Michael Vlastink	Santa Rosa	Open Burning
2/06/2008	S7282	Ahlborn Structural Steel	Santa Rosa	Authority to Construct; Permit to Operate
1/18/2008	S6954	Jesus Guerrero	Sebastopol	Open Burning
2/15/2008	S7443	Rowland Badertscher	Sebastopol	Open Burning
1/15/2008	S6874	Olive Tree Farm & Nursery	Sonoma	Open Burning
3/12/2008	S7904	SFD	Sonoma	Open Burning
1/18/2008	B8882	Stephen Foster Finishing	Windsor	Authority to Construct; Permit to Operate
2/15/2008	S7441	Martinelli Ranch	Windsor	Open Burning

Closed NOV's with Penalties by County January 2008 – March 2008

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Anthony Cleaners	A1003	Alameda	\$500	1
AT&T Mobility	B7418	Livermore	\$500	1
Broadway Express Gas	C0539	Oakland	\$390	1
Cleveland Steel Container	A0249	Oakland	\$1,500	2
Evergreen Cemetery	A6390	Oakland	\$1,750	1
Fast Gas and Shop	D0437	Oakland	\$800	1
Hexion Specialty Chemicals, Inc	A0151	Fremont	\$23,000	2
One Hour Martinizing	B0598	Oakland	\$600	2
Oro Loma Sanitary District	A1067	San Lorenzo	\$2,000	1
Pacific Steel Casting Co-Plant #2	A0703	Berkeley	\$6,000	2
RG Construction	S4830	Fremont	\$500	1
Sunshine Shell #135685	C8674	Oakland	\$250	1

Total Violations Closed: 16

Contra Costa				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
A-1 Remediation Service	S4320	Martinez	\$350	1
Chevron Avon Terminal	A0091	Martinez	\$2,000	1
Chevron Inc	C9838	Walnut Creek	\$350	1

Imperial 76 #3713	C7184	Richmond	\$375	1
Pitcock Petroleum Inc	B2758	Pleasant Hill	\$750	1
Roofener & Son Construction	S4216	Pinole	\$2,400	3
Tesoro Refining and Marketing Company	B2758	Martinez	\$48,000	2
TRC	B2967	Antioch	\$4,300	6

Total Violations Closed: 16

Marin

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Civic Center Gas	C9611	San Rafael	\$500	1
Sausalito-Marín City Sanitary District	A2053	Sausalito	\$18,000	3

Total Violations Closed: 4

San Francisco

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Gashouse Cove Marina Inc	D1914	San Francisco	\$1,500	3
Jacqueline M. Holland	R8177	San Francisco	\$200	2
Lincoln Way Shell	C9757	San Francisco	\$500	1
The City & County of San Francisco/Rec and Parks Dept	S6191	San Francisco	\$3,000	3

Total Violations Closed: 9

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Bayshore Chevron Auto Service	D0024	Colma	\$300	1
Code Electric	Q6120	Redwood City	\$3,000	4

Conoco Phillips #2611200	C9268	San Bruno	\$500	1
Foster City Corp Yard - Tony Rozewski	C9634	San Mateo	\$250	1
Oliphant Golf Inc	S6212	Scottsdale	\$1,000	1
SF International Airport	D0606	San Francisco	\$750	2
United Airlines, SF Maintenance Center	A0051	San Francisco	\$23,000	3

Total Violations Closed: 13

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
76 branded station	C9928	San Jose	\$500	1
Alameda Shell SS #135997	C5629	San Jose	\$250	1
ARCO Facility #02153 - Wasu D Pillay	C5610	Santa Clara	\$650	1
Chevron #6027	C4308	San Jose	\$300	1
Chevron #96215	C7942	San Jose	\$650	1
Chevron Products Company	A0049	San Jose	\$2,500	1
ConocoPhillips #2611228	C9265	San Jose	\$1,200	3
Cupertino Chevron Carwash	C4170	San Jose	\$500	1
Dryclean City	A4203	Los Gatos	\$500	1
Kwikserv (Sherwin Petroleum #2	D0888	San Jose	\$250	1
Maxim Integrated Products, Incorporated	B1696	San Jose	\$1,850	6
Micrel Semiconductor Inc	B0751	San Jose	\$1,500	1
Shawn Isarimi	S0340	Sunnyvale	\$1,000	1
Unocal #256115	C9042	Los Altos	\$450	1

Unocal #5428 - Attn: Mary Tran	C5250	Cupertino	\$650	2
Unocal #6915 (Falco Inc)	C4264	San Jose	\$750	2
WebEx Communications, Inc	B3350	Mountain View	\$4,250	1
World Oil Company	C5445	San Jose	\$400	1
Z-CON Specialty Services, Inc.	S0383	San Jose	\$1,250	1

Total Violations Closed: 28

Solano				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Ramos Oil Company	J0618	West Sacramento	\$300	1
Sunpol Resins & Polymers, Inc	A5167	Fairfield	\$750	1
Valero Benicia Asphalt Plant	A0901	Benicia	\$10,000	1
Valero Refining Company - California	B2626	Benicia	\$142,000	26

Total Violations Closed: 29

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Barlow Printing	B7859	Cotati	\$750	3
Costco Gasoline Loc No 659	D0698	Rohnert Park	\$1,000	1
Goode Printing & Mailing	B6205	Rohnert Park	\$10,000	1
Jesus Guerrero	S6954	Sebastopol	\$750	1

Total Violations Closed: 6

District Wide

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
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KAG West, LLC	A0061	West Sacramento	\$3,750	1
Williams Tank Lines/Mike Stewart	A0064	Stockton	\$6,500	2

Total Violations Closed: 3

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency
CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide
EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority ("Wheels")
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles Per Gallon

MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM _{>10}	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m ³	micrograms per cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2008

Re: Report of the Legislative Committee Meeting of April 21, 2008

RECOMMENDED ACTIONS

The Committee recommends Board of Directors' approval of the following legislative positions on significant air quality measures.

AB 2094 (Mark DeSaulnier, D-Martinez): Support
AB 2241 (Lori Saldana, D-San Diego): Support if amended
AB 2922 (Mark DeSaulnier, D-Martinez): Support
AB 2991 (Speaker Fabian Nunez, D-Los Angeles): Support
AB 2522 (Juan Arambula, D- Fresno): Oppose unless amended
SB 375 (Darrell Steinberg, D-Sacramento): Support in concept

DISCUSSION

The Legislative Committee met on Monday, April 21, 2008. Staff presented brief analyses for the air quality bills listed above. The Committee endorsed the positions. The Committee requested, additional information relating to Public-Private Partnerships (PPPs), Tolling and Pricing of Transportation facilities. Attached for the Committee's review is a description of 2008 pending legislation relative to PPP's, Tolling and Hot Lanes.

Also attached are staff reports presented in the Legislative Committee packet.

Committee Chair Brad Wagenknecht will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2008

Re: Consideration of New Bills and Corresponding Agency Positions

RECOMMENDED ACTION:

Review bills and recommend positions for full Board of Directors consideration.

DISCUSSION

Staff are bringing a number of bills to the Committee for consideration. Generally, fewer bills were introduced this year that would address air quality issues. Here are brief analyses and staff's recommended positions on some significant air quality measures. Copies of the bills are attached.

AB 2094 (Mark DeSaulnier, D-Martinez); staff recommendation: Support

This two-part bill would formally add the Bay Conservation and Development Commission (BCDC) to the existing Joint Policy Committee (JPC), and would also authorize BCDC to develop regional strategies to address sea-level rise. Staff recommends a "support" position on the bill based on its plan to include BCDC with the District, MTC, and ABAG on the JPC. In March of 2007, the JPC voted to seek legislation to formally add BCDC to the Committee. At the time of this writing, the author knows of no opposition to the bill, and it is supported by BCDC, MTC, and ABAG.

AB 2241 (Lori Saldana, D-San Diego); staff recommendation: Support if amended

This bill is ostensibly designed to close a loophole that allows motorists to register their cars but delay or even avoid getting them smogged. Last year, the Committee discussed and the District supported another bill authored by Assembly member Saldana on the same topic. That measure, AB 218, took the straightforward approach of requiring a completed, passing smog check by the date the registration fees are due. If the smog check was completed after that date, the existing late fee structure that currently applies to motorists late paying their registration fee would also apply for a late smog check. The Department of Motor Vehicles (DMV) waited until 10 days before the end of the 2007 legislative year to express their opposition to the bill. In the face of that opposition, the author decided to hold AB 218 and work with the DMV in 2008 on a strategy to close the loophole.

AB 2241 is the result of this work, and the measure is sponsored by the DMV. The bill would allow motorists who are late completing their smog check to instead pay a \$35 fee to the DMV, which would allow them to operate their unsmogged or failing vehicle legally for another month or two. Unfortunately, they could repeat this process indefinitely under the bill. Thus staff believes that this year's bill does not close the loophole, and should be strengthened. The author's office has signaled support for the District's involvement, and welcomes a stronger bill.

Thus staff recommends a “support if amended” position. Recommended amendments would both increase fees over time for motorists who are late smogging their vehicles and a cap on the amount of time that the non-compliant vehicle can be driven.

AB 2922 (Mark DeSaulnier, D-Martinez); Staff recommendation: Support

This bill updates the section of state law that provides penalty authority to the Air Resources Board (ARB) to clarify its authority over more than just on-road motor vehicles. It is sponsored by the ARB. In 1976, ARB was given authority to impose penalties for violations of its regulations governing emissions from motor vehicles. However, under the California Clean Air Act of 1988, ARB gained substantial new authority over sources of pollution other than vehicles. For example, ARB regulations now cover such sources as small off-road equipment such as chain saws and leaf blowers, off-road diesel engines used in construction, industry, and agriculture, portable gas cans, and spark-ignition engines used in forklifts, airport ground support equipment, and elsewhere. For all of these categories of equipment, ARB mandates through regulation the amount of emissions that each is allowed. If manufacturers violate those emissions limits, or if vendors sell equipment that does not meet the California standards, air quality suffers.

ARB has imposed penalties for violations of its regulations on these pollution sources, despite the fact that the 1976 statutory language has not been upgraded to reflect ARB’s increased authority. ARB believes that if the language is upgraded, it will avoid any legal challenges to its ability to impose non-vehicle penalties. AB 2922 simply adds to the existing penalty authority violations of ARB regulations to other sorts of equipment. ARB Chair Mary Nichols has requested the District support this measure, and staff recommend a “support” position.

AB 2991 (Speaker Fabian Nunez, D-Los Angeles); Staff recommendation: Support

Like the previous bill, AB 2991 is also sponsored by the ARB, and Mary Nichols has also requested the District support this second bill. The bill would add two new members with climate change expertise to ARB’s Research Screening Committee (RSC). ARB currently funds a wide variety of research into a wide range of topics, from health impacts to technology advancing work to economic impacts of air pollution. State law establishes the RSC to advise ARB on which proposals are worthy of funding, and specifies that this committee shall consist of ‘physicians, scientist, biologists, chemists, engineers, meteorologists’ and others with expertise in traditional air pollution fields. Given the passage of AB 32, and ARB’s increased responsibilities and research around climate protection, it wants to add climate change expertise to the RSC. Staff recommends a “support” position, and knows of no opposition to the measure.

AB 2522 (Juan Arambula, D- Fresno); Staff recommendation: Oppose unless amended

Currently, when a motor vehicle is registered in the Central Valley, a \$7 annual registration fee surcharge for clean air programs is addressed. This generates \$18 million annually for the San Joaquin Valley Air Quality Management District (SJVUAQMD) to use for a wide range of programs. If AB 2522 were to pass, the SJVUAQMD would be authorized to collect up to \$37 per vehicle to expedite their attainment of federal and state clean air standards. This would generate up to \$94 million annually.

While the majority of the bill language focuses on the increased fee on vehicles registered in the SJVUAQMD area, the bill also contains a section on fees on vehicles that are registered elsewhere in the state that travel through the Central Valley. Effectively, this section of the bill requires a study, to be done by the SJVUAQMD, on ‘the manner in which vehicle license fees or other types of fees could be imposed on’ vehicles from other parts of the state that drive in the Central Valley. At some point, almost all vehicles in the state drive in air basins other than where they are registered, including in the Central Valley. Similarly, Central Valley vehicles routinely drive other places as well. Staff recommend a position of “oppose unless amended” on this bill.

While staff sees no problem with SJVUAQMD attempting to raise fees on vehicles registered in its jurisdiction to help address their serious emission problems, efforts by one district to raise funding from vehicles in other basins heightens tensions between regions and should be discouraged. Staff recommends that the bill be amended to eliminate this section. The bill is opposed by the South Coast Air District (for the same reasons) and is also opposed by the California Automobile Association, and roughly 50 business, trade, and anti-tax organizations. It is supported by some environmental organizations, and the SJVUAQMD.

SB 375 (Darrell Steinberg, D-Sacramento); Staff recommendation: Support

This measure attempts to cut greenhouse gas emissions by influencing transportation and land use planning to reduce vehicle miles traveled, and was discussed by the Committee at length at its last meeting. Both the League of Cities (League) and the California State Association of Counties (CSAC) then had “oppose unless amended” positions on the bill. Since that meeting, CSAC has formally adopted a “support if amended” position, and detailed requested amendments both in writing and in a series of subsequent meetings with the author and sponsors of the bill. Both the author’s office and CSAC staff have indicated that they expect to be able to address CSAC’s concerns. A number of organizations have taken positions on the measure since the Committee’s last meeting. Staff will provide the Committee a current list of both supporters and opponents at the meeting on April 21st. Staff recommends a “support” position on the bill.

Lastly, staff have attached a much longer list of bills with air quality impacts, and are prepared to answer questions from the Committee on any of these measures. Some measures are still being amended from very brief, place-holder language into full blown bills at the time of this writing. Thus, staff may present a few additional bills to the Committee on April 21st with recommended positions.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No direct impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

Bay Area AQMD BILL DISCUSSION LIST

April 11, 2008

BILL NO.	AUTHOR	SUBJECT	BAAQMD, OTHER AGENCY POSITIONS	STATUS
AB 1807	Fuentes	Photovoltaic feed-in tariffs		Asm. U.& C.
AB 1846	Adams	Inedible kitchen grease transporters		Asm. Approps.
AB 1851	Nava	Certification of voluntary greenhouse gas emission reductions		Asm. Nat. Res.
AB 1909	Hayashi	Requires local jurisdiction approval of siting additional powerplants		Asm. U.& C
AB 1920	Huffman	Net metering of solar electric power		Asm. Nat. Res.
AB 2003	Saldana	Climate Protection and Energy Efficiency Bond Act (\$2 billion)		Asm. Nat. Res.
AB 2030	Lieu & Saldana	Requires new houses to be net energy zero by 2020, and commercial buildings by 2030		Asm. Nat. Res.
AB 2063	Parra	Increases smog check testing by making most vehicles subject to biennial inspections		Asm. Trans.
AB 2094	DeSaulnier	Adds BCDC to the JPC	MTC & ABAG support	Asm. Nat. Res.
AB 2118	Villines	Prohibits state agencies from requiring technology less than 2 years old		Asm. Bus. & Professions
AB 2179	Furutani	Requires state vehicles to use biomass based biodiesel in the future, if certain criteria are met		Asm. Approps.
AB 2241	Saldana	Fee on vehicles that are late complying with smog check		Asm. Approps.
AB 2267	Fuentes	Requires ARB to give preference to greenhouse gas projects that create jobs		Asm. Jobs
AB 2316	Ruskin	Spot bill on motor vehicle greenhouse gas emission reductions		Asm. Trans.

AB 2332	Furutani	Prevents railyard establishment or expansion near schools		Asm. Trans.
AB 2388	Feuer	Revises vehicle license fee to include fees based on weight and carbon emissions		Asm. Trans.
AB 2431	Garcia	Air quality spot bill (State Implementation Plan)		Not referred
AB 2510	La Malfa	Allows biennial (instead of annual) audits for some special districts		Asm. Loc. Govt.
AB 2522	Arambula	Allows San Joaquin Air District to increase vehicle license fee by up to \$30 annually		Asm. Loc. Govt.
AB 2536	Nunez	Allows state grants (versus loan guarantees only) to chrome platers		Asm. Approps.
AB 2538	Ruskin	Requires consumer product labeling for greenhouse gases		Asm. Nat. Res.
AB 2546	De La Torre	Requires ARB to cut emissions from non-locomotive railyard sources		Asm. Trans.
AB 2558	Feuer	Allows popular vote in greater LA on climate mitigation fee, either at the pump or via vehicle license fee		Asm. Trans.
AB 2560	Lieu	Requires efficiency standards for medium and heavy-duty state vehicles		Asm. Trans.
AB 2596	Jones	Allows local governments that cut greenhouse gases 25% beyond ARB projections to sell credits in any ARB market-based system under AB 32		Asm. Nat. Res.
AB 2625	Strickland	Adds definitions of biodiesel and renewable diesel to fuel definitions		Asm. Trans.
AB 2632	Fuller	Spot bill on market trading system for greenhouse gases		Not referred
AB 2638	Coto	Fee on new cars costing more than \$80K and getting less than 15 mpg, with funds to ARB		Asm. Trans.
AB 2645	Nunez	Amends definitions of full fuel cycle in 2007's AB 118		Asm. Trans.
AB 2655	DeSaulnier	Requires crankcase retrofits, and new rules for HVAC system work at schools		Asm. Trans.
AB 2744	Huffman	Allows Bay Area popular vote on gas fee for climate change reduction	Support (also MTC Support)	Asm. Trans.
AB 2768	Levine	Allows flat rate for solar electric generators if they prefer over a stepped rate		Asm. U.&C.
AB 2851	Adams	Spot bill on new source review language		Not referred.
AB 2865	De Leon	Increases ARB's Moyer setaside for multi-district projects from 10% to 20%		Asm. Trans.
AB 2868	De Leon	Uses funds from 2007's AB 118 for 'green collar' job creation		Asm. Trans.

AB 2869	De Leon	Establishes Community Empowerment Advisory Committee to ARB on environmental justice issues around AB 32		Asm. Nat. Res.
AB 2922	DeSaulnier	Clarifies civil penalty authority for ARB		Asm. Trans.
AB 2962	Furutani	Spot bill on air penalties for motor vehicle emissions standards violations		Not referred
AB 2991	Nunez	Adds 2 climate experts to ARB research screening committee		Asm. Approps.
AB 3001	Hancock	California Voluntary Carbon Offset Commission		Asm. Nat. Res.
SB 375	Steinberg	Changes in transportation and land use planning to reduce VMT	MTC: Support; CSAC: SIA League of Cities: OUA	Asm. Approps.
SB 1143	Dutton	HOV lane spot bill		Sen Rules
SB 1195	Battin	Spot bill on motor vehicle emission controls		Sen. Rules
SB 1223	Runner	Air quality spot bill		Sen. Rules
SB 1240	Kehoe	Requires ARB to adopt by regulation a Low Carbon Fuel Standard		Sen. Env.Qual.
SB 1374	Battin	Allows HOV lane access for those who pay a fee to offset their carbon emissions		Sen. Trans.& Housing
SB 1468	Oropeza	Bans new schoolsites within ¼ mile of a freeway		Sen. Env. Qual.
SB 1548	Florez	Bill on city selection committee process for San Joaquin AQMD		Sen. Loc. Govt.
SB 1549	Florez	Study of historic license plate programs in California		Sen. Trans.& Housing
SB 1550	Florez	Requires companies to disclose their risks and opportunities from climate change		Sen. Env.Qual.
SB 1573	Florez	Has ARB rather than Bureau of Automotive Repair set smog check cutpoints		Sen. Approps.
SB 1574	Florez	Establishes Biodiesel Commission to promote the fuel		Sen. Agriculture
SB 1646	Padilla	Extends sunset on South Coast \$1 registration fee surcharge		Sen. Approps.
SB 1662	Cox	Allows emission reduction credit trading more geographically broadly		Sen. Env. Quality
SB 1720	Lowenthal	Makes it illegal to forge clean air vehicle HOV decals		Sen. Approps.

SB 1724	Maldonado	States legislative intent to allow carbon credits for agricultural activity		Sen. Rules
SB 1731	Yee	Allows MTC to collect \$1 registration fee surcharge to cut congestion		Sen. Approps.
SB 1737	Kehoe	Progress report on fueling infrastructure for electric and natural gas vehicles		Sen. U.&C.
SB 1759	Perata	Concerns construction of new natural gas powerplants in California		Sen. Rules
SB 1760	Perata	Creates Climate Action Team to coordinate state's overall climate policy		Sen. Env. Qual.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2008

Re: UPDATE ON AB 2744 (HUFFMAN)

RECOMMENDED ACTION:

None. Informational item.

DISCUSSION

A new version of this bill, to allow a vote of the people in the Bay Area on a regional gasoline fee for climate change, was printed on April 8, 2008. A copy of the current language is attached for the Committee's review. Staff is pleased to report that the bill contains significant amendments that the Air District sought. The bill is currently scheduled to be heard April 14, 2008 in the Assembly Transportation Committee. Staff will brief the Committee on the current bill language and how it fared in its first policy committee at the meeting on April 21, 2008.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2008

Re: Report of the Budget & Finance Committee Meeting of April 23, 2008

RECOMMENDED ACTION

The Committee recommends Board of Directors' approval of the following:

- A) Proposed Budget for Fiscal Year Ending 2009 upon completion of public hearings;
- B) Transfer of \$1,250,000 from the Designated Reserve and a corresponding increase in the Air Districts' FY 2007/08 Information Systems budget.
- C) Transfer of \$2.8 million from undesignated reserves to designated reserves for Production System; and
- D) Authorize the Executive Officer/APCO to solicit bids and execute contracts for the production system project not to exceed \$1.25 million.

BACKGROUND

The Budget & Finance Committee met on Wednesday, April 23, 2008. The Committee received the following reports and recommendations:

- A) Third Quarter Financial Report for FY 2007/2008;
- B) Presentation of Draft Budget for Fiscal Year Ending 2009; and
- C) Consideration of transfer to designated reserve for Production System and Authorization to enter into contract agreements.

Please note for clarification purposes, in the Proposed Budget for Year Ending 2009 on page 12, Table VI - California Goods Movement Bond (CGMB) Expenditures represents a consolidated statement for total program expenditures. This consolidation equals \$39,300,000 of which \$35,000,000 is from the general California Goods Movement Bond fund and \$4,300,000 is from the California Goods Movement fund for School Bus Replacements.

Attached are the staff reports presented in the Budget and Finance Committee packet.

Chairperson Chris Daly will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The proposed consolidated budget for FY Ending 2009 is \$74.5 million.

Staff's recommendation regarding production system project funding would result in a transfer of \$1,250,000 from the Designated Reserve and a corresponding increase in the Air Districts' FY 2007/08 Information Systems budget. Staff's recommendation would also result in the transfer of \$2,800,000 from the Undesignated Reserve into the Reserve for Production System.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2008

Re: Third Quarter Financial Report – Fiscal Year 2007-2008

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$12,323,382 (62.12%) of budgeted revenue.
- Permit Fee receipts were \$13,801,439 (70.69%) of budgeted revenue.
- Title V Permit Fees were \$1,505,127 (66.25%) of budgeted revenue.
- Asbestos Fees were \$1,330,450 (76.51%) of budgeted revenue.
- Toxic Inventory Fees were \$473,390 (88.48%) of budgeted revenue.
- Penalties and Settlements were \$1,366,482 (60.73%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$53,698 (12.07%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$29,164,621 (73.12%) of budgeted expenditures.
- Operational Services and Supplies were \$7,784,321 (35.60%) of budgeted expenditures.
- Capital Outlay was \$2,068,556 (44.19%) of budgeted expenditures.

<u>FUND BALANCES</u>	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>6/30/2008</u>
	<u>Audited</u>	<u>Audited</u>	<u>Projected</u>
SPECIAL RESERVES:			
Imprest Cash	\$1,200	\$500	\$500
Building and Facilities	2,693,550	1,731,690	1,510,315
PERS Funding	3,500,000	3,100,000	2,700,000
Radio Replacement	3,500,000	75,000	75,000
Climate Protection	0	3,000,000	0
Production System	250,000	1,250,000	1,250,000
Capital Equipment	130,425	130,425	130,425
Prior Year Adjustments	15,000	0	0
Contingencies	400,000	400,000	400,000
Workers Compensation	1,000,000	1,000,000	1,000,000
Economic Uncertainties	0	7,709,028	9,000,000
TOTAL SPECIAL RESERVES:	<u>11,490,175</u>	<u>18,396,643</u>	<u>16,066,240</u>
 MULTI-YEAR APPROPRIATION			
Appropriation – Production System	<u>1,552,141</u>	<u>152,141</u>	<u>0</u>
 UNDESIGNATED:	 <u>12,934,168</u>	 <u>13,996,404</u>	 <u>9,405,432</u>
 TOTAL FUND BALANCES	 <u>\$25,976,484</u>	 <u>\$32,545,188</u>	 <u>\$25,471,672</u>

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2007/2008 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE

Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2008

Re: Continued Discussion of Fiscal Year 2008/2009 Proposed District Budget and
Consideration of Recommended Adoption

RECOMMENDED ACTION:

Consider recommending Board of Directors adoption of the proposed fiscal year 2008/2009 Budget.

BACKGROUND:

As directed by Chairperson Hill at the March 19, 2008 regular Board of Directors' meeting, the proposed Fiscal Year 2008/2009 Budget document was reviewed by the Budget and Finance Committee at its March 26, 2008 meeting.

DISCUSSION:

Staff presented the proposed budget for Fiscal Year 2008/2009 at the March 26, 2008 Budget & Finance Committee meeting. The proposed budget is balanced. General Fund Revenues, Transfers-In from Designated Reserves for PERS Funding, along with TFCA Indirect Cost Recovery and TFCA Revenues and Mobile Source Incentive Indirect Cost Recovery and Revenues are \$74.5 million. Proposed consolidated expenditures are \$74.5 million. Proposed capital requests are \$2.2 million. The proposed budget does not include any new FTE's.

Staff published, prior to April 21, 2008, a notice to the general public that the first of two public hearings on the budget will be conducted on May 21, 2008 and that the second hearing will be conducted on June 4, 2008.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The proposed consolidated budget for FY 2008/2009 is \$74,450,667.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA,CFE

Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2008

Re: Production System Project Funding

RECOMMENDED ACTION:

Consider recommending that the Board of Directors: (1) authorize the Executive Officer/APCO to solicit bids and execute agreements for the Production System project not to exceed \$1,250,000; (2) transfer a corresponding amount from the Designated Reserve for this purpose, and adjust the Air Districts' FY 2007/08 Information Systems budget accordingly and; (3) approve staff's recommendation to transfer \$2,800,000 from the Undesignated Reserve into the Reserve for Production System.

DISCUSSION

After a careful phase of scoping work, Air District staff presented a detailed Production System project plan which was approved by the Board in December of 2006. Execution of the plan has been accompanied by detailed reports on the status of actual costs as compared to projected costs, and by detailed reports on the status of actual accomplishments as compared to projected accomplishments.

The Project is composed of nine phases. The cost of the first four phases is firmly targeted at \$2.8M in total. The cost of the remaining five phases is expected to total an equal amount (\$2.8M) bringing the total estimated project cost to \$5.6M. As originally proposed, further refinement of the cost target for the final five phases will be facilitated by completion of the first four phases.

The Board has appropriated \$1,550,000 from the Designated Reserve. Staff now recommends that the remaining \$1,250,000 be appropriated from the original \$2,800,000 Designated Reserve, and that authorization be granted to issue purchase orders not to exceed the \$1,250,000.

Staff also recommends that additional Designated Reserves of \$2,800,000 be set aside by transfers from the Undesignated Reserve to bring the total transfers (expended and unexpended) to the \$5.6M originally projected.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Staff's recommendation would result in a transfer of \$1,250,000 from the Designated Reserve and a corresponding increase in the Air Districts' FY 2007/08 Information Systems budget. Staff's recommendation would also result in the transfer of \$2,800,000 from the Undesignated Reserve into the Reserve for Production System.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Jerry Hill and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2008

Re: Report of the Public Outreach Committee Meeting of May 5, 2008

RECOMMENDED ACTIONS

None. Informational report only.

DISCUSSION

The Public Outreach Committee will meet on Monday, May 5, 2008. The Committee will receive the following report and presentations:

- A) Update on the 2008 Spare the Air Campaign; and a
- B) Summary of the Wood Smoke Outreach and Incentives.

Attached are the staff reports presented in the Public Outreach Committee packet.

Chairperson Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2008

Re: Spare the Air 2008 Campaign Update

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

Since 1991, the *Spare the Air* campaign has worked to persuade the public to adopt practices that promote long-term behavior change to protect air quality. Historically, the *Spare the Air* program has been an episodic public outreach campaign with advisories being issued to the media, individuals, employers, schools and public agencies whenever air quality was forecast to be unhealthy. The 2008 summertime ozone season runs from Monday, June 2 – Friday, October 3, 2008.

DISCUSSION

For 2008, the *Spare the Air* program has been expanded to a year-round campaign and will include partners, climate protection messages and a broad range of incentives such as free transit, teleconferencing, discounts on bike rentals and rewards to schools. The extensive advertising such as commercials on television, radio, internet, in theater and community outreach that have made the *Spare the Air* campaign so successful will continue. As in previous years, the Air District will conduct telephone surveys to collect data regarding public behavior on all *Spare the Air* days and on “normal”, or, non-*Spare the Air* days.

The incorporation of a climate protection focus into the *Spare the Air* campaign is a natural progression due to the strong connection between air quality and climate. The campaign will inform the public about the causational link between air quality and climate change and persuade them to modify their behavior not just during poor air quality days, but every day.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for the *Spare the Air* Program comes from three sources: Congestion Mitigation Air Quality (CMAQ) funding, the Transportation Fund for Clean Air (TFCA) program, and General Revenues.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2008

Re: Wood Smoke Reduction Outreach Summary

RECOMMENDED ACTION:

None. Information only.

BACKGROUND

Staff will present a summary of public outreach conducted to increase public understanding and awareness of the Air District's comprehensive Wood Smoke Reduction Strategy which includes: the Wood Smoke Reduction Rebate Program, the proposed Regulation 6, Rule 3; Wood-Burning Devices, and the Spare the Air Tonight Program.

DISCUSSION

In December of 2006, the US EPA adopted more stringent Particulate Matter (PM_{2.5}) standards, increasing the health protectiveness of the national 24-hour standard from 65 micrograms/m³ to 35 micrograms/m³. The Air District has developed a comprehensive Wood Smoke Reduction Strategy to reduce PM 2.5 to meet the EPA standard and protect public health.

WOOD SMOKE REDUCTION REBATE PROGRAM

For fiscal year 2007/2008, the Air District committed \$500,000 in incentives for Bay Area residents to switch their wood-burning home heating devices to cleaner-burning alternatives. The first phase of the program began on January 15, 2008, with \$100,000 distributed in partnership with the Hearth, Patio & Barbecue Association and associated retailers. The remaining \$400,000 was disbursed through a District rebate program which opened on April 7, 2008.

Rebate Program Highlights:

- Issued press releases announcing the beginning and end of this program.
- Feature stories in television and print media.
- Approximately 850 rebates and discounts issued through these offers.

Regulation 6, Rule 3; Wood-Burning Devices

Last fall, the Air District began conducting outreach to support the rule development process of Regulation 6, Rule 3, to reduce Particulate Matter (PM) emissions from wood-burning devices. The Air District's public education efforts are focused on informing the public of the adverse health effects of particulate matter in wood smoke, and how to comply with Regulation 6, Rule 3.

Rule Outreach Highlights:

- Assisted Enforcement in coordinating, advertising, and staffing seven public informational meetings during Fall 2007, and nine additional meetings during April 2008.
- Issued press releases announcing the beginning and end of this program.
- Feature stories in television and print media.
- Prepared and distributed PM tip cards, bookmarks, and other educational materials.

SPARE THE AIR TONIGHT

Staff is currently developing the outreach campaign for the winter 2008/2009 Spare the Air Tonight program. The upcoming program will include the following elements:

- Emphasis on health consequences from exposure to PM.
- Advertisements and public service announcements on television, radio, web, and in-theatre.
- Community and employer event boothing throughout the region.
- Media advisories for Spare the Air Nights, and press releases on key dates.
- Distribution of "Spare the Air Tonight" marketing materials to employers, health clinics, and public agencies.
- Translation of materials for Spanish and Chinese language speakers.
- Op-ed and editorial board meeting with the Executive Officer.
- Surveys conducted on Spare the Air Nights.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for the campaign was included in the 2007-08 budget, and proposed 2008-09 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Jerry Hill and Members of the Board of Directors
From: Jack P. Broadbent
Executive Officer/APCO
Date: April 29, 2008
Re: Overview of the West Oakland Health Risk Assessment

RECOMMENDED ACTION:

Informational report; receive and file.

BACKGROUND

The Air Resources Board (ARB), in cooperation with the Air District, the Port of Oakland, and the Union Pacific (UP) Railroad, conducted a modeling study to estimate the health risks from diesel exhaust in West Oakland. Draft summary results were released on March 19, 2008. Final results are expected in June 2008.

The study was designed to evaluate the health impacts of current and future diesel particulate matter (PM) emissions from sources within three geographic areas in West Oakland: the Port (Part I), the UP Railyard (Part II), and local freeways and other sources near the West Oakland community (Part III). This information will assist in efforts to reduce diesel PM emissions by helping to identify the sources that have the greatest impact on potential health risks to nearby residents and by providing a tool to evaluate impacts of measures adopted, planned, and under development to reduce diesel PM emissions. In addition, information from this study is being used to satisfy UP Railroad and ARB's commitment under the Statewide Railroad Memorandum of Understanding, wherein health risk assessments are required for each major railyard. This study follows a number of previous health risk assessments of major sources of diesel PM within California, such as those at the Roseville railyard and the Ports of Long Beach and Los Angeles.

The study evaluates impacts of diesel PM emissions in 2005 from the following sources: trucks at the Port and on local roads and freeways, Port and non-Port ships, locomotives, harbor craft, cargo-handling equipment, truck-related businesses, and stationary sources.

FINDINGS

The impacts from diesel PM emissions on the West Oakland community as well as on the broader regional San Francisco Bay Area were evaluated in this study and the following key findings were made.

- The West Oakland community is exposed to diesel PM ambient concentrations that are almost three times the average background diesel PM concentrations in the Bay Area.
- The estimated lifetime potential cancer risk for residents of West Oakland from exposure to diesel PM emissions is about 1,200 excess cancers per million.
- Diesel PM emissions increase lifetime potential cancer risk in West Oakland by about 200 excess cancers per million from Port operations, about 40 excess cancers per million from the UP Railyard, and about 950 excess cancers per million from non-Port and non-UP sources.
- The emissions from on-road heavy-duty trucks result in the largest contribution to the overall potential cancer risks levels in the West Oakland community, followed by ocean going vessels, harbor craft, locomotives, and cargo handling equipment.
- On a regional basis, diesel PM emissions from Port operations impact a very large area, about 550,000 acres with more than 3 million people. Overall, the Port emissions result in a regional population-weighted potential cancer risk of about 27 in a million. Emissions from ocean going vessels emissions are the largest contributor to the regional risk due to Port-related activities.
- On a regional basis, diesel PM emissions also result in non-cancer health impacts. Due to diesel PM from Port operations, there are an estimated 18 premature deaths per year, 8 hospital admissions for respiratory and cardiovascular problems, about 290 cases of asthma-related and other lower respiratory symptoms, and 15,000 minor restricted activity days.
- Diesel PM emissions and the associated health risk may be reduced by up to 80 percent by 2015 in the West Oakland community if ARB's regulatory actions, including adopted *and proposed* regulations are fully implemented.

DISCUSSION

The study found that people living in the West Oakland community are exposed to unhealthy levels of diesel PM emissions. These emissions are expected to decline as adopted and planned regulatory programs are implemented.

In the draft summary report ARB recommends maximizing emission reductions, leveraging existing funding sources, fully implementing ARB regulations, and undertaking additional studies of truck operations in West Oakland. Of particular importance are the adoption and full implementation by ARB of regulations to be considered later this year for on-road trucks and ship main engines.

The Air District has been, and continues to be, a very active participant in the study. The Air District assisted in developing the emission inventory used in the HRA modeling. The Air District has co-hosted community meetings at key phases of the study. The Air District has the modeling system used to conduct the HRA running on Air District computers. The Air District also co-chairs the Port of Oakland Maritime Air Quality Improvement Plan process, whereby the Port has recently announced that they would seek 85 percent reduction in diesel PM emissions by 2020.

The Air District has also prepared the CARE Mitigation Action Plan. The CARE action plan includes the following major elements:

- Identify priority communities where toxic air emissions are highest and risk reduction measures are most needed.
- Focus grant funding in impacted communities, such as West Oakland, to accelerate the reduction of diesel emissions.
- Conduct community outreach meetings, such as those recently held in each of the six communities identified by the CARE program, to understand local community concerns with respect to sources of toxic air contaminants and to help identify emission-reduction priorities within the community.
- Develop local land-use guidance to identify incompatible land uses, develop setback recommendations, and develop other risk reduction recommendations.
- Update CEQA guidelines related to air toxics.
- Increase collaboration with public health officials.

The Air District is working with consultants and the Port of Oakland to design a measurement study that will help to evaluate the HRA modeling and help track trends in particulate matter in West Oakland. Finally, the Air District is working with the West Oakland Indicators Project and other community members to survey diesel truck activity to provide a refined estimate of on-road truck activity in West Oakland and to provide an improved apportionment of Port versus non-Port truck emissions.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Phil Martien
Reviewed by: Henry Hilken