

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Approved Minutes: Board of Directors' Regular Meeting– April 2, 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 (9:46a.m.), Harold Brown, Chris Daly (9:50 a.m.), Dan Dunnigan (9:46 a.m.), Erin Garner (10:20 a.m.), Scott Haggerty, Carol Klatt, Liz Kniss, Janet Lockhart, Jake McGoldrick, Mark Ross, Michael Shimansky, John Silva, Tim Smith, Pam Torliatt, Gayle B. Uilkema, Brad Wagenknecht.

Absent: John Gioia, Yoriko Kishimoto, Ken Yeager.

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

Both Directors Bates and Dunnigan arrived during the Pledge of Allegiance.

Public Comment Period: – The Chair called for public comment and there were two speakers. The following individuals spoke on issues relating to Hansen Permanente Cement Company and diesel truck emissions.

Karen Del Compare
WNCAW
10136 Camino Vista Drive
Cupertino, CA 95014

Joyce M. Eden
West Valley Citizens Air Watch
Cupertino, CA 95014

CONSENT CALENDAR (ITEMS 1 – 4)

1. Minutes of March 19, 2008
2. Communications

Information only.

3. District Personnel on Out-of-State Business Travel

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that there was no Air District personnel on out-of-state business travel for the month of March 2008.

4. Set Public Hearing for April 16, 2008 to Consider Testimony on Proposed Amendments to District Regulation 3: Fees, and set a Final Public Hearing for June 4, 2008 to Consider Adoption of these Amendments and Approval of a Notice of Exemption from CEQA

Proposed amendments to District Regulation 3: Fees, will help the Air District recover a greater share of the costs incurred to implement and enforce regulatory programs for stationary sources. Under California Health and Safety Code 41512.5, certain fee schedules require an initial public hearing to be held at least 30 days prior to the date at which adoption or revision of the fee schedules will be considered by the district board. The first public hearing to receive testimony on proposed amendments to the District's fee regulation will be held on April 16, 2008. A second public hearing to consider adoption of the amendments will be held on June 4, 2008.

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

COMMITTEE REPORTS AND RECOMMENDATIONS

5. Report of the Budget and Finance Committee Meeting of March 26, 2008

Director Daly presented the report and stated that the Budget and Finance Committee met on Wednesday, March 26, 2008.

The Committee received an overview of past and current Air District reserve funds. This item was provided for information. Staff was provided direction from the Committee.

The Committee received a report on the Proposed Budget for Fiscal Year 2008/2009 for consideration and discussion. The proposed consolidated budget for Fiscal Year 2008/2009 is \$74.5 million dollars and is a balanced budget. Continued discussions on the proposed budget will be held at the April 23, 2008, Budget and Finance Committee meeting. Staff was provided direction from the Committee.

Finally, the Committee considered recommending Board of Directors' approval to authorize the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board relative to the Air District's acceptance of up to \$35 million in Goods Movement Emission Reduction Program funds for fiscal year 2008/2009. The Air District will provide financial incentives to owners of equipment used in freight movement, including trucks, locomotives, ships etc., to upgrade to cleaner technologies. The Committee recommends that the Board of Directors' authorize the Executive Officer/APCO by resolution to accept funds, provide matching funds, and execute all necessary contract agreements with the California Air Resources Board and eligible equipment owners.

The next meeting is scheduled for 9:30 a.m., Wednesday, April 23, 2008.

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

7. Overview of Air District's Integrated Priority Communities Strategy for Grant Funding Programs

Mr. Broadbent thanked the Board of Directors for taking this item out of order, to better inform and provide some context from the Mobile Source Committee and discuss the recommendation to the Board members.

Mr. Broadbent stated that this is a continuation of a discussion from the Board of Directors Retreat, held in January 2008. It was discussed that the findings of the CARE program and staff's belief that the elevated diesel particulate risks that are seen through the CARE program should be dealt with. The Air District will be the recipient of monies through the Goods Movement Infrastructure Bond Program, and that there will be an integrated strategy where the Air District attempts to use the money that is available, to deal with significant health threats in the impacted communities.

Mr. Broadbent highlighted the following:

- CARE Objectives and Results
- Priority Communities
- I-Bond Overview
- I-Bond Application
- Match Funding for I-Bond
- Next Steps

The CARE program objectives include:

- Estimate health risks associated with exposure to toxic air contaminants;
- Developed preliminary emissions inventory; and
- Devise strategy to mitigate health effects

Below are the communities that are experiencing the high risk levels. In addition, the communities also have generally lower incomes. These communities include the following:

- Concord;
- Richmond;
- West Oakland;
- East Oakland/San Leandro;
- Eastern San Francisco; and
- San Jose

The best scientific tool being applied is to quantify and characterize what is believed to be the significant health threats in the Bay Area. Much of the regulatory authority to deal with trucks, ships and trains lies with the state or EPA. EPA states that their authority is somewhat limited on ships that traverse the globe. One of the tools available is to target grant resources that are available, as most regulatory initiatives are focused on new trucks or new trains. The problem is how to clean up the existing fleet.

The following funds and programs are available:

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|---|--------------------|
| - Carl Moyer Program (CMP): | \$11 million |
| - TFCA Regional: | \$12 million |
| - TFCA County Manager: | \$10 million |
| - Mobile Source Incentive Fund (MSIF) – SB 923: | \$10 million |
| - I-Bond: | up to \$35 million |

Funding cycles for these programs are as follows:

- CMP Closes - April 4
- TFCA Regional Opens - April 22
- TFCA CMA Plans due - April 30
- MSIF closes – April 4
- I-Bond Application due - April 4

California voters voted on the I-Bond in November 2006, and authorized \$1 billion in bond funding to quickly reduce the health risk associated with the movement of goods in and around the trade corridors in California. There are currently 4 different regions in California that will be addressed as part of the trade corridors. These include the Bay Area, Central Valley; which includes Sacramento Trade Corridor Region, Southern California and the San Diego region.

Funding Split:

- Early Grants - \$25 million
- Main Grant - \$225 million

In terms of the Bay Area, on February 28, 2008, the California Air Resources Board (ARB) decided to allocate as much as \$140 million to the Bay Area to deal with the emissions associated with the trade corridor over the next 4 years. In addition an early grant application was approved that would involve electrifying 2 APL berths at the Port of Oakland and retrofitting 75 trucks at the Port of Oakland as well.

I-Bond application plan includes the following:

- ARB requires local agencies seeking funding to submit an application
- Application is formatted as a plan describing how the Air District will spend funds
- Applications due April 4, 2008

The Air District's plan will be kept general enough, but meeting CARB's requirements, so that the Mobile Source Committee and the Board of Directors will have the opportunity to weigh in.

The request for funding will be as follows:

Project Type	Funding Requested
Port Drayage Trucks – Retrofits/Repowers	\$6 million
Goods Movement Trucks*	\$18.5 million
Locomotives	\$5.2 million
Ship Berth Electrification/Cargo Handling Equipment	\$2.8 million
Marine Harbor Craft	\$2.5 million
<u>Total</u>	\$35 million

Mr. Broadbent concluded his presentation by stating that this is a significant program and there are numerous resources being focused to reduce emissions in impacted communities.

Director Garner arrived at 10:20 a.m.

Director Miley commented that he supports the direction the Air District is moving and stated that some of the communities in West Oakland and East Oakland are challenged and targeting those resources to address some of the air disparities would help. In addition, Director Miley stated that the Port of Oakland is a major economic contributor to the region and anything that the Air District can do to ensure the clean up of the Port, in particular with the truckers, is vital.

Director Torliatt asked about the 6 impacted areas and stated that it appears the areas of concentration are centered around the Port of Oakland. Mr. Broadbent responded to Director Torliatt and stated that when one thinks about Goods Movement Trucks the majority are going to be on the trade corridor which includes I-80 and I-580, which extends to the Altamont Pass, as those are the major corridors that service the Bay Area and the intent of the I-Bond monies are to target those corridors and deal with the particulate health risks in those corridors.

Chairperson Hill stated that a lot of the work that is done at CARB related to the on-road diesel rule to be implemented this year will reduce 80% to 90% of the particulate matter pollution coming from these vehicles in the next 5 to 10 years.

Director Haggerty expressed his concerns regarding the local trucking companies and would like more information regarding the outreach that the Air District is looking for with regard to the trucking companies. Mr. Broadbent responded to Director Haggerty, stating that at present, the Air District is in the process of outreaching to the trucking firms, as the truckers are facing a regulatory deadline, so there should be some motivation for them to work with the Air District. Mr. Broadbent further stated that of the Goods Movement monies, \$20 million will be designated for on-road trucks. At this time the most concern is with the drayage trucks.

Director Miley stated that he will have the Public Health Department of Alameda County forward the studies to the Air District, as the report will provide information on the health risk factors.

Mr. Broadbent concluded his comment by stating that at the last CARE Task Force meeting, there were a wide variety of representatives of the various communities that are in favor of this approach, and that this approach is an important stride towards addressing their concerns. Although there is still a disconnect between some of the community representatives who see the large stationary sources in their neighborhood and believe that is what is polluting and this is something that the Air District will continue to work on over time.

Board Action: Director Torliatt requested more information about the method by which the Board of Directors is made aware of the work in those 6 impacted areas. Director Kniss requested a report on the actual interaction between the Air District and the community regarding the Hansen Permanente Cement site.

6. Report of the Mobile Source Committee Meeting of March 27, 2008

Director Smith presented the report and stated that the Mobile Source Committee met on Thursday, March 27, 2008.

The Committee was provided an overview of the Air District's Integrated Priority Communities Strategy for Grant Funding programs to address and reduce diesel particulate emissions in highly impacted communities as identified by the CARE Program. The Committee provided direction to staff.

The Committee was provided an informational update on the California Goods Movement Infrastructure Bond Program, including the Air District's application for early funding and milestones for the disbursement of the main grant funding and next steps. The Committee provided direction to staff.

The Committee considered staff recommendations for Board of Directors' approval of the proposed fiscal year 2008/2009 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria and the Allocation of \$1,000,000 in TFCA Regional Funds to Clean Air Vehicle Advanced Technology Demonstration projects that meet the Fiscal Year 2008/2009 TFCA Regional Fund Policies. There was one member of the public to speak on this item. The Committee recommends that the Board of Directors' approve:

- 1) Proposed Revisions to Fiscal Year 2008/2009 TFCA Regional Fund Policies and Evaluation Criteria to govern allocation of FY 2008/2009 TFCA funds; and
- 2) The allocation of \$1,000,000 in TFCA Regional Funds to the Clean Air Vehicle Advanced Technology Demonstration projects that meet the Fiscal Year 2008/2009 Regional Fund policies with any portion that remains unallocated following that funding cycle reverting back to the TFCA Regional Funds for general use.

Finally, the Committee considered the Bicycle Facility Program: Fiscal Year 2007/2008 Annual Report, and Proposed Guidelines and Allocation of Funds for Fiscal Year 2008/2009. There was one member of the public to speak on this item. The Committee recommends that the Board of Directors:

- 1) Receive and File the Annual Report for the Bicycle Facility Program for Fiscal Year 2007/2008;
- 2) Approve the Proposed Bicycle Facility Program Guidelines, presented in Attachment B, for use in Fiscal Year 2008/2009 and in subsequent years; and
- 3) Approve the allocation of \$600,000 in TFCA Regional Funds to the Bicycle Facility Program for Fiscal Year 2008/2009 and authorize the Executive Officer/APCO to execute funding agreements in accordance with Board of Director's approved Bicycle Facility Program Guidelines.

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

Board Action: Director Smith moved that the Board of Directors approve the report of the Mobile Source Committee; seconded by Director Dunnigan; carried unanimously without opposition.

Other Business

8. Report of the Executive Officer/APCO

Mr. Broadbent introduced Lisa Fasano, Senior Policy Advisor, and stated that Ms. Fasano will be heading up the Public Outreach and Information Office.

Mr. Broadbent also mentioned the Notice of Public Meetings for the new proposed Regulation 6, Rule 3: Wood-Burning Devices. There will be a series of informational meetings. Mr. Broadbent encouraged the Board of Directors to attend.

9. Chairperson's Report – There was none, but Chairperson Hill requested that the information regarding the Notice of Public Meetings for Wood-Burning Devices be sent electronically to the Board of Directors.
10. Board Members' Comments – Director Daly reminded staff that there should be a follow up meeting regarding the NOV's at the Hunters' Point Shipyard. Mr. Broadbent stated that were a number of community representatives that attended the previous Board meeting and issues were raised regarding PSC, and Lennar among other facilities. Staff agreed at the next Stationary Source Committee meeting, the Committee would be provided with a summary of each of the issues, which will include the Lennar/Bayview Hunters' Point efforts. Director Daly further requested information regarding the follow up on the NOV's and the timeline. Mr. Bunger responded to Director Daly stating that because this is a legal negotiation between parties, no timeline can be provided. The Air District has met and will continue to meet with the community members.

11. **Time and Place of Next Meeting** – 9:45 a.m., Wednesday, May 7, 2008 – 939 Ellis Street, San Francisco, CA 94109
12. **Adjournment** – The meeting adjourned at 11:15 a.m.

/s/Vanessa Johnson
Vanessa Johnson
Acting Clerk of the Boards