

Bay Area Air Quality Management District  
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## APPROVED MINUTES

Summary of Board of Directors  
Executive Committee Meeting  
9:45 a.m., Monday, September 29, 2008

1. **Call to Order - Roll Call:** Chair Jerry Hill called the meeting to order at 9:45 a.m.  
**Present:** Jerry Hill, Chair, Chris Daly, John Gioia, Scott Haggerty, Mark Ross, Tim Smith, Pamela Torliatt, Gayle B. Uilkema, Brad Wagenknecht.  
**Absent:** None  
**Others Present:** Terry Trumbull, Hearing Board Member; Ted Droettboom and Bruce Riordan, Joint Policy Committee
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of June 11, 2008:** Director Wagenknecht moved approval of the minutes; seconded by Director Smith; carried unanimously without objection.
4. **Hearing Board Quarterly Reports – April 2008 – June 2008:**

Terry Trumbull, Hearing Board Member, gave the Hearing Board Quarterly Report for April 2008 through June 2008.

**Committee Action:** None. This report provided for information only.

5. **Advisory Council Activities and Recommendations:** *Louise Bedsworth, Chairperson of the Advisory Council, provided an update of the Council's activities and recommendations on a Strategy Relative to Asthma and Indoor Air Quality and Principles developed in response to the Air Resources Board's AB 32 Climate Change Draft Scoping Plan request for comments.*

Advisory Council Chairperson, Dr. Louise Bedsworth, reported on the Advisory Council's activities, stating that the Technical Committee is working on climate change and the Air Quality Planning Committee has worked on congestion pricing issues related to reducing vehicle miles traveled and developed recommended principles on AB 32. The Public Health Committee finished their indoor air quality and CARE work and she said minutes from those meetings are provided in the Executive Committee packet.

Dr. Bedsworth said a recommendation was developed by the Public Health Committee on how the Advisory Council could improve its role to interface with the public and other organizations related to indoor air quality and asthma. It focuses on what the Air District can do to improve its responsiveness for

those coming to the District looking for questions as it relates to indoor and outdoor air quality. It would more efficiently address concerns, direct callers to the correct place to discuss conditions with health providers, and involve staff participation in the California Indoor Working Group which comprises of state, federal and local organizations. It would also help refer callers to health care providers organize existing information, expand the District's website page on indoor air quality and track the volume and types of calls made.

Committee Member Uilkema suggested that conditions of approval should be developed when subdivisions are being considered for approval. She confirmed ARB has not yet adopted or established indoor air quality standards but this is an area of inquiry and the District will see more of it with SMART growth and transit-oriented development (TOD). Mr. Broadbent reported staff is developing land use guidelines and anticipates a section which will help local cities and counties as developments are approved, and as they are associated with freeways, TOD's and SMART growth.

Committee Member Wagenknecht believed this was a good first step to quantifying where indoor air quality issues are and he made a motion to support the recommendation. Committee Member Gioia seconded the motion and believed that success depends upon interactions with local health departments.

Dr. Bedsworth described the representation of health officials on the Advisory Council and said the sense of the Committee and Council is to increase this interaction, as well as secure a potential Public Health Officer position with the Air District.

**Committee Action:** Director Wagenknecht made a motion to recommend Board of Directors' approval of the Advisory Council's Strategy for Asthma as it relates to indoor air quality; Director Gioia seconded the motion; carried unanimously without objection.

Dr. Bedsworth gave the second part of the report and stating that the Air Quality Planning Committee developed a set of recommended Principles in response to the draft AB 32 Scoping Plan relating to transportation and land use recommendations. A number of recommendations focused on how the State would meet its 2020 goal to 1990 levels, as well as transportation and land use focus on SMART growth. The Committee felt the component in the Scoping Plan was rather modest, and therefore developed the principles for the Air District to consider in making their comments to the ARB. She read the Principles into the record and noted that they were not listed in any priority.

Chair Hill stated that the District had already sent comments to the ARB on the draft plan, and Mr. Broadbent clarified that the proposed Scoping Plan will come out this week and it is appropriate for the Board of Directors to provide comment on it. He said the Principles could be incorporated into the Board's submittal, which will be presented to the Board of Directors at their October 15<sup>th</sup> meeting.

**Committee Action:** Director Wagenknecht made a motion to recommend Board of Directors' approval of the Principles developed in response to the California Air Resources Board's request for comments on its AB 32 Climate Change Draft Scoping Plan; Director Uilkema seconded the motion; carried unanimously without objection.

Chair Hill requested Item 7 be moved up on the agenda for discussion and recommendation.

7. **Discussion and Possible Recommendations on the Advisory Council's Role:** *The Committee discussed the Advisory Council's role and provided direction to staff.*

Mr. Broadbent reported the item involves discussing the role of the Advisory Council and how it can be improved or enhanced. He said ultimately, it would require some changes to the District's Administrative Code which would require consideration and approval at two Board meetings. He said the Advisory Council was established with the creation of the Air District in 1955, it is a 20-member Board which meets every other month with four standing committees. The Council consists of representatives from various public health, community planning, agriculture, engineer, conservation, architect, and college and university groups. It is a robust and diverse Board and the District believes they could be more effective in how the Council supports the Air District staff and its mission.

Specifically, the request is to have the Advisory Council meet four times a year, serve as a body to convene experts in four topic areas: 1) health information on air quality; 2) stationary source technology and mobile vehicle technology; 3) land use and transportation; and 4) climate change. Staff believes the Council would become more effective and staff has developed a set of procedures on how it would determine relevant topics.

Dr. Bedsworth concurred with the goal of improving the Council's overall effectiveness and efficiency, agreed with the four topic areas, discussed each Committee's efforts in taking on a topic, holding speaker presentations and bringing forth recommendations. She believed it is a good idea to focus attention on a single topic in a shorter period of time. She noted that six Council members would soon be either termed out or going off the Council and she believed the change in meeting schedule could assist in recruitment efforts.

Mr. Broadbent also noted that keynote speakers would also be able to be secured in advance, agreed that the Advisory Council over the last year has been very useful, and discussed the increasing amount of time and resources dedicated to staffing the Council and its Committees. If approved by the Executive Committee, the new role of the Advisory Council could be in place starting next year. Mr. Broadbent noted Dr. Bedsworth serves as an ex-officio member of the Executive Committee and could report out items.

Committee Member Smith confirmed with Mr. Bunger that the 20 appointed positions are delineated in the State statute, and the Administrative Code recognizes that the Air District appoints an Advisory Council. Mr. Bunger also discussed the diversity of those serving on the Council, the process of recruiting members and the status of voluntary participation of its members.

Dr. Bedsworth suggested the Executive Committee review the Advisory Council's structure after being in place for one year to determine if the four meetings are working and whether or not further revisions need to be made.

Committee Member Wagenknecht said he believed the District is flexible enough to schedule pertinent topics and he supported the Advisory Council's time and involvement focus on more vital issues that have a lasting effect into the future. Committee members agreed with the need for a review at the end of the year by the Executive Committee

**Committee Action:** By consensus, the Committee supported the request to have the Advisory Council meet four times a year, serve as a body to convene experts in four topic areas: 1) health information on air quality; 2) stationary source technology and mobile vehicle technology; 3) land use and transportation; and 4) climate change, with a review at the end of the year by the Executive Committee.

**6. Joint Policy Committee Update:** *Ted Droettboom provided an update on the activities of the Joint Policy Committee.*

Ted Droettboom provided an update on the activities of the Joint Policy Committee, stating that MTC passed a provisional investment plan for the 2009 RTP and included in it is a doubling of the funding for the Transportation for Livable Communities (TLC) program available to local governments for smart growth. He expects that a significant portion of the money will go to Priority Development Areas (PDA's). He reported that the JPC had recently hired Bruce Riordan to coordinate climate change issues and work with each of the four regional agencies and sort out issues of duplication and identify value-added programs agencies can work on together.

Regarding partnerships, Mr. Droettboom said the JPC has been approached by the Silicon Valley Leadership group who has asked them to participate in a Climate Compact which involves initially the leadership group and the three big cities—San Francisco, San Jose and Oakland. The JPC has also been invited, along with the four regional agencies, the Air District, ABAG, MTC and BCDC to join in and pursue 10 targets for climate change-related initiatives and to help to move that out to other jurisdictions.

Mr. Droettboom stated that a more recent second initiative from the Bay Area Council asks the four regional agencies to participate with them in an Economic Institute. The first priority initiatives are for regional agencies to deal with issues related to AB 32 and SB 375 and assist business groups.

Mr. Droettboom said he recommended to the JPC that it participate with the Silicon Valley Leadership group and the three big cities. He also believes the regional agencies should participate with the Bay Area Council for similar reasons, but noted issues relating to ownership and precedence.

Committee Members discussed concerns relating to the desire to identify each agency's priorities and bring them altogether, support for public/private partnerships, maximization of funding, positive relationships that do not compromise overall goals, the need for the JPC to be proactive and work toward a unified position, the ongoing work of the Air District, and the need to continue working with ARB on AB32 implementation and seek input and collaboration from business groups and environmental organizations.

Bruce Riordan, JPC consultant, noted that he and Mr. Droettboom met with the Executive Directors at each of the four agencies to understand key priorities, identify common barriers, and map out what everyone is doing so there is better understanding. His job is to help all four agencies do better, and he cited as examples the Air District's scheduled Summit, ABAG's work with city governments, BCDC work on adaptation with cities, and he supported a coordinated approach. In response to how the Compact works, Mr. Riordan noted that Silicon Valley Leadership Group clearly wants the JPC to join them and the three big cities and said they have invited the four regional agencies to also sign up in support of the initiative and goals. Mr. Droettboom believed that if the JPC enters into a partnership, a clear context and policy statement should be developed that addresses all involved relationships.

**Committee Action:** There was consensus among the Committee that a JPC Partnership Policy was needed.

**8. Out of State Travel Policy Discussion:** *As directed by the Board of Directors, the Committee discussed and reviewed the Air District's Out of State Travel Policy.*

Committee Member Uilkema said she asked for discussion on the item because of the fact that many agencies are curtailing travel and Advisory Council members are not included in the Air District's policy . She discussed the recent A&WMA Annual Conference & Exhibition in Portland, Oregon, said the Air District's Travel Policy does not address Advisory Councilmember attendance and she asked that it be modified to include the number of members and criteria for attendance.

Mr. Broadbent discussed staff and Advisory Council attendance at the Annual Conference and after a brief description of the benefits derived from the Conference he agreed to update the policy to include the Advisory Council's attendance and limit it to the Advisory Council Chairperson and four (4) members.

**Committee Action:** By consensus, the Committee directed the Executive Officer/APCO to update the travel policy to include the Advisory Council's attendance and limit it to the Advisory Council Chairperson and four (4) members.

**9. Update on Other Post Employment Benefits (OPEB) Liability:** *The Committee received an update and was presented with options on actions to address the Air District's OPEB liability from previous years.*

Human Resources Officer Mike Rich began by addressing the Air District's liability of health care benefits and provided the Committee with an overview of definitions of OPEB (Other-than-pension Post Employment Benefits); ARC (Annual Required Contribution), the normal cost which is the portion of the Annual Required Contribution that represents the value of benefits earned during the year; and UAAL (Unfunded Accrued Actuarial Liability), which is the value of benefits earned but not pre-funded to date. He provided actuarial results, noting that the following numbers assume a discount rate of 6.75%:

- Normal Cost is \$1.4 million per year;
- Unfunded Accrued Actuarial Liability (UAAL) is \$35 million (\$2.5 million per year amortized over 20 years);
- Annual Required Contribution (ARC) is \$3.9 million per year.

He said the Air District has addressed its liability of health care benefits, as follows:

- \$1.4 million per year (\$4.2 million so far) had been approved to pre-fund normal cost;
- The Air District selected CalPERS to administer pre-funding and has executed a contract;
- The Air District sent an initial deposit of \$4.2 million to CalPERS.

Staff then developed options to address unfunded accrued actuarial liability (UAAL) and he discussed each option, as follows:

Option 1: Issue Bonds: The borrowing cost would be at 6% and sent to CalPERS. CalPERS would assume a 7.75% rate of return, there would be a potential savings of \$6 million to \$9 million which varies based on amortization schedule and debt service model used, and the savings figures reflect present value. A 30-year amortization with level debt model would equal \$2.2 million per year. Issuing bonds for half of the UAAL (\$1.1 million) would reduce the short-term budget impact.

Option 2: Increase Pre-Funding Level: Increasing the funding level does not require issuing bonds, it provides more flexibility than bonds and the Board can decide the funding level each year, and a 20-year amortization would yield \$2.4 million per year.

Option 3: Maintain Pre-Funding Level: With this option, there is no short-term budget impact; it foregoes any long-term savings, but results in ballooning payments, where the ratio of benefit payments to payroll roughly doubles in the next 9 years.

Committee Members asked questions regarding retiree health benefits and health care through CalPERS. Mr. Rich said staff has no recommendation for any of the options, and simply wanted to present the Committee with information on each option prior to moving the item onto the Budget and Finance Committee. After brief discussion, Committee members believed Option 2 provided greater flexibility and concern was voiced with issuing bonds at the present time.

**Committee Action:** Director Torliatt made a motion to recommend Option 2 to increase the funding level; seconded by Director Smith; carried unanimously without objection.

**10. Overview and Discussion of Air District's 2009 Clean Air Plan:** *The Committee received an overview of the Multi-Pollutant approach for the Air District's 2009 Clean Air Plan.*

Principal Environmental Planner, David Burch, provided an overview of the Multi-Pollutant approach for the Air District's 2009 Clean Air Plan. He said the Air District updated the 2005 Strategy to attain state ozone standards, noted the California Clean Air Act's basic requirements are to report on progress, update baseline and trends, develop a control strategy including "all feasible control measures to achieve state standards by earliest practicable date, and to reduce transport to neighboring air basins. The District will collaborate with regional agency partners and coordinate the Clean Air Plan with key regional plans such as Transportation 2035, ABAG Projections, and FOCUS.

Mr. Burch said the Control Strategy is an overall plan for Air District actions for the 2010-2012 timeframe and beyond and incorporates the following:

- Stationary Source Control Measures (factories, refineries, dry cleaners) via rules and regulations;
- Transportation Control Measures to reduce vehicle travel and emissions (with partner agencies);
- Mobile Source Measures to promote the use of cleaner vehicles and fuels through incentives and grants.

He discussed the broader scope for the 2009 Clean Air Plan as addressing each pollutant separately, multi-pollutant planning to reduce ozone precursors, PM, air toxics and CO<sub>2</sub>, and developing goals to prioritize control measures to reduce health impacts and maximize co-benefits to reduce greenhouse gases. The goals and benefits of multi-pollutant planning include better integrated efforts, optimizing synergies, minimizing trade-offs among control measures, better justifying potential control measures by estimating benefits on a multi-pollutant basis, identifying and prioritizing control measures that would provide the greatest health benefit, better integrating planning for land use, transportation, energy and climate protection, and also helping regulated communities to better plan for compliance.

Mr. Burch reported that challenges ahead include addressing the lack of guidance or models, varying pollutants, and how to evaluate control measures on a multi-pollutant basis. He said a potential approach

staff is looking into will analyze health impacts through a chain of causation, which focuses on emissions, concentrations, exposure, health effects and costs.

Mr. Burch discussed the planning schedule as follows, stating staff will perform robust public outreach:

Fall 2008

- Identify and review potential control measures
- Work on developing evaluation methodology

Early 2009

- Preliminary control measures and control strategy
- CEQA Notice of Preparation

Summer 2009

- Issue draft Plan and draft CEQA document

Fall 2009

- Adopt final Plan and final CEQA document

Committee members discussed the Clean Air Plan and confirmed that the Air District is likely to be a non-attainment area so the planning will help get us to that, the District will tailor it for federal requirements, and immediate impacts remain a goal.

- 11. Committee Member Comments/Other Business:** None
- 12. Time and Place of Next Meeting:** At the call of the Chair.
- 12. Adjournment.** The meeting was adjourned at 11:44 a.m.

*/s/ Lisa Harper*  
Clerk of the Boards