



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

March 18, 2009

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
MARCH 18, 2009
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Oath of Office

Chairperson, Pamela Torliatt
Clerk of the Boards

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 – 5)

Staff/Phone (415) 749-

1. Minutes of March 4, 2009

L. Harper/5073

lharp@baaqmd.gov

2. Communications

J. Broadbent/5052

jbroadbent@baaqmd.gov

Information only.

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

J. Broadbent/5052

jbroadbent@baaqmd.gov

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

4. Referral of Proposed Budget for Fiscal Year Ending 2010 to the Budget and Finance Committee

J. Broadbent/5052

jbroadbent@baaqmd.gov

Pursuant to Administrative Code Division II, Section 3.2 Fiscal Policies and Procedures, and in compliance with Section 29064 of the Government Code, the Board shall refer the proposed budget for Fiscal Year Ending 2010 to the Budget and Finance Committee for review and consideration.

5. Consider Authorization of Executive Officer/APCO to Enter Into Contract with Global Gourmet Catering

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to enter into a contract with Global Gourmet Catering, to provide catering and equipment services for the Air District's Climate Action Leadership Summit in an amount not to exceed \$90,000.

COMMITTEE REPORTS AND RECOMMENDATIONS

6. Report of the **Ad Hoc Committee on Port Emissions Meeting** of March 12, 2009
CHAIR: N. MILEY
J. Broadbent/5052
jbroadbent@baaqmd.gov

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

- A) *Expenditure of \$5 million in TFCA funds to retrofit trucks without matching funds from the Port of Oakland or Air Resources Board (ARB);*
- B) *Resolution to the Port of Oakland Opposing its Maritime Air Quality Improvement Plan unless amended to include recommendations as outlined in the resolution.*

7. Report of the **Executive Committee Meeting** of March 16, 2009
CHAIR: P. TORLIATT
J. Broadbent/5052
jbroadbent@baaqmd.gov

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

- 1) *Establishment of an Ad Hoc Committee on Capital Facilities.*

CLOSED SESSION

8. Report of the **Personnel Committee Meeting** of March 6, 2009
Public Employee Performance Evaluation (Government Code Section 54957 and 54957.6)
Pursuant to Government Code Section 54957 and 54957.6, the Committee will meet in closed session to conduct performance evaluations of the Executive Officer/APCO and the Counsel.

OPEN SESSION

OTHER BUSINESS

9. Report of the Executive Officer/APCO
10. Chairperson's Report

11. 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)

12. Time and Place of Next Meeting – 9:45 a.m., Wednesday, April 1, 2009 - 939 Ellis Street, San Francisco, CA 94109

13. 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.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

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

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MARCH 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting	Wednesday	11	9:00 a.m.	Board Room
Ad Hoc Committee on Port Emissions <i>(At the Call of the Chair)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Joint Policy Committee	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Monday	23	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i> - RESCHEDULED	Wednesday	25	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday of each month)</i>	Monday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Monday	30	9:30 a.m.	4 th Floor Conf. Room

APRIL 2009

<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	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	8	9:00 a.m.	Board Room

APRIL 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	22	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	27	9:30 a.m.	4 th Floor Conf. Room

MAY 2009

<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	6	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	7	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	27	1:30 p.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

HL – 3/10/09 (9:23 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 11, 2009

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Regular Board of Directors' meeting of March 4, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 4, 2009 Regular Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Board of Directors' Regular Meeting
March 4, 2009

DRAFT MINUTES

Call To Order: Chairperson Pamela Torliatt called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Pamela Torliatt, Vice Chairperson Brad Wagenknecht, Secretary Tom Bates, Harold Brown, Chris Daly, Dan Dunnigan, John Gioia, Carole Groom, Scott Haggerty, Jennifer Hosterman, Yoriko Kishimoto, Carol Klatt, Liz Kniss, Nate Miley, Mark Ross, Michael Shimansky, Gayle Uilkema, Ken Yeager, Shirlee Zane

Absent: Susan Garner, James Spering

Pledge of Allegiance: Chairperson Torliatt led the Pledge of Allegiance.

Public Comments:

Cameron Wilson, Global Community Monitor, West Oakland, presented a signed petition regarding CASS Metals permit.

Oath of Office: Director Shirlee Zane was given the Oath of Allegiance.

Chairperson Torliatt requested Item 11 be heard in Open Session after Committee Report 9.

Consent Calendar Items 1-5:

Approval of Minutes of February 4, 2009;
Communications;
Quarterly Report of Division Activities - *October – December 2008*
Quarterly Report of the Executive Office
Consider Authorization to Enter into Contract with Management Partners Incorporated

Board Action: Director Brown moved to approve Consent Calendar Items 1-5; seconded by Director Gioia; carried unanimously without opposition.

Committee Reports:

Report 6. Climate Protection Committee Meeting
February 20, 2009
Report given by Chairperson Y. Kishimoto

January 8, 2009 Committee minutes approved.

Discussion/Actions:

- Received update on the Conoco Phillips funded grant program.
- Attorney General entered into a settlement agreement with Conoco Phillips; the District is expected to receive up to \$7 million which will be placed in a Carbon Offset Fund
- MOU between the Attorney General's Office and Air District identifies projects that include:
 1. Energy efficiency or conservation in existing buildings
 2. Renewable energy generation;
 3. Motor vehicle projects
 4. Cool roofs and/or pavement on existing buildings
 5. Water conservation
 6. Trip reduction
- Staff to provide update upon receipt of funds
- 2009 Climate Action Summit scheduled for May 4, 2009, Fox Theater, Oakland, Keynote Speaker – Mr. Thomas Friedman
- Summit planned in coordination with ABAG General Assembly
- Air District to participate in SB 375 and opportunities for collaboration among four regional agencies. Further discussion at next Joint Policy Committee meeting on March 20, 2009.

Next Climate Protection Committee Meeting: Monday, March 23, 2009

Board Action: Director Kishimoto moved to approve the report of the Climate Protection Committee; Director Uilkema seconded the motion; carried unanimously without objection.

Report 7. Legislative Committee Meeting
February 23, 2009
Report given by Acting Chairperson M. Shimansky

January 26, 2009 Committee minutes approved.

Actions:

- Discussed and considered legislative options regarding Board size, population growth and thresholds.
- Directed staff to conduct a poll of the Board of Directors

Response:

- Results of poll will be presented and discussed at the March 23, 2009 Legislative Committee meeting.

Next Legislative Committee meeting: Monday, March 23, 2009

Board Action: Director Shimansky moved to approve the report of the Legislative Committee; Director Uilkema seconded the motion; carried unanimously without objection.

Report 8. Budget and Finance Committee
February 25, 2009
Report given by Chair C. Daly

January 28, 2009 Committee minutes approved.

Presented:

Air District's Financial Audit for 2007/2008 – Recommendation:

- Board of Directors accept and file the Air District Financial Audit Report for 2007/2008, and additionally recommend that District staff: 1) update the Committee on the District's upcoming internal network scan; 2) add the San Mateo County Investment Pool to the Quarterly Update on the agenda; and 3) return to the Committee with a timeline for completion of administrative policies.

First quarter of fiscal year 2008/2009 Financial Report for Fiscal Year 2008-09:

- Comparison of revenues and expenditures, reserves, undesignated reserves and total fund balances

Proposed amendments to the Air District's Regulation 3: Fees:

- Fee regulation amendments would increase revenue by an estimated \$2.5 million, representing a 9% increase.
- Update to be provided following written comment period.
- Review and adoption scheduled by the Board of Directors April 15 and May 20, 2009.

Closed Session held: Government Code Sections 54956.9(b) and 54956.9(c), potential litigation regarding one matter; no reportable action.

Next Budget and Finance Committee Meeting: Tentatively scheduled for Monday, March 30, 2009.

Board Action: Director Daly moved to approve the report and recommendations of the Budget and Finance Committee; Director Dunnigan seconded the motion; carried unanimously without objection.

Report 9. Mobile Source Committee Meeting
February 26, 2009
Report given by Chair S. Haggerty

January 23, 2009 Committee minutes approved.

Discussion/Review:

- Received annual report on the 2008 Vehicle Buy Back (VBB) Program
- Considered recommendation from staff on changes to increase the program's effectiveness. Committee requested staff include in the recommendation a cost-effectiveness limit and the maximum range of vehicles eligible for funding under that limit. Committee Recommends that the Board of Directors:
 - Receive and file the 2008 Vehicle Buyback Program annual report
 - Increase the amount paid to \$1,000 per eligible vehicle under the program
 - Expand the range of vehicles eligible under the program to pre-1989 model years and establish a cost-effectiveness limit for the program of \$16,000 per ton of emissions reduced.
- Received informational update from staff on DOF's audit of Carl Moyer Program, Mobile Source Incentive Fund and Lower Emissions School Bus Programs – one observation identified and recommendation made; responded by staff.
- Update on Incentives Programs expenditures focusing on trucks.
- Committee provided direction to staff on additional information they would like presented at the next Mobile Source Committee meeting.
- The Committee considered staff recommendation to suspend activities under the Air District's drayage truck retrofit program and asked staff to do follow up work.
- Staff conducting survey of trucking companies and reviewing DERA funding; will review results at the Ad Hoc Committee on Port Emissions.
- Discussion to execute retrofits under the drayage truck retrofit program using TFCA dollars will be brought back to the March 18, 2009 Board of Directors meeting.

Next Mobile Source Committee meeting: Thursday, March 26, 2009

Public Comment:

Doug Bloch, Change to Win, reported Port Commission rejected timeline put forward by staff and directed them to bring back a Truck Management Plan for approval on May 21, 2009.

Board Discussion:

Shimansky: Asked about VBB eligible model years and cost effectiveness range.

Wagenknecht: Reiterated funding sources could be used interchangeably for VBB program under certain thresholds.

Miley: Noted that discussion on meeting with Port Commissioners will occur at next Ad Hoc Committee on Port Emissions meeting.

Board Action: Director Haggerty moved to approve the report and recommendations of the Mobile Source Committee; Director Gioia seconded the motion; carried unanimously without objection.

Report 11. **Personnel Committee Meeting**
February 18, 2009
Report given by Chair H. Brown

November 24, 2008 Committee minutes approved.

Discussion/Review:

- Committee met in Closed Session with Mary Welch, Management Partners Incorporated.
- Proposed project schedule discussed for a 360-degree evaluation of Air District's Executive Officer and Counsel.

Recommendation:

Board of Directors' approval of project schedule outlined by Management Partners Incorporated for the 360-degree evaluation of the Air District's Executive Officer and Counsel.

Board Action: Director Brown moved to approve the report and recommendations of the Personnel Committee; Director Kniss seconded the motion; carried unanimously without objection.

Next Personnel Committee Meeting: Friday, March 6, 2009

Public Hearing:

Presented by Director of Engineering Brian Bateman

Public Hearing to consider proposed amendments:

- Regulation 11; Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning Operations.
- Regulation 8, Rule 17: Petroleum Dry Cleaning Operations.
- Regulation 2, Rule 1: Permits, General Requirements.
- Deletion of Regulation 8, Rule 27: Synthetic Solvent Dry Cleaning Operations.
- Adoption of a Negative Declaration pursuant to the California Environmental Quality Act (CEQA).

Definition-Dry Cleaning:

- The use of solvents, other than water, to clean fabrics
- Perchloroethylene (Perc) is most commonly used solvent

Dry Cleaning Machines:

- 1st generation – transfer machines (vented)
- 2nd generation – dry-to-dry machines (vented)
- 3rd generation – closed-loop machines (non-vented)
- 4th generation - secondary control machines (non-vented)

Regulatory Overview:

District:

- Regulation 8, Rule 27: Synthetic Solvent Dry cleaning Operations (obsolete, to be deleted)

- Regulation 11, Rule 16: Perchloroethylene & Synthetic Solvent Dry Cleaning Operations (last updated in 2005)
- Regulation 8, rule 17: Petroleum Dry Cleaning Operations (last updated in 1990)

State:

- Airborne Toxic Control Measure (ATCM) (updated December 2007)

Federal:

- National Emission Standards for Hazardous Air Pollutants (NESHAP (updated July 2008)

Summary of Perc Dry Cleaning ATCM Amendments:

Effective January 1, 2008

- Prohibit new installation of Perc equipment
- Prohibit dip tanks & drying cabinets
- Enhanced maintenance and operational requirements
- Enhanced recordkeeping and reporting requirements
- New requirements for Perc manufacturers & distributors to keep records and report sales of Perc to dry cleaners

Effective July 1, 2010

- Prohibits Perc machines in co-residential facilities, converted machines, and machine solder than 15 years

Effective January 1, 2023

- Prohibits all Perc dry cleaning

Additional ATCM Amendments

- Facility must report make, model, serial number and age of machine
- Facility must have spare gaskets and lint filter on premises
- Button and lint traps must be cleaned and inspected on daily basis
- Annual leak checks with leak detector that gives quantitative result
- Shorter times allowed for repair
- Trained operator must be on site while dry cleaning equipment is in operation
- No external water repelling operations – these must be completed inside the closed-loop equipment

Proposed Amendments to District Regulation 11, Rule 16:

- Incorporate Perc phase-out and other requirements of amended Perc ATCM
- Add additional requirement more stringent than ATCM
- Retain existing requirements more stringent than ATCM

Proposed Amendments to District Regulation 8, Rule 17

- Rename Rule to Non-halogenated Solvent Dry Cleaning Operations
- Incorporate new solvents
- Require closed-loop design for new machines
- Establish leak detection and repair requirements

- Enhance recordkeeping and reporting requirements
- Prohibit spotting solutions with halogenated solvents
- Require equipment registration for machines exempt from permit requirements

Proposed Amendments to District Regulation 2, Rule 1: Permits, General Requirements

- Lower existing permit exemption-level for non-halogenated solvent dry cleaning facilities from 700 gallon/yr to 200 gallon/yr gross usage (would affect 20 of largest facilities).

Proposed Amendments to District Regulation 8, Rule 27

- Delete from District regulations
- Superseded by Regulation 11, Rule 16
- To be removed from State Implementation Plan

Rule Development Process:

September 15, 2008 - Stationary Source Committee Briefing

December 22, 2008 - Public Workshop

By February 6, 2009 - Written Comments

By February 6, 2009 - Notice of intent to adopt CEQA Negative Declaration

March 4, 2009 - Public Hearing to consider adoption

Public Comment Received:

- Dry cleaning organizations requested CARB changing effective date of amended ATCM. On January 26, 2009, CARB issued letter rejecting request.
- Dry Cleaners have an inventory of halogenated spotting solutions and need additional time to use up existing stock – Proposal modified to accommodate request (buy-prohibition begins 7/1/09; use-prohibition begins 7/1/2010).
- Closed-loop machine requirement in Rule 8-17 should be justified. Response: most regulated Perc alternatives are ozone precursors, closed-loop machines have been used by petroleum solvent facilities for many years, closed-loop machines save money over long term.
- Permit requirement for larger, non-Perc dry cleaners should be justified.

Staff Recommendation:

Adopt proposed amendments to:

Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning Operations

Regulation 8, Rule 17: Petroleum Dry Cleaning Operations

Regulation 2, Rule 1: Permits, General Requirements

Delete: Regulation 8, Rule 27: Synthetic Solvent Dry Cleaning Operations

Adopt: Negative Declaration pursuant to CEQA.

Board Discussion:

Haggerty: Voiced public health concerns of co-located facilities; recommended no perc machines located in a co-located facility to be effective July 10, 2009.

Bateman: The basis to phase out perc in co-located facilities is to allow facilities to purchase equipment, obtain loans, and comply with rule. He discussed requirement for a drying sensor which addresses residual solvents on garments.

Haggerty: Confirmed Rule prohibits relocation of used perc machines, regardless of age.

Hosterman: Raise industry acceptance for wet cleaning before 2023.

Bateman: Two separate projects address acceptance: 1) grants to dry cleaners to use new technologies; 2) Improvement of tensioning equipment and addressing technical issues.

Hosterman: Supported motion and recommended matter be addressed within the next year.

Broadbent: Suggested adoption of amendments and bringing back a schedule to address further elimination of perchloroethylene operations in future, citing small businesses' concerns.

Kniss: Confirmed and supported CARB's rejection to change effective date of amended ATCM; public exposure to perc.

Kishimoto: Water-based cleaning costs less, confirmed at 2010 60% of co-located facilities would be phased out, suggested potential for future District assistance with financing.

Ross: Discussed vapor barrier rooms and confirmed materials are contained.

Uilkema: Supported adoption of amendments and return with amendment in future to move up January 1, 2023 date.

Shimansky: Discussed local ordinances prohibiting use of perchloroethylene in some cities.

Groom: Supported adoption and return with amendment to rule to move up January 1, 2023 date.

Broadbent: Confirmed interest for adoption of amendments; staff to return with amendment in the future to move up prohibition of all perc dry cleaning from 2023.

Chairperson Torliatt opened the public hearing at 10:57 a.m. There were no public comments; public hearing closed.

Board Action: Vice Chairperson Wagenknecht moved to adopt proposed amendments to Regulation 11; Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning Operations; Regulation 8, Rule 17: Petroleum Dry Cleaning Operations; Regulation 2, Rule 1: Permits, General Requirements; Deletion of Regulation 8, Rule 27: Synthetic Solvent Dry Cleaning Operations; Adoption of a Negative Declaration pursuant to the California Environmental Quality Act (CEQA); and direct staff to bring back a more stringent requirements; Director Brown seconded the motion; carried unanimously without opposition.

Closed Session:

Board of Directors adjourned to Closed Session at 11:00 a.m.

Report 12: Report of Budget and Finance Committee Meeting of February 25, 2009 Potential Litigation (Government Code Sections 54956.9(b) and 54956.9(c)); a need exists to meet in close session to discuss potential litigation regarding one matter.

Report 13: Potential Litigation (Government Code Sections 54956.9(b) and 54956.9(c))

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session to discuss potential litigation regarding one matter.

Open Session:

Board of Directors reconvened at 11:20 a.m.; no reportable action taken in Closed Session.

Other Business:

Report of Executive Officer/APCO:

Winter 2008-2009 PM_{2.5} Season.

- 13 days of PM_{2.5} standard exceedances
- Over 1400 complaints during wood smoke season
- Investigating non-compliance to warnings
- Staff plans a review of the entire program and report back to Committees
- Press release prepared regarding public responses to warnings
- Deadline for EVR Phase II requirements for gas dispensing facilities – April 1, 2009; briefing to be provided to Board on March 18, 2009; 1/3 in compliance; 1/3 no compliance; 1/3 in permit process – staff to prepare report of stations by County for distribution to the Board.

Chairperson Torliatt's Report:

- June 16-19, 2009 A&WMA's 102nd Annual Conference and Exhibition – Detroit, Michigan

Board Comments:

Shimansky: Attended February 11, 2009 Advisory Council symposium; presentations made by:

- Alameda County, Anthony Iton, MD, JD, MPH, Health Officer & Director of Public Health
- Contra Costa County, Wendel Brunner, MD, Director of Public Health
- San Francisco City & County, Rajiv Bhatia, MD, MPH, Director of Occupational & Environmental Health
- Santa Clara County, Marty Fenstersheib, MD, MPH, Health Officer

Zane: Spoke about Sonoma County's AB 811 Program; on-line enrollment for energy efficiency, solar installation, insulation, water heaters, conservation; financing mechanism is long-term property tax assessment.

Bates: Requested notification for Spare the Air Alerts. Reported Senator Lowenthal is interested in working on legislation with the District, and thanked the District for assistance in funding BerkeleyFirst.

Kishimoto: Confirmed AB 811 programs in effect in Sonoma, Berkeley and Palm Dessert.

Time and Place of Next Meeting: 9:45 a.m., Wednesday, March 18, 2009
939 Ellis Street, San Francisco, CA 94109

Adjournment:

Meeting adjourned at 11:39 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 10, 2009

Re: Board Communications Received from March 4, 2009 through March 17, 2009

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from March 4, 2009 through March 17, 2009, if any, will be at each Board member's place at the March 18, 2009, Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 10, 2009

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

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

The out-of-state business travel summarized below covers the period from February 1 – February 28, 2009. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

There were no employees who traveled out of state in the Month of February, 2009.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl
Reviewed by: Jeffrey M. McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent,
Executive Officer/APCO

Date: March 10, 2009

Re: Referral of Proposed Budget for Fiscal Year Ending 2010 to the
Budget & and Finance Committee

RECOMMENED ACTION:

Refer proposed operating budget for Fiscal Year Ending 2010 to the Budget and Finance Committee for review and consideration.

BACKGROUND

Pursuant to Administrative Code Division II, Section 3.2 Fiscal Policies and Procedures and in compliance with Health and Safety Code Section 40276, the Executive Officer/APCO requests that the Board of Directors refer the proposed budget for Fiscal Year Ending 2010 to the Budget and Finance Committee for review and consideration.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed general fund budget for Fiscal Year Ending 2010 is \$61,958,962.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 10, 2009

Re: Consider Authorization to Enter into Contract with Global Gourmet Catering

RECOMMENDED ACTION:

Authorize the Executive Officer/APCO to enter into a contract with Global Gourmet Catering & Event Planning in the amount of \$90,000 to provide catering and equipment for the 2009 Climate Action Leadership Summit.

BACKGROUND

At its meeting on October 1, 2008, the Board of Directors authorized the Executive Officer to execute a contract with O'Rorke, Inc. (O'Rorke), in an amount not to exceed \$200,000, to perform event planning and to contract for certain support activities (e.g., speakers and venue) for a regional Climate Action Summit for local governments to be held in 2009. The costs for catering and related equipment needs have not been included in this contract. A separate contract for these services must be executed.

DISCUSSION

O'Rorke has secured Global Gourmet Catering & Event Planning (Global Gourmet) to provide the catering and room set-up equipment for the entire Summit. Global Gourmet uses locally grown and produced items for its menus, features composting at its events, and follows other sustainable practices. Global Gourmet is a local company, located in San Francisco. Global Gourmet provided the catering for the Air District's 2006 Climate Protection Summit at the Yerba Buena Center. At the 2009 Summit, Global Gourmet will be providing morning refreshments, a high quality sit-down lunch, and a post-event reception. In addition to catering, Global Gourmet will provide all the tables and chairs, linens and other set-up equipment for the plenary and breakout sessions.

BUDGET CONSIDERATION / FISCAL IMPACT:

The FY 08/09 budget includes funds for the Summit, which will be supplemented by sponsorships.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 11, 2009

Re: Report of the Ad Hoc Committee on Port Emissions Meeting March 12, 2009

RECOMMENDED ACTION:

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

- A) Expenditure of \$5 million in TFCA funds to retrofit trucks without matching funds from Port of Oakland or Air Resources Board (ARB); and
- B) Resolution to the Port of Oakland Opposing its Maritime Air Quality Improvement Plan unless amended to include recommendations as outlined in the resolution.

BACKGROUND

The Ad Hoc Committee on Port Emissions met on Thursday, March 12, 2009. The Committee received the following presentations:

- A) Update on Recent Meeting Of Port Of Oakland Commissioners And Air District Board Members
- B) Update on Air District Truck Retrofit Program
- C) Update on Port Of Oakland Maritime Air Quality Improvement Plan (MAQIP)
- D) Discussion Of Air District Enforcement Strategy For CARB Mobile Source Regulations At Bay Area Ports

The Committee requested that staff draft a resolution from the Board of Directors to the Port of Oakland, opposing its Maritime Air Quality Improvement Plan unless amended, to be approved at it's March 18, 2009 Board meeting.

Attached are the staff reports presented in the Ad Hoc Committee on Port Emissions packet.

Chairperson, Nate Miley will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None. The TFCA Program is derived from the California Health and Safety Code that allows for the distribution of a \$4 DMV fee for each vehicle registered in the Bay Area to the District.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

Staff costs for the administration of the program are included under Program 308 "Transportation Fund for Clear Air Administration (TFCA)" in the FY 2008/2009 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 5, 2009

Re: Update on Recent Meeting between Port of Oakland Commissioners and Air
District Board Members

RECOMMENDED ACTION:

Informational report; receive and file.

BACKGROUND

Three members of the Air District Board of Directors, Chairperson, Pamela Torliatt, Secretary, Tom Bates and Ad Hoc Committee on Port Emissions Chair, Nate Miley, participated in a meeting on February 17, 2009 with two representatives of the Port of Oakland (Port) Board of Commissions, Port Commission President, Victor Uno and Port Commission Vice-President, Margaret Gordon, to discuss how the Air District and the Port can work on reducing air quality impacts from Port activities and protect the health of West Oakland residents. Jack Broadbent, Executive Officer/APCO and Port Executive Director Omar Benjamin, as well as relevant staff from the Air District and the Port, were also in attendance.

DISCUSSION

The Air District Board of Directors and as well key Port Commissioners had expressed an interest in having this Board-level meeting. Key topics covered at the meeting included:

- The need for reductions in diesel particulate emission reductions from Port drayage trucks;
- ARB Drayage Truck Regulation compliance and enforcement;
- The Port's decision to withdraw its \$5 million commitment to a drayage truck retrofit program; and
- Potential Non-Retrofit Emission Reduction Projects.

Port Commissioners and staff explained the reasoning behind the Port Commissioners' decision of November 19, 2008 to withdraw the \$5 million the Port had committed to a retrofit project to reduce diesel particulate emissions from Port drayage trucks. Per the discussion, the Port's decision was prompted by:

- The economic downturn;
- Concerns regarding whether trucks retrofitted with Port funds would ultimately serve the Port;
- The Port's preference to wait for a Comprehensive Truck Management Plan (CTMP) prior to undertaking any truck clean up; and
- Concerns that a retrofitted truck would become ineligible for participation in the CTMP program or for ARB truck replacement funds in the future.

Air District Board members and staff pointed out that regardless, the Port would have to comply with the upcoming ARB drayage truck regulation on January 1, 2010. Air District staff asked how the Port expected to achieve compliance without implementing the drayage truck retrofit program.

Port staff responded that a combination of factors including free market forces, the economic downturn, the inability of certain independent truckers to meet the security clearance requirements and the specter of ARB and the Air District's enforcement of the drayage truck rule would ultimately result in sufficient compliant trucks to meet the Port's commerce needs.

Air District staff communicated that new Goods Movement Bond guidelines are scheduled for adoption by ARB this spring. These guidelines are expected to include provisions that will allow truck drivers that receive retrofit funding now to also receive additional truck replacement funding from the program in the future. Furthermore, retrofit contracts will be reduced in length to only two years in duration under the proposed guidelines, as opposed to the four years currently required by the program.

The Port staff and Commissioners remained determined not to fund the drayage truck retrofit partnership as agreed to in the MOU. However, it was agreed that both District and Port staff would continue to work together to come up with an acceptable proposal for use of the Port's funding through alternative projects. The following potential projects for collaboration were discussed:

1. A Shorepower Project to assist with early compliance of the ARB shorepower regulation.
2. A Transportation Mode Shift-Marine Highway Project that would shift truck trips away from Bay Area highways and the West Oakland neighborhood by transporting containers to Stockton via barge.
3. A Locomotive Project for Union Pacific Railroad to replace seven to ten Bay Area old switcher engines with new clean technology using Bond and Port funding.

Port and Air District staff will work together to discuss the viability of implementing one of the above projects.

Committee Chairperson Miley, Chairperson Torliatt and Secretary Bates will provide additional insight about the meeting at the Ad Hoc Committee on Port Emissions meeting on March 12, 2009.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 12, 2009

Re: Update on Truck Retrofit Program

RECOMMENDED ACTION

Staff request that the Committee recommend that the Board of Directors (Board):

1. Approve the expenditure of \$5 million in Transportation Fund for Clean Air (TFCA) funds to retrofit trucks without matching funds from the Port of Oakland (Port) and California Goods Movement Bond (I-Bond).
2. Waive the cost-effectiveness requirements of the TFCA program in order to rapidly reduce the health risk in the West Oakland community.

BACKGROUND

Over the past few months, staff has continued to prepare but not execute contracts for drayage truck retrofits at the Port under the I-Bond program. This effort is part of a Board commitment to immediately reduce toxic diesel particulate matter (DPM) emissions from goods movement in West Oakland, an area identified as having a cancer risk of three times the Bay Area average. As part of this commitment, the Board allocated \$5 million in TFCA and \$5 million in I-Bond funding to match \$5 million in Port funding to retrofit approximately 1,000 (50%) of Port drayage trucks by July 1, 2009. However, on November 19, 2008, the Port postponed use of its funds to retrofit trucks and on December 23, 2008, the District was notified by the ARB that no funds were available until further notice to cover expenditures under the I-Bond program.

On February 26, 2009, staff updated the Board's Mobile Source Committee (MSC) on efforts to execute the retrofit program. Following an extensive discussion which included input from Board members and members of the public, the MSC requested that staff gather further information on the benefits of a retrofit program to both the West Oakland community and the larger Bay Area. The MSC further requested that this information be presented to the Ad Hoc Committee on Port Emissions along with a request for Board action.

DISCUSSION

The predominant factors in analyzing the benefits of expending TFCA funds on truck retrofits at the Port are as follows:

Emissions Reductions

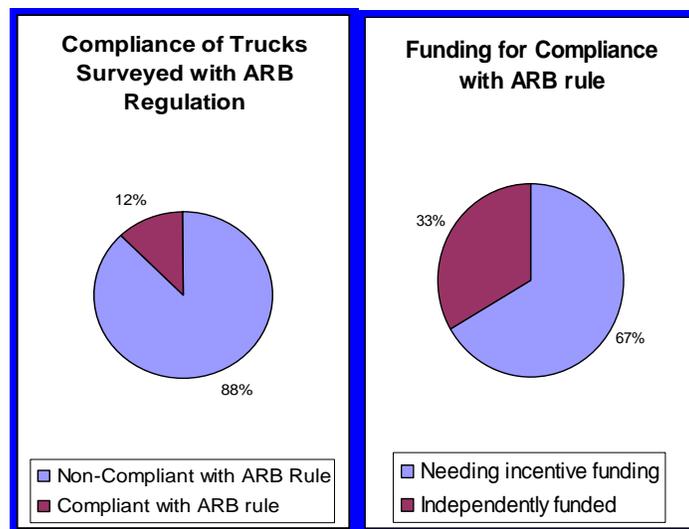
Of the 751 applications approved for retrofits funding by the Board on December 3, 2008, over 400 have indicated that they are still willing to participate in any program funded by the District. An analysis of the emissions reduced by retrofitting these 400 trucks indicates that approximately 11 tons per year of DPM could be eliminated primarily in the West Oakland area. By comparison to the estimated 17 tons per year of DPM emitted by drayage trucks (Port's 2005 inventory report), this represents a significant emissions reduction. Additionally, by utilizing TFCA funds to execute

this program, trucks would not be restricted to operating only at the Port. This creates a significant economic advantage for truckers in that they can seek work Bay Area wide in compliance with all ARB regulations until 2013. It should also be noted that on a daily basis, the emissions reductions from retrofitting these vehicles is also significant. This program could reduce over 1% of the total emissions from on-road diesel motor vehicles in the Bay Area (0.03 tons per day (TPD) from a baseline of 2.6 TPD).

Compliance Assistance

As part of the direction provided by the MSC, staff surveyed a number of small, medium and large drayage trucking companies to determine their preparedness for compliance with the ARB's regulation which goes into effect on January 1, 2010. The companies surveyed represent approximately 600 trucks or approximately 30% of the drayage truck fleet based off an estimate of a total of 2,000 trucks in drayage service. The results of the survey presented in Attachment 1 and graphically in figure 1 below demonstrate that these companies are relying heavily on incentive funding to assist them with compliance. Also, the survey indicated that the majority of these companies had not contemplated alternative sources of funding to bring their trucks into compliance.

Figure 1- Results of Trucks Survey



Cost-Effectiveness

Of the 400 active applications, approximately 50% of them now exceed the \$90,000 per ton of emissions reduced cost effectiveness threshold required by the TFCA guidelines. However, when the entire retrofit program benefits are averaged, the cost for emissions reductions remains approximately \$52,000 per ton. The reasons that some projects do not meet TFCA cost effectiveness are as follows:

- Due to the lack of compliant retrofit devices and delays in program execution due the unavailability of funding, the time period for which retrofit projects could operate “surplus” to regulatory requirements shrunk. As now only six to eight months of compliant operation prior to the ARB’s regulation remain, the cost of emissions reductions achieved have increased above the TFCA cap.
- ARB and Port funding under the I-Bond program did not require adherence to a cost effectiveness cap and could have been used to offset TFCA expenses in funding eligible retrofits. However, as this funding is now not available, this opportunity does not exist.

CONCLUSION

With the unavailability of both Port and ARB funds, and in order to meet the goal of rapidly reducing the health risk in West Oakland and the greater Bay Area air basin, staff is recommending that projects identified under the I-Bond program be funded using TFCA dollars and that the \$90,000 per ton of emissions reduced cost-effectiveness threshold be waived by the board.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The TFCA Program is derived from the California Health and Safety Code that allows for the distribution of a \$4 DMV fee for each vehicle registered in the Bay Area to the District. Staff costs for the administration of the program are included under Program 308 "Transportation Fund for Clear Air Administration (TFCA)" in the FY 2008/2009 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 1 -Results of Port Truck Survey

Results of Port Truck Company Telephone Survey conducted February 24-March 4, 2009

Trucking Company	<u>Total Fleet*</u>	<u>Compliant Trucks</u>	<u>Reliance on incentives**</u>	<u>Comments</u>
1	132	22	75%	In absence of grants, Company 1 would pursue assistance from beneficial cargo owners (BCOs) but uncertain how contracted fleet would be affected by this plan - contractors make up 98% of their fleet
2	80	0	50%	Economic downturn has increased the role grants play in their compliance plan
3	50	0	30%	Consider grants "imperative" for maintaining normal operations after Dec 2009
4	44	15	34%	Plans to speed up normal attrition rate but has no plans for financing compliance
5	36	2	100%	As company purchased numerous 1997-2004 trucks prior to announcement of Rule, now have insufficient funds available to bring fleet to compliance without grants
6	35	21	40%	This company can not maintain their current operations after Dec 2009 and would have to reduce their operations
7	30	2	100%	Company admits they did not keep apprised about Rule and never calculated costs of compliance; now 100% reliant on grants to maintain fleet
8	27	0	100%	As a result of the economic downturn and revenue losses company is now reliant on receiving the full (up to \$15,000) grant amount in order to achieve regulatory compliance
9	23	0	100%	No compliance plan prior to incentive program announcement
10	21	0	100%	Costs to comply with Rule would have made trucking division unfeasible without incentive funding
11	17	4	75%	2007 trucks were purchased as a hedge to maintain operations beyond Dec 2009; without additional grant-funded trucks, they fear revenue loss could cause defaults on these loans
12	15	7	0%-50%	A large diversified business with total fleet over 60 trucks; in absence of grants, could tap general fund or shift fleet until port fleet compliance completed
13	14	1	60%	Using line of credit from their bank, planned to retrofit as many trucks as they could afford

* Includes company-owned and contracted trucks operating as part of regular port fleet; companies own additional non-port trucks

** Percent of port truck fleet that the company would be unable to bring to compliance prior to December 2009

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 5, 2009

Re: Port of Oakland Maritime Air Quality Improvement Plan (MAQIP)

RECOMMENDED ACTION:

Consider whether to take a position on the Port of Oakland's Maritime Air Quality Improvement Plan (MAQIP).

BACKGROUND

The Port of Oakland has completed a Maritime Air Quality Improvement Plan (MAQIP) that is intended to be the Port's master plan for air quality goals and policies for seaport operations. The Port established a 35-member Task Force to assist the Port in developing the MAQIP. The MAQIP Task Force began meeting in 2006 and had four co-chairs including representatives of the Port of Oakland, Port-related industry, the West Oakland community, and the Bay Area Air District. The Task Force included representatives of key community groups, government agencies, and port-related businesses.

The MAQIP was released in October 2008. The document includes a Port Board-adopted goal of reducing health risks in West Oakland from diesel particulate emissions from Port operations by 85% by 2020. It also includes documentation about seaport operations and emissions, results of the West Oakland health risk assessment, potential emission reduction strategies, and implementation and monitoring steps. The MAQIP was scheduled for consideration at the Port's Maritime Committee on November 20, 2008 and approval by the Port Board on December 2, 2008. The Port Maritime Committee postponed consideration of the MAQIP due to the need to re-evaluate the Port's financial commitments in the MAQIP, including the commitment of \$5 million to the District's drayage truck retrofit program. The Port also postponed consideration of a user fee that would fund air emission reduction measures.

A revised MAQIP was released in February 2009. Revisions to the document include deletion of the Port's financial contribution to the drayage truck retrofit program and deletion of future funding of truck clean up through the user fee. The revised MAQIP does not include near-term implementation steps recommended to the Port by the Interagency Group, which includes Air District staff.

At the direction of the Port Board, Port staff met with the Interagency Group (February 26, 2009) and the MAQIP Task Force co-chairs (February 27, 2009) to discuss the revised MAQIP. In response to those meetings, Port staff is preparing a supplement to the MAQIP that will accompany the MAQIP to the Port Maritime Committee and Port Board. The supplement may include near-term implementation actions.

DISCUSSION

The Port's goal of reducing health risks from Port operations by 85% is a fine goal. The Port's inclusive process of developing the MAQIP through a multi-stakeholder task force was a fine process. However, the MAQIP does not include many specific Port commitments to implement new emission reduction measures, and the Port's recent actions to postpone and delete actions to implement emission reductions measures makes staff question the Port's commitment to implement the MAQIP.

Unless the supplement being prepared by the Port staff contains substantial implementation actions and a clear strategy for spending the user fee on air quality improvements, staff cannot recommend support for the MAQIP.

Staff will bring the Port's MAQIP supplement to the Ad Hoc Committee on Port Emissions meeting on March 12, 2009.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 4, 2009

Re: Discussion of District Enforcement Strategy for CARB Mobile Source
Regulations at Bay Area Ports

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Continuing the Air District's actions to implement the CARE program and the Green Ports Initiative Program Description and Plan, staff is in the process of conducting a review of CARB mobile source regulations to prepare a plan for enforcement of key mobile source regulations. The goal is to reduce diesel particulate matter health risk in CARE impacted areas, with special focus on the Port of Oakland and West Oakland. The District has a robust stationary source enforcement program spanning more than 3 decades. Mobile source enforcement has been traditionally under CARB's purview. Only recently CARB's diesel particulate matter airborne toxic control measures (ATCM) have allowed air districts a larger role for mobile source regulation enforcement.

The Air District has been working with ports, operators of port equipment, community groups, and technology companies through its planning, grant making, and enforcement programs in order to understand emissions, enforce existing laws and regulations, promote new technologies, and otherwise assist efforts to reduce diesel PM emissions at the ports.

Since 2003, Air District enforcement staff have been enforcing Health and Safety Code section 40720, which restricts idling by port trucks outside terminal gates at the Port of Oakland, the only port in the Bay Area to which the restrictions apply. These restrictions were added to state law in 2002 by AB 2650, authored by then Assemblymember Alan Lowenthal. The Air District is the only air district in the state that has conducted enforcement actions pursuant to the statute. In September 2008, the District began discussions with CARB regarding enforcement of CARB regulations on port mobile sources, with follow-up discussions in February 2009.

In working to enforce AB 2650 and the CARB regulations, the Air District has prioritized its current efforts and those proposed at the Port of Oakland based on the overall level of emissions and the contribution of risk by a particular mobile source category (ships, trucks, harbor craft, or other equipment).

DISCUSSION

The Compliance and Enforcement Division is in the process of developing a Compliance Plan to identify the most appropriate regulations for the Air District to enforce, to coordinate enforcement efforts with CARB staff, to train and assign Air District staff to conduct inspections, and to begin enforcement of additional CARB mobile source regulations at the Port of Oakland.

Staff has comprehensively reviewed CARB regulations to prioritize those for Air District enforcement. At the Port of Oakland, staff has begun enforcing the following which have already taken effect:

<u>Regulation</u>	<u>Implementation</u>
● Terminal Idling Rule (limits idling of port trucks)	July 2003
● Railroad MOU (limits idling of diesel locomotives)	September 2006
● Portable Equipment Registration Program (“PERP”)	January 2007

Of the numerous CARB mobile source regulations, the following three regulated sources account for nearly 50% of the diesel emissions at the Port of Oakland:

- Heavy-Duty Drayage Truck Regulation (“DTR”): Requires registration by September 30, 2009 and emissions standards requirements.
- Mobile Cargo Handling Equipment: Requires engines that meet specified emission standards.
- In-Use Construction Equipment: Establishes idling limits on commercial trucks and construction equipment.

Staff will present background information on the Air District’s mobile source enforcement at the Port of Oakland, provide an overview of CARB’s mobile source regulations under evaluation for inclusion in the plan, outline the steps to be taken to begin further mobile source enforcement and coordination efforts with CARB.

A full Compliance Plan will be provided to the Committee in Fall 2009.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barbara Coler
Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 12, 2009

Re: Report of the Executive Committee Meeting of March 16, 2009

RECOMMENDED ACTION

The Committee may recommend the establishment of an Ad Hoc Committee on Capital Facilities.

BACKGROUND

The Executive Committee will meet on Monday, March 16, 2009 to receive the following reports:

- A) Hearing Board Quarterly Report;
- B) Discussion And Consideration To Establish An Ad Hoc Committee On Capital Facilities;
- C) Production System Update;
- D) Air District CEQA Guidelines Update; and
- E) Air District Strategic Vision Update

Attached are the staff reports presented in the Executive Committee packet.

Chairperson Pamela Torliatt will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Mary Ann Goodley

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

TO: Chairperson Pamela Torliatt and Members
 of the Executive Committee

FROM: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board

DATE: March 5, 2009

RE: Hearing Board Quarterly Report – OCTOBER, 2008 – DECEMBER, 2008

RECOMMENDED ACTION:

This report is provided for information only.

DISCUSSION:

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Alameda/Livermore	APCO vs. MASOOD AMINI-FILABAD aka AMINI FILABAD AND HAMID AMINI, INDIVIDUALLY, AND D/B/A LIVERMORE BEACON, SITE. NO. C8876 – (Accusation – Docket No. 3548) <i>Accusation and Amended Order for Abatement from regulation requiring an orderly procedure for the review of new sources of air pollution and of the modification and operation of existing sources, and of associated air pollution control devices, through the issuance of authorities to construct and permits to operate; and to limit emissions of organic compounds from gasoline dispensing facilities- Further hearing.</i>	2-1-302 8-7-301 Request for Order for Abatement	No Action Taken	===	===
Contra Costa/Richmond	CHEVRON PRODUCTS COMPANY (RICHMOND) – Docket No. 3559 <i>– Short Term Variance from regulation to provide an orderly procedure for the review of new sources of air pollution; and from regulation requiring compliance with permit conditions and from conditions of the Major Facility Review Permit. (APCO not opposed).</i>	2-1-307 2-6-307 (Major Facility Review Permit)	Granted	8/8/08 – 11/6/08	===

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Contra Costa/Richmond	CHEVRON U.S.A. INC. (RICHMOND) – Docket No. 3524 - <i>Appeal of Chevron U.S.A. Inc. from the Issuance of a Further Revised Major Facility Review Permit for Facility with respect to permit conditions for various tanks and other sources at Refinery No. A 0010 (Richmond Refinery) – To set a schedule for Briefing and Oral Argument.</i>	(Major Facility Review Permit)	Hearing held October 2, 2008; Matter continued to 1/22/09.	===	===
Contra Costa/Richmond	WEST COUNTY LANDFILL, INC., WEST CONTRA COSTA SANITARY LANDFILL – Docket No. 3552 – <i>Request for Extension of Variance Period from regulation limiting the emission of non-methane organic compounds and methane from the waste decomposition process at solid waste disposal sites; and from regulation requiring compliance with permit conditions. (APCO not opposed).</i>	8-34-113.2, 301.2, and 301.3 2-1-307 2-2-112 Permit Condition 17547-1, 2a, 2b, 2c	Granted	10/1/08 – 8/31/09	===
Santa Clara/San Jose	CITY OF SAN JOSE MUNICIPAL WATER SYSTEM – Plant No. 18923 (SAN JOSE) – Docket No. 3560 - <i>Application for an Interim Variance from regulation requiring compliance with permit conditions – Interim Variance hearing.</i>	2-1-307	Withdrawn	===	===
Santa Clara/San Jose	CITY OF SAN JOSE MUNICIPAL WATER SYSTEM – Plant No. 18917 (SAN JOSE) – Docket No. 3561 - <i>Application for an Interim Variance from regulation requiring compliance with permit conditions – Interim Variance hearing.</i>	2-1-307	Withdrawn	===	===
Santa Clara/San Jose	CITY OF SAN JOSE MUNICIPAL WATER SYSTEM – Plant No. 18923 (SAN JOSE) – Docket No. 3560 - <i>Application for a Long-Term Variance from regulation requiring compliance with permit conditions - Long-Term Variance hearing.</i>	2-1-307	Denied	10/6/2008 to 10/5/2009	===
Santa Clara/San Jose	CITY OF SAN JOSE MUNICIPAL WATER SYSTEM – Plant No. 18917 (SAN JOSE) – Docket No. 3561 - <i>Application for an Interim Variance from regulation requiring compliance with permit conditions – Long-Term Variance hearing.</i>	2-1-307	Denied	10/6/2008 to 10/5/2009	===

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Santa Clara/Santa Clara	OWENS CORNING INSULATING SYSTEMS, LLC (SANTA CLARA) – Docket No. 3562 - Application for a Short-Term Variance from regulation requiring compliance with permit conditions of the Major Facility Review Permit, and from limiting the quantity of particulate matter.	2-1-307 2-6-307 6-1-311 (Major Facility Review Permit)	Withdrawn	===	===
Solano/Vallejo	APCO vs. IRAJ SAFAPOUR, INDIVIDUALLY, and D/B/A 5 STAR GAS / N&M MARKET, and 5 STAR GAS / N&M MARKET, AN UNINCORPORATED ASSOCIATION – Docket No. 3563 – Accusation and Request for Order for Abatement from regulation limiting emissions of organic compounds from gasoline dispensing facilities.	8-7-301.6, 301.13, 302.3, 302.5, 302.14 and 407	Granted	===	===

1. **NOTE:** During the fourth quarter of 2008, the Hearing Board scheduled seven (7) hearings. A total of \$7,419.16 was collected as Hearing Board fees and no excess emissions fees were collected during this quarter.

EXCESS EMISSION DETAILS

<u>COMPANY NAME</u>	<u>DOCKET NO.</u>	<u>TOTAL EMISSIONS</u>	<u>TYPES OF EMISSIONS</u>	<u>PER UNIT COST</u>	<u>TOTAL AMT COLLECTED</u>
					\$ 0
TOTAL COLLECTED:					<u>\$ 0</u>

Respectfully submitted,

Thomas M. Dailey, M.D.
Chair, Hearing Board

Prepared by: Lisa Harper
Reviewed by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 5, 2009

Re: Discussion and Consideration to Establish an Ad Hoc Committee on Capital Facilities

RECOMMENDED ACTION:

Establish an Ad Hoc Committee on Capital Facilities.

BACKGROUND

The Air District owns and leases a number of facilities, including the main Air District headquarters located at 939 Ellis Street. The Air District headquarters was constructed in phases beginning in 1968. A number of major systems (e.g., the heating and ventilation system) are at the end of their useful lifecycles and require costly repairs or replacement. In addition, the building is not in compliance with current Federal, State and local statutes regulating building standards and its infrastructure is very inefficient compared to current technologies.

DISCUSSION

At the January 21, 2009 Board of Directors' Retreat, the Board of Directors discussed its strategic vision objectives, one of which is to "implement best practices in environmental stewardship in Air District operations." The Board of Directors briefly discussed the relative energy inefficiency of the Air District headquarters and the need to create an ad hoc committee on capital facilities to review options for increasing energy efficiency.

Separately, staff had initiated a request for proposal process for a Strategic Facilities Planning Analysis as a prerequisite to any decision about major capital expenditures for repairs and upgrades to the Air District headquarters.

BUDGET/FINANCIAL IMPACT

While the financial impact of the recommended action is insignificant, the work of the ad hoc committee may have significant implications for spending on capital facilities.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Satnam Hundel
Reviewed by: Michael Rich

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 8, 2009

Re: Production System Project Update

RECOMMENDED ACTION:

Receive and File.

DISCUSSION:

Staff will present some of the early capabilities from the production system project. In addition, the results from the technology selection process will be described.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 9, 2009

Re: Air District CEQA Guidelines Update

RECOMMENDED ACTION:

Receive and File.

BACKGROUND

At its meeting on November 19, 2008, the Board of Directors authorized the Executive Officer to execute a contract with EDAW, Inc. (EDAW), in an amount not to exceed \$94,690, to assist with the update of the BAAQMD California Environmental Quality Act (CEQA) Guidelines (Guidelines). The contract has been executed and staff has been working with EDAW to update and revise the Guidelines.

DISCUSSION:

The Guidelines recommend air quality significance thresholds for local agencies to use when preparing impact analyses under CEQA and advises them on the District's preferred analytical methodologies and mitigation measures. Through this work effort staff will review, and revise as necessary, existing thresholds of significance, and develop new significance thresholds for greenhouse gas emissions from land use projects. Staff will also update analytical methodologies and mitigation measures used in the Guidelines.

Staff hosted the first public workshop for the Guidelines update on February 26, 2009. At the workshop staff presented various options for developing thresholds of significance and invited additional options from attendees. Staff will conduct additional public workshops at appropriate steps during the Guidelines update process.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for consultant services to update the Air District CEQA Guidelines is included in the approved FY 2008/2009 Air District budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Greg Tholen
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 12, 2009

Re: Air District Strategic Vision Update

RECOMMENDED ACTION

None. For information only.

BACKGROUND

The Air District's mission statement, core values and goals were developed approximately ten years ago. While their content holds true, their words do not fully reflect other endeavors at the Air District, such as the extensive work on climate protection. In addition, the current Strategic Vision does not reflect advances made in identifying and addressing air pollution in impacted communities. Staff has embarked on a process to revisit, revise, and renew the Strategic Vision. Staff intends to develop a product that will: create a unifying strategy for Air District endeavors; provide guidance when developing new programs or redefining existing ones; and communicate the Air District's purpose, priorities and values to its stakeholders.

The Air District conducted an extensive internal process to revisit the Strategic Vision. No outside consultants were utilized in this process. The internal development process included a series of meeting for all levels of staff as well as an online survey.

Staff presented a proposed Strategic Vision and its development process at the Board of Directors Retreat on January 21, 2009. At that point, Board of Directors provided feedback on the content of the Strategic Vision and directed staff to reach out to stakeholders and solicit input on the Strategic Vision.

DISCUSSION

Staff has revised the proposed Strategic Vision presented at the Board of Directors' retreat to reflect comments by the Board of Directors. A strikeout and underlined version is attached for your information. Utilizing the revised document staff is now soliciting input from stakeholders through letters, meetings and phone calls.

Below is a list of stakeholders being contacted for input:

Advisory Council Members

Harold M. Brazil, Metropolitan Transportation Commission
Jeffrey Bramlett, MS, EHS Program Manager
Ken Blonski, MS, Fire Chief- East Bay Regional Park District Fire Department
Jennifer Bard, ALA
Louise Wells Bedsworth, PhD, Public Policy Institute of California
Benjamin Bolles
Robert Bornstein, Department of Meteorology, San Jose State University
Emily Drennen
Karen Licavoli Farnkopf, Breathe California
Stan Hayes
John W. Holtzclaw, PhD
Robert T.P. Huang, PhD
Kraig Kurucz, MS
Rosanna Lerma, PE
Jane Martin, Dr.P.H.
Sarah Martin.Anderson, MPP
Kendal Oku
Neal Osborne
Jonathan Ruel
Dorothy Vura-Weis, MD, MPH, San Mateo County Health Department

Hearing Board Members

Christian Colline, P.E.
Thomas M. Dailey, M.D.
Rolf Lindenhayn, Esq
Julio A. Magalhães, Ph.D.
Terry A. Trumbull, Esq.

Community Resource Teams

Napa
Richmond
San Francisco
San Jose
San Mateo
Southern Alameda
Tri-Valley
Sonoma

CARE Task Force Members

Mr. Dennis Bolt, Western States Petroleum Association
Dr. Thomas Kirchstetter, Lawrence Berkeley National Laboratory
Ms. Kerrie Romanow, City of San Jose, Environmental Services
Ms. Ellen Johnck, Executive Director, Bay Planning Coalition
Dr. Henry Clark, West County Toxics Coalition
Ms. Margaret Gordon, West Oakland Environmental Indicators Project
Mr. Steven Moss, San Francisco Community Power Cooperative
Mr. Bill Quinn, California Council for Environmental and Economic Balance
Dr. James Fine
Dr. Eric Roberts, California Department of Health Service
Mr. Joel Ervice, Regional Asthma Management and Prevention (RAMP) Initiative
Ms. Maria Luz Torre, Children's Council of San Francisco
Dr. Ronit Ben Abraham-Katz
Pam Evans, Alameda County Dept. of Environmental Health

Affiliated Organizations

Jared Blumenfeld, San Francisco Department of the Environment
Linda Civitello Joy, Breathe California
Ted Droettboom, Joint Policy Committee
Karen Fulton Holine, American Lung Association of California
Henry Gardner, Association of Bay Area Governments
James Goldstene, California Air Resources Board
Carl Guardino, Silicon Valley Leadership Group
Steve Heminger, Metropolitan Transportation Commission
Deborah Jordan, US EPA Region 9
Bruce Kern, East Bay EDA
Will Travis, San Francisco Bay Conservation and Development Commission
Mel Zeldin, California Air Pollution Control Officers Association
Golden West Chapter, Air and Waste Management Association

Input solicitation is expected to wrap up in late April, in order to coordinate with the Resource Teams meetings. Staff anticipates bringing the final version of the Strategic Vision to the Board by May of this year.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
DRAFT STRATEGIC VISION
February 2009**

Vision

To be the most effective and innovative air quality agency.

Mission

The Mission of the Bay Area Air Quality Management District is to protect and improve public health, air quality, and the global climate through regulation, incentives, and education.

Core Values

Excellence Air District programs and policies are founded on science, developed with technical expertise, and executed with quality.

Leadership We will explore and pioneer new strategies for achieving clean air.

Collaboration Involvement of all stakeholders is critical to achieving clean air. In carrying out our mission we will strive to inform and engage all stakeholders, including but not limited to, the Bay Area public, environmental community groups, public agencies and businesses.

Dedication The commitment of the people of the Air District is vital to accomplishing our mission.

Equity All Bay Area residents have the right to breathe clean air.

Strategic Goals

1. Attain and maintain air quality standards for all criteria pollutants.
2. Ensure compliance with applicable Federal, State and Air District air quality regulations.
3. Strengthen and refine our rules to improve living conditions and air quality for residents of the Bay Area.
4. Achieve reductions in regional greenhouse gas emissions and address air quality impacts of climate change.
5. Reduce exposure to air pollution in impacted communities.
6. Award grants and provide incentives to improve air quality.
7. Promote positive air quality choices.
8. Practice efficient operations and effective communication within the Air District and with stakeholders.
9. Cultivate strategic partnerships aimed at improving public health.
10. Apply state-of-the-art air quality tools, techniques, and technology in Air District operations.
11. Promote the development and use of new, clean air technology with partners within and beyond the Bay Area.
12. Retain a top-performing and motivated workforce.
13. Implement best practices in environmental stewardship in Air District operations.