



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

November 4, 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
NOVEMBER 4, 2009
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Proclamation/Commendations

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.

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)

CONSENT CALENDAR (ITEMS 1 – 9)

Staff/Phone (415) 749-

1. Minutes of October 7, 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. Quarterly Report of the Executive Office Activities

J. Broadbent/5052
jbroadbent@baaqmd.gov

5. Quarterly Report of Air Resources Board Representative – Honorable Ken Yeager

J. Broadbent/5052
jbroadbent@baaqmd.gov

6. Consider Adjusting the Air District's Medical Contribution Declared to California Public Employee's Retirement System (CalPERS)

J. Colbourn/5192

jcolbourn@baaqmd.gov

7. Notice of Proposed Amendments to the Air District's Administrative Code Division III – Personnel Policies and Procedures – Section 3 adding a new subsection 3.12, entitled Fraud, Misconduct, and Dishonesty in the Workplace

J. McKay/4629

jmckay@baaqmd.gov

Notification is hereby given of proposed amendments to the Administrative Code Division III, Personnel Policies and Procedures – Section 3 adding a new subsection 3.12, entitled Fraud, Misconduct, and Dishonesty in the Workplace.

8. Approve an Administrative Instruction regarding Capital Assets and Depreciation Policy

J. McKay/4629

jmckay@baaqmd.gov

As recommended by auditor, provides the District with criteria to identify the District's capital expenditures and to ensure GAAP are properly applied.

9. Set a Public Hearing for November 18, 2009 to receive testimony on proposed amendments to the District's California Environmental Quality Act (CEQA) Thresholds of Significance. The hearing will be continued on December 2, 2009 at which time adoption of the proposed amendments will be considered.

J. Roggenkamp/4646

jroggenkamp@baaqmd.gov

CEQA Thresholds of Significance are developed to assist local jurisdictions and agencies in complying with the requirements of CEQA regarding potentially adverse impacts to air quality. The thresholds provide a means to identify proposed local plans and development projects that may have a significant adverse effect on air quality, public health, attainment of state and national ambient air quality standards, and to provide recommendations to mitigate those impacts. The proposed amendments to the Thresholds of Significance include staff-recommended thresholds for construction, operational-related, and plan-level emissions of criteria air pollutants and ozone precursors, greenhouse gases, toxic air contaminants, and odors.

COMMITTEE REPORTS AND RECOMMENDATIONS

10. Continued discussion of the **Executive Committee Meeting** of September 24, 2009 to amend the Air District's Administrative Code regarding Board of Director's Officers' term of Office

CHAIR: P. TORLIATT

J. Broadbent/5052

jbroadbent@baaqmd.gov

11. Report of the **Climate Protection Committee Meeting** of October 8, 2009

CHAIR: Y. KISHIMOTO

J. Broadbent/5052

jbroadbent@baaqmd.gov

12. Report of the **Public Outreach Committee Meeting** of October 15, 2009
CHAIR: R. ROSS
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee may recommend Board of Directors' approval of the following:

A) *Contract Renewal for Air District Resource Teams:*

1. *Recommend Board of Directors' approval of renewal of a contract with Community Focus for facilitation of Air District Resource Teams in the amount of \$200,000.*

13. Report of the **Stationary Source Committee Meeting** of October 19, 2009
CHAIR: J. GIOIA
J. Broadbent/5052
jbroadbent@baaqmd.gov

14. Report of the **Ad Hoc Committee on Port Emissions Meeting** of October 26, 2009
CHAIR: R. ROSS
J. Broadbent/5052
jbroadbent@baaqmd.gov

15. Report of the **Budget and Finance Committee** of November 2, 2009
CHAIR: C. DALY
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee may recommend Board of Directors' approval of the following:

A) *Proposition 1A Securitization Program:*

1. *Adopt the proposed Proposition 1A Sale Resolution and Authorize Execution of the Purchase and Sale Agreement and Related Documents.*

B) *Greenhouse Gas Reduction Grant Program Funding:*

2. *Authorize the Creation of a Carbon Offset Fund Program Number 311, Funded by the ConocoPhillips Settlement in the amount of \$4,443,025, and Adjust the Air District's FY 2009/10 Strategic Incentives Division Budget Accordingly.*

16. Report of the **Personnel Committee** of November 4, 2009
CHAIR: H. BROWN
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee may recommend Board of Directors' approval to Re-Appoint Incumbent Advisory Council Members and New Advisory Council Members, for terms effective January 1, 2010 through December 31, 2011.

PRESENTATIONS

17. 2009-2010 Winter Wood Smoke Reduction Program
K. Wee/4760
kwee@baaqmd.gov

Staff will provide an overview of the 2009-2010 Winter Wood Smoke Reduction Program.

CLOSED SESSION

18. Conference with Legal Counsel – Existing Litigation

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

Patricia Howell v. Bay Area AQMD, et al., San Francisco Superior Court Case No. CGC 07 461887

OPEN SESSION

OTHER BUSINESS

19. Report of the Executive Officer/APCO
20. Chairperson's Report
21. Time and Place of Next Meeting – 9:45 A.M. Wednesday, November 18, 2009 - 939 Ellis Street, San Francisco, CA 94109
22. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5130
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

NOVEMBER 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Monday	2	9:30 a.m.	4th Floor Conf. Room
Board of Directors Personnel Committee Meeting <i>(At the Call of the Chair)</i>	Wednesday	4	9:00 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Board of Directors Nominating Committee <i>(At the Call of the Chair)</i>	Wednesday	4	Following Board Regular Mtg.	Executive Office Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	5	9:30 a.m.	4th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i>	Friday	6	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Advisory Council Regular Meeting	Tuesday	10	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	12	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i> - CANCELLED	Thursday	12	Following Board Legislative Cme. Mtg.	4th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Friday	13	9:30 a.m.	4th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	16	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Wednesday	18	9:00 a.m.	4th 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
Executive Committee Meeting <i>(Meets at the Call of the Chair)</i>	Thursday	19	9:30 a.m.	4th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i> - RESCHEDULED TO FRIDAY, NOVEMBER 6, 2009	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607

(November Continued on Next Page)

NOVEMBER 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i> - CANCELLED & RESCHEDULED TO MONDAY, NOVEMBER 2, 2009	Wednesday	25	1:30 p.m.	4th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> CANCELLED	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

DECEMBER 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	2	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	10	9:30 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

JANUARY 2010

<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 each 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.	4th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i>	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 Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

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: October 27, 2009

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors Regular Meeting of October 7, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of October 7, 2009.

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
October 7, 2009

DRAFT MINUTES

CALL TO ORDER: Chairperson Pamela Torliatt called the meeting to order at 9:50 a.m.

Roll Call: Chairperson Pamela Torliatt; Vice Chairperson Brad Wagenknecht, Secretary Tom Bates; and Directors Chris Daly, Dan Dunnigan, Susan Garner, John Gioia, Carole Groom, Scott Haggerty, Yoriko Kishimoto, Carol Klatt, Liz Kniss, Eric Mar, Nate Miley, James Spering, Gayle B. Uilkema and Shirlee Zane

Absent: Directors Harold Brown, Jennifer Hosterman, Mark Ross and Ken Yeager

PLEDGE OF ALLEGIANCE: Chair Torliatt led the Pledge of Allegiance.

Public Comments: None

Board Member Comments:

Director Uilkema commended Directors and staff for their presence at former Director Michael Shimansky's Memorial Service.

CONSENT CALENDAR (Items 1-4):

- 1. Approval of Minutes of September 16, 2009 Regular Meeting;**
- 2. Communications;**
- 3. District Personnel on Out-of-State Business Travel;**
- 4. Approval of Proposed Amendments to the Air District's Administrative Code Division I, Operating Policies and Procedures, Section 7: Advisory Council**
- 5. Consideration of Recommendation to Establish a Job Classification Description of Director of Strategic Incentives with a Salary Range set at Range 156M**

Chairperson Torliatt requested minor clarifications to pages 1 and 2 of the September 16, 2009 Minutes.

Board Action: Vice Chairperson Wagenknecht made a motion to approve Consent Calendar Items 1, as amended, and Items 2, 3, 4 and 5; Director Uilkema seconded the motion; carried unanimously without opposition.

COMMITTEE REPORTS AND RECOMMENDATIONS:

6. Executive Committee Meeting

September 24, 2009

Report given by Chairperson P. Torliatt

The Committee met on Thursday, September 24, 2009 and approved the minutes of July 29, 2009.

The Committee received an update on the Indirect Source Rule, reviewed ISR objectives, the application process, planning and land use development and mitigation measures. Committee members voiced the desire for additional information to be integrated into the ISR for use by policy makers when reviewing and approving applications.

The Committee received an update on the Air District's CEQA Guidelines, which was released on September 4, 2009. The Committee reviewed guideline objectives, discussed emissions levels to be achieved from development in order to meet AB 32 goals, discussed local community risks and hazards and significance thresholds. District staff is continuing to provide assistance to city and county agencies, has scheduled an additional workshop, extended the public comment period to October 9, 2009, posted the draft guidelines on the District's website and expects to bring significance thresholds to the Board of Directors in fall 2009. Committee members suggested the use of GIS mapping systems which they believed might assist in identifying and mapping areas of concern, and requested that a broader discussion be held at the November JPC meeting.

The Committee then continued discussions to consider amending the Administrative Code Division I, Section 2.1 to re-establish a two-year term of office for Board Officers. The Committee was unanimous in its preference to forward the matter onto the Board of Directors for full consideration and to relay Committee discussion. Discussion for favoring the amendment included the importance of continuity, the practice of other regional agencies' regarding terms, the length of time it takes to start and complete projects, and an alternative suggestion to amend only the term of the Chairperson versus all Board Officers.

Concerns of the Committee included the potential inability for Directors to be able share in the leadership of the organization given their city/county terms, monopolization of jurisdictional representation, polarization of the Board, and the irrelevance of practices of other regional agencies. After lengthy discussion, the Committee, by a vote of 4-2, recommended that the Board of Directors establish a two-year term for the Chairperson, commencing with the Vice Chairperson's term in 2010.

The Committee then considered procedures for notifying Board Members regarding California Resources Board vacancies, and recommends the Board of Directors adopt a procedure for notifying the Board of Directors when the BAAQMD position on the California Air Resources Board becomes vacant.

The Committee deferred the update of survey results relative to potential relocation of the Air District headquarters to the next meeting. The next meeting of the Committee is at the call of the Chair.

Chairperson Torliatt asked to bifurcate the Committee's recommended action by approving the report and bringing back consideration of the Chairperson's term to the next meeting, citing the absence of nine Directors at this Board meeting.

Director Haggerty suggested a vote be taken on the Chairperson's term, and cited his position that Council-appointedees have more difficulty in achieving the position of Chairperson.

Board Action: Chairperson Torliatt made a motion to approve the report of the Executive Committee and continue the vote for the term of the Chairperson to the next meeting; Director Uilkema seconded the motion; which carried unanimously.

7. Mobile Source Finance Committee Meeting

October 5, 2009

Report given by Chairperson S. Haggerty

The Mobile Source Committee met on Monday, October 5, 2009 and approved the Minutes of the June 25, 2009 meeting.

The Committee considered proposed Carl Moyer Program Year 11 Projects with grant awards over \$100,000 and allocation of an additional \$8 million in Mobile Source Incentive Funds for this year's program. The Committee recommends the Board of Directors 1) approve Carl Moyer Program Year 11, projects with proposed grant awards over \$100,000; 2) authorize the Executive Officer/ APCO to enter into agreements for the recommended Carl Moyer Program Year 11 projects; and 3) reserve \$8 million in Mobile Source Incentive Funding for Carl Moyer Program eligible projects.

The Committee then considered proposed FY 2009/10 Transportation Fund for Clean Air (TFCA) Regional Funds for Shuttle, Ridesharing and Vanpool projects. The Committee reviewed the District's solicitation and outreach, evaluation criteria, project funding status, and recommends that the Board of Directors approve the allocation of \$3,847,372 in fiscal year (FY) 2009/2010 TFCA Regional Funds for the ten (10) projects listed in Attachment 1; and authorize the Executive Officer/APCO to enter into funding agreements with recipients of grant awards for the projects listed in Attachment 1.

The Committee received an update and considered a proposal to increase the TFCA cost effectiveness threshold for the Drayage Truck Retrofit Program at the Port of Oakland. The Committee discussed the successes and benefits of the program. The Committee also discussed the difficulties in administering the program due to four sets of administrative guidelines, cited the number of starts and stops to the program rollout which affects funding, the number of executed contracts on hold and the number of trucks retrofitted/replaced.

The Committee recommends the Board of Directors increase the Transportation Fund for Clean Air (TFCA) cost effectiveness threshold to \$500,000 per ton of emissions reduced for the Port Truck Retrofit Program in order to facilitate the maximum number of truck retrofits at the Port of Oakland (Port).

The next meeting of the Mobile Source Committee is at the call of the Chair.

Board Action: Director Haggerty made a motion to approve the report and recommendations of the Mobile Source Committee; Director Spring seconded the motion; which carried unanimously.

8. Summary of Ozone Season

Mr. Gary Kendall, Director of Technical Services, provided a summary of the 2009 Summer Ozone Season, discussed how the Bay Area compares to other major air districts, presented Bay Area ozone and maximum temperature trends and calculation of standards. He said it is unlikely the Bay Area will attain the standard in 2010; however, the EPA is reconsidering the national ozone standard. Final standards are expected to be finalized by March 2010 at which time the Air District will know whether it needs to prepare a non-attainment plan.

Mr. Kendall discussed fluctuations that occur year to year because of changes in weather, stating that there has been a gradual improvement to reduce the average. Staff estimates that it will currently take 5-10 years to reach attainment status, and if the EPA increases the standard it will take 10-20 years for the Bay Area to reach attainment status.

Ozone precursors will continue to be reduced significantly and Mr. Kendall displayed future projections for VOC and NO_x emissions. By 2020, VOC will be reduced by another 50 tons and NO_x by 135 tons per day. Added reductions will occur based on rules and regulations adopted and further actions imposed by the Board of Directors. He said staff had previously provided a summary of the District's 2009 Clean Air Plan, which is expected to be ready for adoption in the first quarter of 2010, and he noted that the Climate Protection Committee will receive an update of the plan at its October 8, 2009 meeting.

Director Comments:

Director Uilkema thanked staff for the report on VOC and NO_x, said the District continues to allocate millions of dollars for projects toward attainment, and she requested a speaking point document to ensure there is a consistent message. Director Zane concurred, suggested that the document include compiled statistics of averages and percentages over a 20-year period, and that such information relay what improvements mean in terms of effects on those with asthma, chronic bronchitis or other breathing disorders. She also requested information on what the resultant or expected impacts or effects would be if measures were lifted from, for example, an industrial use.

Chairperson Torliatt questioned and confirmed that actual tonnage includes mobile sources, the calculations of which are derived from ARB computer models that calculate mobile source emissions each year, as well as statistics on permitted facilities which are derived from actual monitoring throughput information.

Secretary Bates commented on progress made, believed that trends are encouraging and congratulated staff.

Board Action: None; informational only.

9. Advisory Council Report and Recommendations from the May 13, 2009 Meeting on California's 2050 GHG Emission Reduction Target – Transportation Sector

Advisory Council Member, Stan Hayes, presented the Advisory Council Report and Recommendations from its May 13, 2009 meeting on California's 2050 GHG Emission Reduction Target for the Transportation Sector. He noted that the Advisory Council's role is to look forward

toward emerging issues, learn about those issues from experts, consider them and report back to the Board of Directors.

Mr. Hayes described the symposium presentations given in May by speaker and topic and said discussion meetings were held in July and September for the Council to arrive at their Final Report. Key points include the transportation as being the largest, growing sector of GHG emissions.

Director Haggerty questioned whether there was a way to break down components of the 39% transportation sector as it was the largest GHG emission reduction target, and Mr. Hayes said he could provide this information from the inventory. Director Gioia asked that this information be emailed to all Directors. Director Gioia also clarified that electric power includes power plants and that industrial would include refinery and chemical plants or other fossil fuel burning sources.

Mr. Hayes said widespread and major reductions are required to reduce GHG levels from the current "business as usual" to AB 32 requirements and he plotted out trends from 2000 to 2006 of GHG emissions in California from each sector. While not obvious, the growth in transportation sector emissions from this time period is, by itself, somewhat greater than all emissions from the commercial sector. He said AB 32 says that by 2020, GHG emissions must be reduced to those of 1990. Measures adopted by the ARB will result in reductions and the 2050 reduction target is an 80% reduction, which is the problem needing to be addressed.

Mr. Hayes said that MTC's T-2035 Plan looks at aggressive land use policies and pricing incentive policies to determine what could be accomplished. This leaves a GHG gap which is the difference in what we can do and what we will need to do by 2035. Major issues include major funding shortfalls, aging infrastructure, more people, more jobs and more freight. He said vehicles will need to be far more efficient, powered by electric drive, and fuel efficiency gains must be converted to fuel economy gains. Fuels must shift from near total dependence on oil, with a broad mix of lower carbon fuels, and a market based policy is believed to be the best way of doing this. Most important is reducing vehicle miles traveled through addressing current land use policies and urban sprawl. He said SB 375 required regional targets to be set, which will be a major tool and expanded traveler choice, commuting, and public transportation, incentive pricing will need to be examined.

Mr. Hayes said the preamble to their recommendations is for the Bay Area to reach California's 2050 GHG reduction target and the Air District, MTC, and other responsible agencies will need to significantly expand multi-agency efforts to accomplish reductions in regional VMT. Success will require major technology breakthroughs such as additional, strong and innovative policy tools; significantly expanded funding; major changes in public attitudes and behavior; use of a broad range of expanded policy measures (e.g., significant expansion of high-occupancy networks, innovative pricing and toll incentives, and major expansion in and increase in the diversity of public transit and related options).

Mr. Hayes presented the Advisory Council recommendations, as follows:

1. Commend District for and recommend continued efforts to provide assistance and guidance
 - a. GHG emission inventories
 - b. Climate action plans for cities and counties, including model provisions
 - c. Climate protection provision in CEQA guidance
 - d. Model climate protection element for general plans

- e. Educational material regarding climate protection, sustainable communities, personal actions to reduce GHG
 - f. Establishment of climate-related Spare-the-Air-Everyday outreach program
2. Recommend integrated multi-pollutant planning strategy that considers criteria pollutant, air toxics, and GHGs in air quality plans
 3. Recommend District play major role in SB375 implementation, including:
 - a. Working closely with ARB in setting Bay Area reduction targets
 - b. Supporting ambitious Bay Area targets through Joint Policy Committee
 - c. Identifying and describing key air quality and climate interactions
 - d. Providing technical support in apportionment of GHG targets among cities
 - e. Identifying and comparing alternative GHG mitigation strategies and measures
 - f. Exploring and developing policies and programs to reduce employer-related VMT
 - g. Creating evaluation or accountability standards once GHG targets adopted
 4. Recommend District continue its focus on differential impacts on vulnerable populations and communities when addressing GHGs
 5. Recommend support for additional funding measures to achieve GHG, criteria pollutant, and air toxics reduction goals, possibly including such measures as pay as you go insurance or establishment of VMT fee or gasoline tax
 6. Recommend continuation of efforts to integrate air quality and climate protection into evaluation and funding of grant applications, and support for statewide merging of funding pools for air quality and climate protection grants
 7. Recommend that District continue to work closely and actively with other agencies in development of climate protection programs
 8. Recommend District encourage development by Joint Policy Committee and MTC of certain specific HOT lane policies
 9. Recommend District prepare biennial report of Bay Area cities and counties regarding such GHG progress criteria as:
 - a. Improvements in residential and commercial per capita GHG emissions
 - b. Enactment and implementation of GHG reduction policies and measures

Chairperson Torliatt thanked Mr. Hayes and the Advisory Council for their work in developing the Final Report and believed the nine recommendations could be implemented.

CLOSED SESSION

The Board of Directors adjourned to Closed Session at 10:33 p.m.

10. Conference with Legal Counsel – Existing Litigation

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

1. *Duraflame, Inc. v. Bay Area AQMD*, Contra Costa County Superior Court, Case No. N09-0102
2. *Richard M. Peekema v. Bay Area AQMD*, United States District Court, N.D. Cal., Case No. C09 03283 RS
3. *Pacific Steel Casting Company v. Bay Area AQMD*, San Francisco County Superior Court, Case No. CGC-08-482228
4. *Healthy Air Coalition v. Bay Area AQMD*, San Francisco County Superior Court, Case No. CGC-09-486990

OPEN SESSION

The Board of Directors reconvened in Open Session at 10:46 p.m. District Counsel Brian Bunger stated that there was no reportable action taken in Closed Session.

OTHER BUSINESS:

11. Report of Executive Officer/APCO:

Mr. Broadbent reported the Air District was going through review of a Title V Permit Renewal for Lehigh Cement Plant. Staff has held meetings in the Santa Clara area, there have been numerous comments on the facility, and the District will likely extend the comment period to December.

Mr. Broadbent announced that the District received a Green Business Award from Sacramento County as a result of a project funded to address locomotive emissions. The project involved the remanufacturing of a locomotive and installation of 9 anti-idling devices on the Caltrans Amtrak fleet which travels on the Capitol Corridor from San Jose to Auburn. The Sacramento County Board of Supervisors has also presented the Board with a resolution as a Sacramento County Sustainable Business of the Year Award Recipient, which acknowledges the District's work in cleaning up some of the locomotive emissions associated with the Bay Area, Sacramento and the Yolo-Solano areas.

Mr. Broadbent said the District continues to spend a lot of time and effort to clean up the Port of Oakland trucks and 1,300 trucks need to be addressed at the Port. To date, 700 retrofit contracts have been issued, 277 replacement trucks are scheduled for inspection, and staff is confident that between the retrofits and replacements, they will come close to the goal. In total, \$22 million has been dedicated toward the project.

Mr. Broadbent also reported that the Port Board of Commissioners voted to institute a ban on trucks. Starting January 1, 2010, the Port will prohibit non-compliant trucks from entering the Port, with the provision for a one-time pass for those who may not have been informed of the provision. Mr. Broadbent recognized Mr. Kelly Wee in representing the District at the Port Board of Commissioners meeting.

Chairperson Torliatt requested the District recognize and thank the Port of Oakland for taking this action, and suggested a communication be sent.

Director Kishimoto confirmed with Mr. Broadbent that the \$22 million dedicated to the Port comprised of \$10 million from I-Bond monies, \$2 million from stimulus funds, and \$5 million each from the Port of Oakland and the Air District.

Director Kishimoto questioned the comment period for Lehigh Cement Plant. Mr. McKay clarified that the review of the permit is expected to be extended due to the large volume of comments received, and the comment period was extended and closed on October 1, 2009. Mr. Broadbent clarified that the decision on the renewal permit will occur in December.

Director Kishimoto questioned the Board's next steps with the Advisory Council recommendations. Chairperson Torliatt suggested they be brought to the Climate Protection Committee at an upcoming meeting.

12. Chairperson's Report:

Chairperson Torliatt reported that on Wednesday, September 30, 2009, she and Vice Chairperson Wagenknecht were joined by Mr. Broadbent and District staff in Modesto where they met with neighboring air districts. Board Members and staff from other air districts also attended and the purpose of the meeting was to identify opportunities, share resources, ideas and programs to improve regional air quality in a cost effective manner, to communicate at political and staff levels to further understand regional and air district specific issues and establish a familiar forum in which future issues can be addressed at additional meetings. Topics of the agenda included multi-district collaboration on emission reduction projects, funding for administering grant programs and general funding programs, exchanged ideas about *Spare the Air* program and ways to improve fireplace rules, coordination and modeling. The meeting was productive and staff is working to identify the next meeting date and location.

Mr. Broadbent thanked Director Spering for his attendance and representation of the District on the locomotive project previously mentioned.

13. Time and Place of Next Meeting: Regular Meeting - Wednesday, November 4, 2009 - 939 Ellis Street, San Francisco, CA 94109

14. Adjournment: The Board of Directors Meeting adjourned at 10:58 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: October 28, 2009

Re: Board Communications Received from October 7, 2009 through November 3, 2009

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from October 7, 2009 through November 3, 2009, if any, will be at each Board member's place at the November 4, 2009, Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 27, 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 October 1 – October 31, 2009. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

Scott Beaver, Atmospheric Modeler, attended Training on Remote Sensing Data Usage in Air Quality Assessments in Chapel Hill, NC, October 13 - 16, 2009

Gary Gimlen, AQ Engineer, attended EPA natural Gas STAR Annual Implementation Workshop in San Antonio, TX October 19 – 21, 2009

Kelly, Wee, Compliance & Enforcement Director, attended Naturally Occurring Asbestos Conference in Portland, OR, October 20 – 21, 2009

Henry Hilken, Director of Planning, Rules & Research, attended AWMA / ALA Land Use / Transportation / Air Quality Workshop in Vancouver, B.C., October 26 – 27, 2009

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by: Jack M. Colbourn

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 28, 2009

Re: Report of Division Activities for the Months of July 2009 – September 2009

ADMINISTRATION AND HUMAN RESOURCES – J. COLBURN, DIRECTOR

Human Resources Office

The Human Resources (HR) Office conducted eleven training sessions consisting of sessions regarding the Leadership Development Program; Business & Technical Writing Skills; Financial Services Procedures; Pronunciation & Accent Training; Power Speaking; Negotiation Skills; Preventing Workplace Harassment; the Disability Interactive Process; Performance Reviews; and Legal Issues. The HR Office also coordinated five recruitment exams including exams for Director of Administrative Services; Health Officer; Administrative Analyst; Senior Engineer; and Legal Secretary. The HR Office continues to administer payroll, benefits, safety, labor relations, and library services.

Finance Department

During the first quarter of FYE 2010, the Finance Department (Department) received notification of the 4th Year of the Biowatch Grant in the amount of \$1,300,000, as well as Carl Moyer, Year 11 in the amount of \$1,297,666, and submitted the 2008-09 4th Quarter Financial Status Report (FSR) and Federal Cash Transaction Report (FCT) for the Biowatch Grant. The Department conducted Cash Disbursement training in July, which was well attended. The external auditors, Gilbert Associates Inc. completed interim field work for the 2008-09 financial statements in July. The District contracted with At-Sinc to conduct an inventory of the District's capital assets in June, in accordance with statutory requirements. The Principal Accountant, Marina Smotkin was promoted to Fiscal Services Coordinator, and Sophia Cao, Accountant was promoted to Principal Accountant. The Department also requested proposals for Budget Standardization, Scanning software and hardware, and Cost Recovery. The Finance Manger attended the CAPCOA Fiscal Officers Meeting in Tahoe in September, and was elected as the President for a one year term.

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

District staff issued 128 Notices of Violation this quarter to gas stations who failed to meet the April 1, 2009 deadline all gas stations to upgrade to Phase II Enhanced Vapor Recovery (EVR) and the September 1, 2009 In-Station Diagnostic (ISD) deadline for large stations. Through extensive enforcement efforts 95% of District stations subject to the EVR Phase II deadline and 92% of the stations subject to the ISD deadline have achieved compliance or on a path to achieve compliance by Dec 31, 2009 or sooner. As a result, ARB and CAPCOA stopped the regular reporting of compliance status updates by the air districts. Staff attended the Vapor Recovery Technical meeting July 15 and 16 and received updates on EVR Phase I and II systems. On August 4, the District approved the revised Lennar Bay View Hunters Point (BVHP) Asbestos Dust Mitigation Plan (ADMP), which incorporated additional dust mitigation measures and added additional monitoring to the District ambient air monitoring network at the redevelopment site. Staff also investigated four elevated ambient asbestos readings from these monitors and verified that work was suspended per ADMP requirements and did not resume until readings fell below work stoppage criteria. District staff continues to investigate an ammonia release for possible air quality violations from Columbus Salame Company in South San Francisco that occurred on August 28. The release resulted in a shelter in place, nearby road closures, and possible injuries requiring hospitalization to employees at a neighboring business.

Compliance Assurance Program

On June 23, District staff and CARB conducted joint harbor craft inspections in San Francisco in the Fisherman's Wharf area. Staff conducted joint inspections with CARB staff on Ocean going Vessels (OGV) from July 20-July 24 at the Port of Oakland. Joint inspections also occurred for 110 Transportation Refrigeration Units (TRUs) at the Port of Oakland during the week of August 24. TRUs are diesel-fueled engines that keep containers refrigerated while in transit on docks and by truck. On September 14 and 15, District staff and CARB conducted joint inspections at the 5 bay area railyards. On August 11, staff met with the Western States Petroleum Association (WSPA) and petroleum refinery representatives to discuss Flare Minimization Plans (FMP) update submittal procedures and to develop a standard format for and the required content of an executive summary in each Update. The FMP 2nd Annual Updates are due October 1. Staff also processed the flare monitoring data reported by the refineries for the months of April – June 2009 and posted the data on the District's website.

Compliance Assistance Program

On September 3, staff provided a presentation at the monthly meeting of the Bay Area Food technical Advisory Committee (BAFTAC). Staff provided information about the upcoming compliance deadlines for under-fired charbroiler operations. On September 14, staff conducted outreach activities on the Drayage Truck Regulation (DTR) at all Marine Terminals at the Port of Oakland. Inspectors handed out 2,400 CARB information pamphlets to truckers. This effort was coordinated with the Port of Oakland, Marine

Terminal Operators, and CARB. Staff participated in the monthly Trucker Work Group meeting to continue to promote early compliance with the January 1, 2010 DTR engine emission standard deadline. Staff produced eight (8) advisories regarding: new monitoring requirements and VOC content information for Graphic Art Operations (Regulation 8-20), executive summary content requirements for (FMP) (Regulation 12-12), certification requirements for emission control devices and upcoming requirements for new under-fired charbroilers (Regulation 6-2), rule exemption guidelines for wood burning devices and labeling requirements for solid fuels (Regulation 6-3), and inspection, maintenance repair exemptions for solid waste disposal site gas collection systems (Regulation 8-34). Non-English languages were translated for Spanish, Mandarin, Vietnamese, Cantonese and Portuguese during this quarter.

Operations

This quarter Staff developed a pilot Small Business Incentives program to encourage attendance at District Industry Compliance Schools (ICS). A 50% discount will be provided for the initial registration fee, provided that the company attends the course and completes their registration online at the class. The District hosted CARB's two-day Control Device course to Regulators from California and other states on August 18 and 19. Staff attended visible emission recertification in West Sacramento on August 27 and Pleasanton Fairgrounds on September 2nd and 3rd. Staff observed under-fired charbroiler abatement equipment compliance source testing to determine if CaptiveAire Inc's emission control device can meet the Commercial Cooking Equipment (Regulation 6-2) control requirements. Staff finalized the Guidance Document for the Wood Burning Rule that clarifies the exemptions from the mandatory curtailment and mailed it out to residences that received warning letter last winter. Staff met with American Lung Association and Marin Families for Clean Air regarding the wood smoke reduction program. Staff developed new wood smoke complaint system to expand 877-4NO-BURN to out-of-District burn programs, allow for online and over the phone complaint reporting and develop a wood smoke complaint data management system. Staff updated wood smoke outreach materials and drafted reminder letters for recipients of warning letters from last season. Staff processed 11 Prescribed Burn Smoke Management Plans for burns in Contra Costa, Marin and San Mateo Counties and 6 Marsh Management Smoke Management Plans in Solano County. Staff approved 2 Asbestos Dust Mitigation Plans (ADMPS) for the PG&E Hunters Point Power Plant Project in San Francisco County and the Sequoia Hospital Project in San Mateo County.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Activity Summary

In the third quarter of 2009, a total of 353 new permit applications were received as follows: 254 standard New Source Review applications, 82 Gasoline Dispensing Facility applications, 11 Title V applications, and 6 Banking applications. During this period, the Division issued 172 Authorities to Construct and 510 Permits to Operate.

Engineering Division Permit Activity – 3rd Quarter 2009			
Annual update packages started	865	Permits to Operate issued (new and modified)	510
Annual update packages completed	1,341	Exemptions	26
Total update pages entered	1,012	Authorities to Construct denied	1
New applications received	353	New Companies added to Data Bank during the 3 rd quarter 2009	140
Authorities to Construct issued	172		

Toxics Program

A total of 85 Health Risk Screening Analyses (HRSAs) were completed during the quarter for new/modified source permit applications. The majority of these HRSAs were for diesel engine emergency backup generators.

Staff continued rule development work on amendments to Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning. The Board of Directors adopted revisions to this rule on March 4, 2009, but directed staff to develop an accelerated phase-out schedule for Perc. Staff conducted a public workshop on June 10, 2009, to discuss potential options for the accelerated phase-out. Staff completed the evaluation of comments received, and is finalizing the required socioeconomic impact analysis. Staff plans to present recommended rule amendments to the Board of Directors' Stationary Source Committee in November 2009, with consideration of adoption before the full Board expected in December 2009.

Staff has prepared revised draft amendments to Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants. A workshop was held on June 30, 2009, and a number of comments were received on the initial draft proposal. The revised staff proposal focuses on the incorporation of updated health risk assessment methodologies that will provide more stringent rule requirements. Specifically, Age Sensitivity Factors, adopted by the California Office of Environmental Health Hazard Assessment (OEHHA), will be incorporated into the rule, and this will increase protection for children and residential receptors. Staff is also proposing to incorporate other revised, more stringent, health risk assessment methodologies when they are adopted by OEHHA. The revised staff proposal also includes a provision for the District to perform tracking of toxic air contaminant emissions changes in the CARE Priority Communities from stationary, area-wide, and mobile sources. Staff plans to present recommended rule amendments to the Board of Directors' Stationary Source Committee in November 2009, with consideration of adoption before the full Board expected in December 2009.

Staff continued work assessing health risks from Dutra Materials, a proposed asphalt plant near Petaluma. This work was done at the request of the staff of Sonoma County, the CEQA lead agency for this project. Staff also continued work assessing health risks from Lehigh Southwest Cement Company (Cupertino) for the Air Toxics Hot Spots Program based on updated emissions inventory information.

Staff is revising a Health Risk Assessment (HRA) for Sentinel Cremation Societies (Emeryville) to address input received from OEHHA. Several new residential buildings have been built immediately adjacent to this crematory and, as a result, the facility is subject to the public notification requirements of the Air Toxics Hot Spots (ATHS) Program. Notices will be sent to affected members of the public, and a community meeting will also be held to discuss the results of the HRA. Staff has also recently completed an HRSA for three proposed crematory retorts that would replace the existing equipment at the facility. The emissions from the proposed equipment will be limited to levels that will obviate the need for additional public notification under the ATHS program.

Title V Program

EPA provided the District with its final Title V Program Evaluation Report on September 29, 2009. No significant findings were reported by EPA, but a number of recommendations for program improvements were provided. Staff is drafting a work plan to address these recommendations, and this is expected to be completed by the end of November.

The Title V renewal permits for the Bay Area refineries have been drafted and circulated for internal District review. Detailed compliance history reports are being prepared for these permit renewals, and are expected to be completed in early November. Public noticing of the proposed permit renewals is expected to occur in December 2009.

The proposed Title V renewal permit for Lehigh Southwest Cement Company (unincorporated Cupertino) was released for public comment in August, and a public hearing was held on September 29, 2009. A large number of public comments were received, and staff is working on considering and responding to these comments.

Permit Evaluation Program

The District released an Additional Statement of Basis and revised draft PSD permit for the Russell City Energy Center (Hayward) for public comment on August 3, 2009. A public hearing on this matter was held on September 2 at Hayward City Hall. A large number of comments were received, and staff is working on considering and responding to these comments. Final action on the PSD permit is expected later this year.

The applicant for the Marsh Landing Generating Station (unincorporated Antioch) submitted an amendment to their permit application on September 22, 2009. The proposed power plant now consists of four simple cycle gas turbines, instead of two combined cycle gas turbines and two simple cycle gas turbines as originally proposed. The applicant has also submitted revised modeling to demonstrate that the PM_{2.5} impacts of the project are below significant impact levels. A Preliminary Determination of Compliance (PDOC) is expected to be completed for the project by the end of the year.

The proposed Willow Pass Generating Station (Pittsburg) is subject to PSD requirements and the applicant is working on revisions to their PSD analysis which addresses recent EPA regulatory requirements for PM_{2.5}. The review of this application will continue after these revisions have been submitted.

A meeting was held with representatives of New United Motor Manufacturing Inc. (Fremont) to discuss facility shutdown and anticipated post shutdown activities. Production at the facility is expected to end on April 1, 2010. The facility plans on keeping their permits active following shutdown for an indefinite period of time.

ConocoPhillips Refinery (Rodeo) submitted startup notifications for all equipment in their Clean Fuels Expansion Project (CFEP), and an Authority to Construct (A/C) extension request for three sources. Staff is working on the evaluation of the A/C extension request.

Staff is providing engineering review of the second annual Flare Minimization Plan (FMP) updates submitted by the five Bay Area refineries. Review and approval of the FMP updates is due in the 4th quarter of 2009.

Staff provided input to the California Air Resources Board (CARB) for their Best Practices Guidance Document for Siting Biorefineries and Other Alternative Fuel Facilities. The CARB draft report is scheduled to be issued for public comment in November 2009.

Engineering Projects Program

Staff continued active participation in the Production System database conversion project. Five design proposals were completed for source categories targeted for permit automation (i.e., surface coating, solvent cleaning, dry cleaning, auto bodies and graphic arts). Engineering Division staff resources on the project are expected to increase in upcoming months as the new system is expected to be finalized by the end of 2010.

Engineering Division staff provided technical support in the development of revised District CEQA Guidelines. The revised Guidelines are expected to be issued by the end of the year, and will explicitly address Greenhouse Gas Emissions, and cumulative impacts of toxic air contaminants and PM_{2.5}.

Staff prepared an updated report on emission reduction credits (ERCs) and funding of the District Small Facility Bank (SFB). This report documents the procedures used by staff to fund the SFB using unclaimed ERCs from source shutdowns.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 141 violations reflected in Notices of Violation (NOVs) for processing. Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 43 violations. In addition, 9 Final 30 Day Letter(s) were sent regarding civil penalties for 12 violation(s). Finally, settlement negotiations resulted in collection of \$64,400 in civil penalties for 57 violations.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 16 violations. Settlement negotiations by counsel resulted in collection of \$120,450 in civil penalties for 148 violation(s). The District also collected \$6,000 from the City of San Jose in connection with enforcement of permitting requirements and engine emission standards for pump engines for which no NOV was issued. A grand total of \$126,450 was collected by Attorneys in the 1st Quarter.

(See Attachment for Penalties by County)

COMMUNICATION AND OUTREACH – L. FASANO

Public Information and Media

Spare the Air, Every Day – The summer Spare the Air season ended with a total of 14 Spare the Air Alerts and eight exceedances of the national eight-hour ozone standard. The summer Spare the Air Season survey, based on 1,500 completed interviews, showed the following results:

- 78% of respondents had heard of the Spare the Air campaign prior to taking the survey;
- 34% of respondents were aware that it was a Spare the Air day;
- 48% of respondents recalled hearing, reading or seeing air quality related information in the two days prior to the interview; and
- 4.2% of respondents indicated that they reduced at least one driving trip because of the Spare the Air campaign and respondents averaged 2.06 reduced driving trips.

Staff launched this summer's Spare the Air campaign by hosting an Employer Carpool Workshop/Webinar and media event on July 7. The event included a welcome by Chairperson Mark Ross, a 511/carpool presentation by Lisa Fasano and testimonials from employer program members. Media coverage of the event included a story by NBC 11 and additional print media.

Throughout the season, staff worked with contractors to promote carpooling. KPIX Reporter Jeffrey Schaub carpooled with the District's wrapped Spare the Air Prius and reported on his experience during the news hour. The District's "Confessions of a Carpooler" video contest ran through August and September and received ten entries. The promotional contest encouraged participants to highlight fun and interesting carpool experiences in a three-minute video and demonstrate what makes them a top carpooler in the Bay Area. Winning entries are posted on the District's YouTube page (youtube.com/user/bayareasparetheair).

Staff also hosted five focus groups throughout the Bay Area to conduct market research on the Spare the Air program and perspectives on clean-air behavior. Focus groups were held in Concord, Novato, Sunnyvale, and San Jose. The latter had two groups, one in English and one in Spanish.

The Spare the Air program was featured in the August/September issue of the Bay Area Monitor newsletter.

Spare the Air Employer Workshop - On Monday, September 28, 2009 the Air District and 511 hosted a hands-on workshop for South Bay businesses to discuss sustainable commuting in Santa Clara County. Representatives from 20 companies convened at the Yahoo! offices to take steps to establish or enhance their carpool and transportation alternatives programs. Santa Clara County Supervisor Ken Yeager and the San Jose Mercury News' "Mr. Roadshow," Gary Richards, opened the event. Attendees then participated in small group consultations with experts like 511's Santa Clara commute specialists and transportation professionals from Yahoo!, Google and Serious Materials.

Staff wrote and distributed issue 16 of the Spare the Air Employer Program Newsletter, *The Breeze*. This issue featured articles on ridesharing rewards, upcoming employer workshops and carpooling.

Spare the Air Website – Staff worked with ISS and contractors to redesign the Spare the Air website to improve its functionality, overall look and feel, and integrate it more fully with the new baaqmd.gov site. Launch is scheduled for late October, in time for the Winter Spare the Air Season.

Winter Spare the Air – Staff began planning for the Winter Spare the Air season by producing educational materials and developing the District's media and outreach strategy. A meeting to discuss the outreach strategy was held with contractors on Wednesday, September 16. The Wood Burning Regulation brochure was revised and reprinted to include changes to this year's program.

Changes to this year's wood smoke program include:

- From November 1, 2009 to February 28, 2009, the Air District will forecast air pollution levels for the next day by 2 p.m. every day, as in the Summer Spare the Air Season. If the air quality is forecast to be unhealthy, a Winter Spare the Air Alert will be called. The Alert will be in effect as of midnight that night and will be in place for 24 hours.
- \$400 penalty amount for the first violation following a warning letter.
- An Exemption Policy Guidance Document for the wood burning rule.

Public Inquiries – Staff responded to approximately 770 calls from the public, with topics including Spare the Air Alerts, the Vehicle Buyback Program, diesel truck grants, wood burning, complaints, open burning, and general air quality issues. Staff also responded to over 500 e-mail inquiries from the new Air District website.

Press Releases – During the quarter, the Air District issued 20 press releases. Topics included the Spare the Air program, grants and incentives programs, Port of Oakland projects, the Russell City Energy Center and Lehigh Title V Renewals, the Clean Air Plan and CEQA workshops, and other issues.

Media Inquiries & Coverage – During the quarter, there were a total of 420 print, internet, broadcast, and radio stories mentioning the Air District. Story topics included Spare the Air Alerts, the Brentwood fire, the diesel retrofit program, the Vehicle Buyback Program, the marine highway project, wildfire impacts, the greenhouse gas fee rule, the Chevron expansion project, the Breathmobile, the Russell City Power Plant Title V Renewal Permit workshop, the Lehigh Title V permit renewal workshop, the CEQA workshops, and the Bicycle Facility Program. Media events in which Air District staff participated are highlighted below.

Breathmobile – Staff coordinated a press conference in Emeryville, at the Ana Yates Elementary School, to publicize the Breathmobile, a mobile clinic that will provide an asthma management program for children from economically disadvantaged families. Co-sponsored by the District and managed by the Prescott-Joseph Center for Community Enhancement in West Oakland, the Breathmobile will travel monthly to schools and other sites to provide services free of cost in West Oakland, East Oakland, Emeryville and Berkeley, and other areas. Media coverage included KGO, KPIX, KTVU, NBC11, KTSF, World Journal, Globe Newspaper and the Oakland Tribune.

Sacramento Train Retrofit Event – Staff coordinated a press event with public agency partners to introduce California Department of Transportation’s new, lower-polluting locomotive into its Amtrak California service. The event was held in the Sacramento Amtrak station on Wednesday, July 22. Director Spering represented the District in opening remarks that were well covered in the press. The Air District contributed \$500,000 to this project. Air District staff is now coordinating a press event in the Bay Area to highlight the same locomotive. The event is tentatively scheduled for Tuesday, November 17, 2009 at the Amtrak Maintenance Facility in Oakland.

Truck Center Press Event – The OT411 Good Neighbor Lunch and Press Conference took place on Tuesday, July 28, 2009, from 12 to 3 p.m. at the OT411 Truck Information Center at the Port of Oakland. The event promoted the 22 million dollar program to install diesel truck exhaust filters to reduce particulate emission from trucks servicing the Port of Oakland. Featured speakers included Jack Broadbent, Mary Nichols, Chair of ARB, Laura Yoshii, Acting EPA Regional Administrator, and Margaret Gordon, Vice-president of the Oakland Board of Port Commissioners. Approximately 150 people were in attendance, including representatives from the American Lung Association, the Port of Oakland and staff from the office of several elected officials. Media coverage included four television news crews (NBC11, KTVU2, KRON4, UCTV) and three newspaper reporters (Contra Costa Times, Oakland Tribune, Sing Tao Daily). The event was covered in 32 national and local media outlets.

Health, Etc. – The Fifth Annual Health Etc. event was held Saturday, September 26, 2009 at the San Francisco Concourse Exhibition Center. This year's keynote speaker was Dr. Sanjay Gupta, chief medical correspondent for the health and medical unit at CNN. A full agenda of health issues was explored through speeches, expert panels, and seminars. The Air District staffed a booth and provided free lung function tests. Staff hosted a breakout session titled “Clean Air - Longer Life.” The panel was moderated by CBS weather correspondent Roberta Gonzales and featured DAPCO Jean Roggenkamp and Dr. David Pepper, a family doctor at UCSF and UC-Davis. Dr. Pepper was interviewed by KCBS live on air about air pollution and health.

Smoking Vehicle Assistance Program – In October 2009 the Air District will launch phase I of an advertising and outreach campaign aimed at reducing the number of smoking vehicles in the Bay Area. The campaign will feature advertisements created to increase public awareness about smoking vehicles and the many programs available to assist residents with their repair or retirement. The District is also launching a pilot Vehicle Repair Program, wherein qualified residents can receive discounts and a \$100 incentive to repair their smoking vehicle. The program will be administered by Air District contractor, RHDG. Phase II of the campaign will begin January 2010, and will promote the 1 (800) EXHAUST call-in line.

MTC Collaboration -- Staff attended the MTC regional rideshare technical advisory committee meeting on July 16, 2009. Staff has been in discussion with MTC regarding a joint climate education campaign between the two agencies.

Media Student Program Partnership – Staff met with MTC and KGO Radio to discuss collaboration on a student reporter project to feature regional environmental and transportation stories developed by the students for KGO radio.

Climate Protection – On July 30, 2009 Staff attended a Climate and Bay Area Communications meeting for regional public agencies and partners to discuss public education on climate protection.

CAPCOA Annual Conference – Staff is participating in the planning of the of the 2010 Annual CAPCOA Conference. The topic will be Harmonization of Climate Programs at the State and Federal levels. The conference is scheduled for August 30-31, 2010 and will be held in San Francisco.

Resolutions – Staff assisted the Executive Office in preparation of resolutions honoring Tim Carmichael, formerly of the Coalition for Clean Air, and Director Shimansky.

Community Outreach

Community Grant Program – A call for grant applications under the Air District’s Community grant program was issued on June 24 and applications due on July 24. Staff received 57 proposals for the Program and fielded over 100 phone and email inquiries. Award announcements were made on August 21 to the following organizations:

Applicant	Project	Location	Amount Awarded
American Lung Association	Asthma management in schools	Oakland/Alameda	\$ 43,707
Axis Community Health	Medical and educational asthma interventions for low-income uninsured	Tri-Valley/Alameda	\$ 30,089
Chabot Space and Science Center	Creation of a stationary and web-based climate education laboratory	Multiple County	\$ 50,000
CreatTV	Youth-based climate change social media project	San Jose/Santa Clara	\$ 37,800
Earth Team	Youth leadership development and education about diesel particulates	West Oakland/Alameda	\$ 43,072
Greenaction	Diesel education and emissions reduction	Southeast San Francisco	\$ 50,000
		Total	\$254,668

Bayview Hunters Point Community Dialogue Meetings – On July 25 and July 30, District staff and a nationally-recognized public dialogue facilitator, Dr. David Camp, engaged residents of Bayview Hunters Point in two community dialogue meetings to discuss local sources of air pollution, local air quality-related health concerns and potential solutions. The Air District will use the feedback received during these two meetings to refine air quality improvement strategies in the Bayview Hunters Point area.

Staff and consultants conducted extensive outreach in advance of the meetings including: a press release; public service announcements on 15 radio stations; a recorded television spot on Comcast Newsmakers on CNN and HLN; announcements on the KKSF and KBLX web sites; email messages to 95 community-based organizations; mailings to over 100 faith-based communities in Bayview Hunters Point; 5,000 door hangers and 2,000 fliers distributed in the 94124 and 94107 zip codes; and outreach at 20 community meetings and events. Staff is also inviting residents to complete a survey addressing local air pollution issues. All outreach materials were distributed in English, Spanish and Chinese.

Outreach and Logistics support Air District Meetings

Meeting	Date	Location	Invited Groups	Notification
Clean Air Plan & CEQA Guidelines	Sept 2-3	Mountain View & Oakland	Interested parties, community-base groups, health professionals	Email notices and District website
CEQA Guidelines Updates	Sept. 8,9,10	Redwood City, Santa Rosa & Oakland	Interested parties, EJ groups, health professionals	District list serve, email and District website
Russell City Permit Hearing	Sept. 2	Hayward	General public	District website, email notifications, media advisory
Lehigh Title V permit renewal hearing	Sept. 17	Cupertino	General public	District website, email notifications, media advisory
Carl Moyer Grants Workshop	Aug. 5	Richmond	Local Richmond businesses	District website, email notifications, City Hall

Air District Resource Teams

Team	Meeting Date	Location	Projects
San Mateo County	July 22	Sustainable San Mateo County Offices	Commute solutions workshop event, outreach materials
San Jose	Aug. 19	San Jose	Green schools pilot project, energy conservation tool kit
Contra Costa EJ	Aug. 28	Richmond	Debriefed the Aug. 5 grants workshop, concepts for next project

Air District Resource Teams carried out the following projects during the reporting period:

- 2nd Annual Great Race for Clean Air, Tri-Valley Team
- Outreach at Fremont Festival of the Arts with 511 Rideshare, AC Transit, VTA and ACE Train, Southern Alameda County Team
- Commute Solutions Workshop at Northport Loop Business Park in Fremont, Southern Alameda County Team
- Car-free tourism website and materials, Napa Team
- Sponsorship of Napa County Bicycle Coalition’s Car Free Day, Napa Team
- Launching of San Francisco Car Free website, San Francisco Team
- “Just Around the Corner” Lunchtime driving reduction project for employers, Santa Clara Team

Speaking Engagements

Event		Topic	Attendance
Tiburon-Belvedere Rotary Club	July 8	Air District, ozone, particulate pollution and climate change	50 members
SFUSD Environmental Ed. Workshop	July 21	Air District and 4 th & 5 th grade climate curricula	35 agencies
Alliance for Climate Education	Aug . 12	Workshop for high school teachers on innovative environmental behavior change strategies	40 teachers

APA Family Support Services – Staff met with program administrators from APA Family Support Services on September 9 to discuss ideas for improving outreach to Asian and Pacific Islander communities in the Bay Area, with particular attention to non-English speaking communities. APA is based at San Francisco General Hospital and promotes healthy Asian/Pacific Islander children and families by providing family support services and advocating for culturally competent services.

Additional Outreach – Staff conducted outreach for Spare the Air and other Air District public education programs at the following events:

	July	
Bike for Breath Ride	Saturday, July 11 th 9:00 am – 3:00 pm	4000 East 3 rd Avenue Foster City
Coldplay Concert	Monday, July 13 th 6:00 pm – 9:00 pm	Sleep Train Pavillion Concord
Alameda County Fair	Saturday, July 17 th & Sunday, July 18 th	Fairgrounds Pleasanton
Beach Ball Free for All with Kenny Chesney	Saturday, July 18 th 10:0 am – 5:00 pm	AT & T Parking Lot A San Francisco
No Doubt Concert	Saturday, July 25 th 6:00 pm – 9:00 pm	Shoreline Amphitheatre Mountain View
Kite Festival	Saturday, July 25 th 10:00 am – 5:00 pm	Cesar Chavez Park @ Marina Berkeley

Breast Cancer Awareness Health Fair	Saturday, August 29 th	India Basin San Francisco
	August	
Sonoma County Fair	Saturday, August 1 st 11:00 am – 8:00 pm	Fairgrounds Santa Rosa
Health Fair	Wednesday, August 5 th 11:00 am – 1:00 pm	Spansion 950 DeGuigne Dr., Sunnyvale
1 st Friday/Best of the Bay @ Oakland Museum	Friday, August 7 th 5:00 pm – 11:00 pm	Oakland Museum 10 th & Oak St., Oakland
San Jose Jazz Festival	Saturday, August 8 th & Sunday, August 9 th 10:00 am – 7:00 pm	Plaza de Cesar Chavez – Circle of the Palms San Jose
Art & Soul Festival	Sunday, August 16 th 9:00 am – 5:00 pm	Downtown Oakland
Spare the Air/Rideshare Fair	Tuesday, August 18 th 10:00 am – 2:00 pm	Sunnyvale City Center 100 Mathilda Place, Sunnyvale
KFOG After Work Concert	Thursday, August 20 th 5:00 pm – 9:00 pm	Plaza de Cesar Chavez Park San Jose
Peninsula Festival	Saturday, August 22 nd 11:00 am – 10:00 pm	Fairgrounds San Mateo
Mt. Diablo Jazz Festival	Saturday, August 22 nd 3:00 pm – 11:00 pm	Sleep Train Pavillion Concord
B-Magic Back 2 School	Saturday, August 22 nd	Bayview Hunters Point neighborhood, San Francisco
Hunters Point Environmental Resource Center Breast Cancer Awareness Health Fair	Saturday, August, 29, 2009	Indian Basin Shoreline Park at Hunters Point, San Francisco
	September	
Millbrae Art & Wine Festival	Saturday, September 5 th & Sunday, September 6 th 10:00 am – 5:00 pm	Broadway Avenue Millbrae
Sunday Streets	Sunday, September 6 th 10:00 am – 2:00 pm	Great Highway/Lincoln San Francisco
Environmental Health Fair	Thursday, September 17 th 10:00 am – 2:00 pm	PG&E 1850 Gateway Blvd., Concord
Day on the Glen Festival	Saturday, September 19 th & Sunday, September 20 th 10:00 am – 5:00 pm	Emerald Glen Park Dublin
Green Sustainability Fair	Wednesday, Sept. 23 rd 10:00 am – 2:00 pm	Lockheed Martin Space 1111 Lockheed Way, Sunnyvale
Southeast Families United Child Development Center Opening	Thursday, September 24	Bayview Hunters Point neighborhood, San Francisco
Pacific Coast Fog Fest	Saturday, Sept. 26 th & Sunday, Sept. 27 th 10:00 am – 6:00 pm	Palmetto Avenue Pacifica
Alice Radio – Now & Zen Festival	Sunday, September 27 th 9:00 am – 5:00 pm	Speedway Meadow, Golden Gate Park San Francisco

Outreach & Incentives Division:

Public requests for information <i>(Phone and Web)</i>	1300
Visitors to the District	3
Events staffed	42
Presentations Made	41
Press Releases	20
Media Inquiries	123
Media coverage <i>(number of print, internet, broadcast, and radio stories mentioning the Air District)</i>	420

PLANNING DIVISION – H. HILKEN, DIRECTOR

Community Air Risk Evaluation (CARE) Program

Staff hosted two meetings of the Cumulative Impacts Working Group. Agenda items included updates on staff’s proposed revisions to the District’s Toxics New Source Review (NSR) rule, proposed changes to Office of Environmental Health Hazard Assessment's risk assessment methodology, potential revisions to risk reduction methodologies and thresholds in the AB2588 Hot Spots Program, and presentations by the California Council for Economic & Environmental Balance (CCEEB) and the Bay Area Environmental Health Collaborative (BAEHC) providing their perspectives on the proposed Toxics NSR changes. Staff also hosted a meeting of the CARE Task Force, where agenda items included proposed changes to Districts’ CEQA guidelines, comments from the City of San Jose on the proposed CEQA guidelines, an update on proposed changes to Toxic NSR, and perspectives from BAEHC and CCEEB on proposed Toxic NSR changes.

Staff met with City of San Jose staff to discuss the City's planning and redevelopment programs, to discuss the District's Clean Air Communities Initiative, to tour the City, and to generally strengthen relationships between District and San Jose staffs.

District staff and consultants Desert Research Institute completed field work for the summertime portion of the 2009-2010 West Oakland Measurement Study, including collection of samples at fixed monitoring sites and mobile monitoring using the District's sampling van. In a related measurement study, staff established, maintained, and collected samples from three monitoring sites near Custom Alloy Scrap Sales (CASS). These three sites will be maintained until summer 2010. A fourth site, funded by CASS through December 2009, was added to provide additional data.

Staff and consultants Sonoma Technology, Inc. continued work on producing a gridded emission inventory of air toxics for future years 2015 and 2020. This included generating base year inventories for 2015 and 2020 for on-road mobile, off-road mobile, and area source emissions; and preparing future year growth and control factors for the inventory.

Staff assisted with establishing thresholds for risks from toxic air contaminants and PM_{2.5} concentrations for the CEQA Guidelines update and in providing modeling and technical guidance for the Guidelines.

Air Quality Planning Program

Staff continued work on the 2009 Bay Area Clean Air Plan (CAP). This included refining and finalizing draft control measure descriptions, estimating emission reductions and calculating the cost-effectiveness for control measures, and developing a GHG emissions best practices summary reference table to be included in the CAP. Staff discussed the CAP control measures with regional agency partners. Staff met with the California Council for Environmental & Economic Balance to discuss the CAP multi-pollutant evaluation method. Staff hosted public workshops in Mountain View and Oakland and received comments on the CAP draft control strategies.

Staff continued with the CEQA Guidelines update. Draft Guidelines and significance thresholds were posted on September 4. Staff hosted public workshops in Redwood City, Santa Rosa, Oakland and Mountain View to present and receive comments on the Draft CEQA Guidelines.

Staff launched the San Francisco Climate Action Portal. The climate portal provides resources and tools to assist local governments in preparing climate action plans and strategies to reduce GHG emissions. Staff presented a preliminary concept for the Bay Area Clean Air Foundation to the Climate Protection Committee and Executive Committee. Staff continued to work with Climate Protection Grant recipients to review their work, track progress and ensure completion of grant funded activities.

Rule Development Program

Staff presented proposed amendments to Regulation 8, Rule 3: Architectural Coating at a public hearing on July 1, 2009; the Board of Directors adopted the amendments. The Board also adopted amendments to Regulation 8, Rule 32: Wood Products Coating, and the associated Manual of Procedures, Volume I, Number 6: Emissions Averaging on August 5, 2009. Staff hosted two public workshops in August to consider input on draft amendments to District Regulation 8, Rule 50: Polyester Resin Operations. Staff participated in the 2009 Clean Air Plan workshops and is working to refine potential stationary source control measures.

Staff is developing amendments to Regulation 9, Rule 10 concerning NO_x emissions from petroleum refinery heaters and is in the process of collecting samples of wastewater from coke cutting operations at refineries to analyze for air emissions. Staff has initiated development of a proposed regulation for foundries and metal melting facilities. Staff has been working as part of the San Joaquin air district's task force on composting emissions, and has participated with EPA on utilizing reactivity in regulations.

Research and Modeling Program

Staff participated in several CCOS and CRPAQS meetings organized by ARB to discuss the status of collaborative northern California ozone and PM related studies. Staff completed the preliminary analysis of available PM data in the Bay Area and simulation of selected captured PM episodes, and prepared a draft findings document. Staff, working with researchers at UC Davis, identified Bay Area winter meteorological conditions causing high PM concentrations. Staff assisted in evaluating impacts of the wood burning regulation on Bay Area PM levels during winter 2008-2009 and in strategizing the winter

2009-2010 campaign. Staff worked with Sonoma Technology, Inc. in developing future year (2015 and 2020) air toxics and PM emissions inventories to support the CARE program and PM modeling activities. Staff continued working on the Multi-Pollutant Evaluation Method to support the preparation of the 2009 Clean Air Plan. Staff assisted staff from the Engineering Division in the investigation of the impacts of emissions from the proposed Russell City Energy Center in Hayward and from Pacific Steel Casting in Berkeley.

Emission Inventory

Staff continued work on preparing the 2008 base year emission inventory and the Small Ports Emissions Inventory. Staff continued providing emission inventory data and guidance to District staff on various tasks, including the 2009 Clean Air Plan, the Heavy Duty Diesel Truck Replacement Program, and the CARE program. Staff began preparing the comprehensive point source data report for ARB. Staff attended ARB's GHG Sector (Refinery, Cement, and Electrical transactions) training in Sacramento and ARB's GHG Emissions Verification training in Diamond Bar. Staff prepared the documentation for the District's 2008 GHG inventory for verification. Staff responded to inquiries from local governments regarding preparation of GHG emission inventories.

STRATEGIC INCENTIVES – K. SCHKOLNICK, ACTING DIRECTOR

Goods Movement/Port Truck Retrofit Program

The 2009 Port Truck Retrofit Program continued to process grant projects at an unprecedented rate. As of 9/30, 687 draft funding agreements had been generated and delivered, 442 agreements were fully executed, and 153 retrofits had been installed, with an additional 425 scheduled to be installed by the end of October. Since opening on 5/4, the OT 411 Port Center has hosted over 3,200 visits and distributed over 1,650 application packets.

Transportation Fund for Clean Air (TFCA) Program

Regional Fund

A Call for Projects for Shuttle, Vanpool and Regional Rideshare applications opened on 7/21. Staff received 12 applications and prepared a recommendation to fund 10 of the projects, for a total of \$3,847,372.

County Program Manager Fund

FY 09/10 Program Manager Fund agreements were executed for all nine counties, for an estimated total of \$9,784,974.37, by 8/20.

Bicycle Facility Program (BFP)

On 7/1, the Board of Directors approved the Annual Report for FY 2008/2009, and the proposed Policies and an allocation of \$600,000 in TFCA Regional Funds for FY 2009/2010. Staff released the Application and Guidance on 7/29, and began reviewing applications on 9/14. Fifteen applications were received, requesting a total \$683,665 in funding.

Carl Moyer (CMP)/Mobile Source Incentive Fund (MSIF) Program:

- The Air District received a Sacramento Sustainable Business award for its work on the Capitol Corridor locomotive project.
- The Board of Directors approved \$6,844,216 in Carl Moyer Program Year 11 projects with proposed grant awards over \$100,000, on 7/1
- Staff submitted the District 2009 Yearly report to ARB. The report summarized the expenditures and allocations for CMP years 8, 9, 10 and 11.
- Staff launched a new Voucher Incentive Program on 7/7. The goal of this program is to incentivize owners of small fleets (3 or fewer vehicles) to replace their older heavy-duty diesel vehicles with cleaner diesel vehicles.
- The Off-road Equipment Replacement Program opened for applications on 9/2.
- Staff worked with consultants throughout the quarter on the development of an online grant application tool/production system.

Vehicle Buy Back Program

The program was expanded on 7/1, increasing eligibility by two years—to 1989 or older vehicles—and increasing payment from \$650 to \$1000 per vehicle. Since that time, the program has experienced a dramatic increase in volume. Volume is an estimated 50% higher than the year before. Staff is carefully monitoring trends and available funding.

Lower Emission School Bus Program (LESBP)

One funding agreement for bus replacement was executed, and another agreement for State DERA-funded school bus retrofits was executed.

Greenhouse Gas Reduction Grant Program

An RFP for energy efficiency and renewable energy projects in non-residential, public buildings in Rodeo, Hercules, Pinole, and Crockett was released on 9/3. Applications are due 11/16.

Outreach

Staff engaged in outreach and stakeholder engagement throughout the quarter. Highlights include the following:

- The Air District issued a task order with Riezebos Holzbaur Design Group (RHDG) for outreach on Carl Moyer grant opportunities.
- Staff presented Carl Moyer Program materials at the Contra Costa County Environmental Justice Workshop, 6/24.
- Staff held a training session for truck dealerships and dismantlers participating in the District's new Voucher Incentive Program, 6/25.
- Staff presented at a regional Electric Vehicle forum, on funding opportunities for alternative fuel vehicles and infrastructure, held in Oakland on 7/8.

- Staff attended 2009 Plug-In Conference on electric vehicle technology sponsored by the Electric Power Research Institute (EPRI) and Silicon Valley Leadership Group on 8/10-8/13.
- Staff attended a forum on electric vehicle technology sponsored by the Joint Venture's Climate Prosperity Project, 8/19.
- Staff held an application workshop for shuttle, rideshare, and bicycle facility projects, 8/7.
- Staff conducted dealer training workshops for the new Off-road Equipment Replacement Program.
- Staff met with a manufacturer and vendor of hybrid school buses, 8/19.
- Staff presented at a regional Electric Vehicle forum, on funding opportunities for alternative fuel vehicles and infrastructure, held in San Jose on 9/15.
- Staff attended and provided CMP program information at the ARB Diesel Vehicle Regulation Overview Course, 9/17.
- Staff conducted dealer training sessions for both the Off-road Equipment Replacement Program and the Voucher Incentive Program, 9/22.
- Staff met with five representatives of alternative-fuel vehicle and infrastructure providers during September.
- For the Greenhouse Gas Reduction Grant Program, an application workshop is scheduled for 10/16 in Rodeo.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Quality

During the third quarter of 2009 ozone levels exceeded the 8-hr national ozone standard on 3 days. The 8-hr State standard was exceeded on 8 days and the 1-hr State standard was exceeded on 7 days. For the entire summer, the national ozone standard was exceeded on 8 days in the Bay Area. July through September had compared to 12 days last summer.

There were 3 periods when temperatures reached 99 degrees or above, resulting in 6 hot days (with temperatures of 99 degrees or higher) during the quarter, and 9 hot days for the entire summer. Last year there were 16 hot days during the summer.

Smoke from the Lockheed wildfire in the Santa Cruz Mountains near Bonnie Doon was transported into the Bay Area, causing an exceedance of the 24-hr national PM_{2.5} standard on August 14th at Gilroy (36.6 µg/m³).

Air Monitoring

All 27 air monitoring stations were operating from July 1st to September 30th 2009. With the exception of the San Pablo site that was damaged in a fire, The Air District is currently working with insurance carries to affect repairs at the San Pablo Station.

Meteorology and Forecasting

Second quarter 2009 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality, Spare the Air, and burn forecasts. Staff completed a calibration of the Air District's meteorological network.

Performance Evaluation

The Performance Evaluation (PE) group conducted regular, mandated performance audits of 76 monitors at 24 Air District monitoring stations. PE staff completed performance audits on the Ground Level Monitoring networks at the Tesoro, Valero, and Chevron Refineries; all monitors passed the audits. Staff performed a start-up audit of the Hex Chrome sampler located at the Stevens Creek Elementary School in Cupertino. The Hex Chrome sampling in Cupertino is one of several nationwide monitoring projects under the EPA Schools Toxics Monitoring Study. Staff attended a training class for the chromatography instrument, which will be used at the new PAMS sites expected to begin operation in 2010.

Laboratory

In addition to routine ongoing analyses, five gel coat samples from various facilities in the Bay Area were analyzed for VOC content and % monomer in support of Rule Development.

The laboratory participated in a biannual proficiency audit in order to maintain its accreditation for asbestos analysis. The lab passed the audit with zero deficiencies.

An air sample taken on July 20th from smoldering fires in the salvage yard adjacent to the Rosal Pull N Save, in Brentwood was analyzed for toxic compounds.

Source Test

Ongoing Source Test activities during July, August, and September of 2009 included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Rodeo Refinery's open path monitor monthly reports for June, July, and August were reviewed. The Source Test Section continued its participation in the District's Rule Development efforts and Business System's Analysis for the new Production System.

STATISTICS

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

General Checks Issued	1,551
Purchase Orders Issued	584
Checks/Credit Cards Processed	3,808
Contracts Completed	66
RFP's	1

Executive Office:

Meetings Attended	169
Board Meetings Held	3
Committee Meetings Held	6
Advisory Council Meetings Held	2
Hearing Board Meetings Held	1
Variances Received	2

Information Systems

New Installation Completed	11
PC Upgrades Completed	42
Service Calls Completed	655

Human Resources

Manager/Employee Consultation (Hrs.)	280
Management Projects (Hrs.)	280
Employee/Benefit Transaction	480
Training Sessions Conducted	11
Applications Processed	230
Exams Conducted	5
New Hires	0
Payroll Administration (Hrs.)	520
Safety Administration	150
Inquiries (voice/telephone/in-person)	5,600

Vehicle/Building Maintenance

Vehicle Services Completed	95
Requests for Building Services	572

Compliance and Operations Program

Asbestos Plans Rec'd	1,423
Coating and other petitions Evaluated	10
Open Burn Notifications Rec'd	29
Prescribed Burn Plans Evaluated	15
Smoking Vehicle Complaints Rec'd	2,619
Tank/Soil Removal Notifications Rec'd	35
Compliance Assistance Inquiries Rec'd	161
Green Business Reviews	15
Flare Notifications	41

Compliance Assurance Program

Industrial Inspections Conducted	1,907
GDF Inspections Conducted	582
Asbestos Inspections Conducted	478
Open Burning Inspections Conducted	21
Auto Body/Dry Cleaning Inspections Conducted	82
Grants Inspections Conducted	450

Engineering Division:

Annual Update Packages Started	865
Annual Update Packages Completed	1,341
Total Update Pages Entered	1,012
New Applications Received	353
Authorities to Construct Issued	172
Permits to Operate Issued	510
Exemptions	26
Authorities to Construct Denied	1
New Companies added to Databank during the 3rd Quarter 2009	140

Communications Division:

Presentations Made	41
Responses to Media Inquiries	123
Press Releases	20
General Requests for Information	1,300
Visitors	3

STATISTICS (continued)

Compliance and Enforcement Division:

Enforcement Program

Reportable Compliance Activity Investigated	136
Citizen Complaints Investigated	645
GDF Tags Issued	19
Violations Resulting in Notices of Violation	213
Violations Resulting in Notice to Comply	47
New Hearing Board Cases Reviewed	0

Technical Services:

3rd Quarter 2009 Ambient Air Monitoring

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	1
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding the Nat'l 8-hour Ozone Std.....	3
Days Exceeding the State 1-hour Ozone Std.....	7
Days Exceeding the State 8-hour Ozone Std.....	8

Ozone Totals, Jan.-Dec. 2009

Days Exceeding Nat'l 8-hour Ozone Std.....	8
Days Exceeding State 1-hour Ozone Std.....	11
Days Exceeding State 8-hour Ozone Std.....	13

Particulate Totals, Jan.-Dec. 2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	7
Days Exceeding the Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	0

PM_{2.5} Winter Season Totals for 2008-2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	13
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3rd Quarter 2009 Agricultural Burn Days

July-Sept. Permissive Burn Days – North.....	64
July-Sept. No-Burn Days – North.....	28
July-Sept. Permissive Burn Days – South.....	61
July-Sept. No-Burn Days – South.....	31
July-Sept. Permissive Burn Days – Coastal.....	66
July-Sept. No Burn Days – Coastal.....	26

Laboratory

Sample Analyzed.....	1,065
Inter-Laboratory Analyses.....	1

Technical Library

Titles Indexed/Cataloged	
Periodicals Received/Routed	

Source Test

Total Source Tests.....	213
Pending Source Tests.....	5
Violation Notices Recommended.....	8
Contractor Source Tests Reviewed.....	2,879

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.....	44
Monthly CEM Reports Reviewed.....	144
Indicated Excesses from CEM.....	25

Ground Level Monitoring (GLM)

July-Sept. Ground Level Monitoring SO ₂ Excess Reports.....	0
July-Sept. Ground Level Monitoring H ₂ S Excess Reports.....	1

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	C6134	Lawrence Berkeley Laboratory	Berkeley	Gasoline Dispensing Facilities
07/07/2009	C7925	Campus Mini-Mart	Berkeley	Gasoline Dispensing Facilities
07/07/2009	C0130	Chevron USA #0877	Berkeley	Gasoline Dispensing Facilities
07/08/2009	C0121	University Arco	Berkeley	Gasoline Dispensing Facilities
07/07/2009	C7480	Stop & Save	Castro Valley	Gasoline Dispensing Facilities
07/07/2009	C9652	Dublin Dougherty Shell	Dublin	Gasoline Dispensing Facilities
07/07/2009	D0134	San Ramon Arco	Dublin	Gasoline Dispensing Facilities
07/17/2009	T6974	CCNI ANCUD	Emeryville	Particulate Matter & Visible Emissions
07/07/2009	D0358	Andy's Valero	Fremont	Gasoline Dispensing Facilities
07/08/2009	C8687	Warm Spring Gas	Fremont	Gasoline Dispensing Facilities
07/15/2009	D0587	Max Gas	Fremont	Gasoline Dispensing Facilities
07/17/2009	A8391	Western Digital Corporation	Fremont	Failure to Meet Permit Conditions
08/11/2009	C9640	Valley Automated Fuels, Inc	Fremont	Gasoline Dispensing Facilities
08/20/2009	C0189	Nella Oil dba Flyers	Fremont	Permit to Operate; Gasoline Dispensing Facilities
08/21/2009	C9926	Warm Springs Auto Services Inc	Fremont	Gasoline Dispensing Facilities
07/08/2009	C5507	Bay Area Holdener Petroleum Co	Hayward	Gasoline Dispensing Facilities
08/21/2009	C9598	Harder Road Beacon	Hayward	Gasoline Dispensing Facilities
08/21/2009	C8798	Hayward Unified School District	Hayward	Gasoline Dispensing Facilities
08/21/2009	C8775	All American Oil	Hayward	Gasoline Dispensing Facilities
08/21/2009	C9849	Foothill Chevron - Bedrock Oil, Inc	Hayward	Gasoline Dispensing Facilities
09/03/2009	D1118	Valley Automated Fuels Inc	Hayward	Gasoline Dispensing Facilities
09/15/2009	A0200	Rohm and Haas Chemicals LLC	Hayward	Failure to Meet Permit Conditions
09/24/2009	C8026	Quick Gas N Shop	Hayward	Gasoline Dispensing Facilities
07/02/2009	C8949	Unocal #6034	Livermore	Gasoline Dispensing Facilities
07/07/2009	C9998	Portola Food and Liquor	Livermore	Gasoline Dispensing Facilities
07/17/2009	A5095	Republic Services Vasco Road, LLC	Livermore	Authority to Construct; Permit to Operate; Major Facility Review (Title V)
07/07/2009	C8521	Newark Chevron	Newark	Gasoline Dispensing Facilities
07/31/2009	I0177	BURGER KING # 6947	Newark	Particulate Matter & Visible Emissions
07/07/2009	C0539	Broadway Express Gas	Oakland	Gasoline Dispensing Facilities
07/07/2009	D0035	Lake Merritt Gasoline - Sanjiv N	Oakland	Gasoline Dispensing Facilities
07/07/2009	C8826	Chevron Inc	Oakland	Gasoline Dispensing Facilities
07/07/2009	C9259	Chevron USA #9-3322	Oakland	Gasoline Dispensing Facilities

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009
Continued

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	C9906	Metro Shop & Gas #2	Oakland	Gasoline Dispensing Facilities
07/08/2009	C0553	Pacific Pride	Oakland	Gasoline Dispensing Facilities
08/05/2009	C9274	76 Gas Station #11102	Oakland	Gasoline Dispensing Facilities
08/21/2009	C0760	Westco Gas	Oakland	Gasoline Dispensing Facilities
08/21/2009	C7901	Guy's Service Gas-Diesel	Oakland	Gasoline Dispensing Facilities
07/07/2009	D0914	Piedmont Valero Service Center	Piedmont	Gasoline Dispensing Facilities
07/07/2009	C8739	Santa Rita Shell #135786	Pleasanton	Gasoline Dispensing Facilities
07/31/2009	I0105	Burger King 2795	Pleasanton	Particulate Matter & Visible Emissions
08/20/2009	C8344	City of Pleasanton Service Center	Pleasanton	Gasoline Dispensing Facilities
08/20/2009	C7854	Pleasanton Police Department	Pleasanton	Gasoline Dispensing Facilities
07/07/2009	C9925	ConocoPhillips #255430	San Leandro	Gasoline Dispensing Facilities
07/08/2009	D0060	Premier Gasoline and Snacks	San Leandro	Gasoline Dispensing Facilities
08/21/2009	C0693	Foothill Chevron	San Leandro	Gasoline Dispensing Facilities
08/21/2009	C5765	Unocal Service Station #3955	San Leandro	Gasoline Dispensing Facilities
08/21/2009	C7137	All Star Gas	San Leandro	Gasoline Dispensing Facilities
08/21/2009	C0096	Crazy Charlie's Cardlock	San Leandro	Gasoline Dispensing Facilities
08/21/2009	C8384	Bedrock Oil	San Lorenzo	Gasoline Dispensing Facilities
08/21/2009	C8505	Alvarado Valero	Union City	Gasoline Dispensing Facilities

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009
Continued

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	C9980	Gas City	Antioch	Gasoline Dispensing Facilities Asbestos Demolition, Renovation & Mfg.
08/03/2009	T7186	Abraham Amoah	Antioch	Gasoline Dispensing Facilities
08/05/2009	C9590	Gas of America	Antioch	Gasoline Dispensing Facilities
08/12/2009	C9586	Lone Tree Shell	Antioch	Gasoline Dispensing Facilities
08/20/2009	C9586	Lone Tree Shell	Antioch	Gasoline Dispensing Facilities
07/07/2009	C0930	So Coast Service, LP Douglas Lindsey	Brentwood	Gasoline Dispensing Facilities
07/07/2009	C9971	Circle "A" Foodmart	Brentwood	Gasoline Dispensing Facilities
07/07/2009	C0931	ARCO Store #6511	Brentwood	Gasoline Dispensing Facilities
08/21/2009	C1164	Brentwood American Station	Brentwood	Gasoline Dispensing Facilities
07/07/2009	C8893	Byron Mini Mart	Byron	Gasoline Dispensing Facilities
07/07/2009	C9969	Bonfare Markets	Concord	Gasoline Dispensing Facilities
07/07/2009	C9970	Bonfare Markets	Concord	Gasoline Dispensing Facilities
07/07/2009	D0479	Gasco	Concord	Gasoline Dispensing Facilities
07/07/2009	D0527	Super Gas and Liquor	Concord	Gasoline Dispensing Facilities
08/20/2009	C9533	Concord Smog & Gas	Concord	Gasoline Dispensing Facilities
08/21/2009	C5665	M & M Mini Market	Concord	Gasoline Dispensing Facilities
09/15/2009	A4022	SFPP, L P	Concord	Storage of Organic Liquids
07/15/2009	C8606	Crockett Auto Service	Crockett	Gasoline Dispensing Facilities
07/07/2009	C9294	Tosco Facility #11142	Danville	Gasoline Dispensing Facilities
07/15/2009	C0047	Roneer Enterprises Inc	Danville	Gasoline Dispensing Facilities
07/07/2009	C1359	EGC Service Station	El Sobrante	Gasoline Dispensing Facilities
07/07/2009	C9116	Unocal #3906	El Sobrante	Gasoline Dispensing Facilities
07/08/2009	C9726	Golden Gate Petroleum	El Sobrante	Gasoline Dispensing Facilities
07/07/2009	C7640	Alwand Service Station, Inc	Lafayette	Gasoline Dispensing Facilities
07/08/2009	C6522	Virginia Hill Auto Center	Martinez	Gasoline Dispensing Facilities
07/17/2009	A2094	Contra Costa County	Martinez	Failure to Meet Permit Conditions Major Facility Review (Title V); Storage of Organic Liquids
07/17/2009	A7034	Plains Products Terminals LLC	Martinez	Storage of Organic Liquids
07/17/2009	B1956	Equilon Enterprises LLC	Martinez	Failure to Meet Permit Conditions; Gasoline Bulk Terminals & Gasoline Delivery Vehicle
07/21/2009	B2758	Tesoro Refining and Marketing Company	Martinez	Standards of Performance for New Stationary Sources; Flare Monitoring at Petroleum Refineries; Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V); Episodic Releases From Pressure Relief Devices at Petroleum Refinery
07/30/2009	T7142	Moran Shipping Agencies, Inc.	Martinez	Marine Vessel Loading Terminals
08/28/2009	A0091	Chevron Avon Terminal	Martinez	Failure to Meet Permit Conditions

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009
Continued

Contra Costa County continued

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	D0246	Lamorinda Food Mart and Gasoline	Moraga	Gasoline Dispensing Facilities
08/12/2009	D1104	Moraga Service Center	Moraga	Gasoline Dispensing Facilities
08/20/2009	C8950	Unocal Service Station #3937	Moraga	Gasoline Dispensing Facilities
08/24/2009	D0504	American Gas	Moraga	Gasoline Dispensing Facilities
07/17/2009	J9151	Foundation Constructors	Oakley	Particulate Matter & Visible Emissions
07/07/2009	C0377	Major Line Gas & Mart	Pinole	Gasoline Dispensing Facilities
09/03/2009	C8271	Pittsburg Shell	Pittsburg	Gasoline Dispensing Facilities
07/07/2009	C1620	San Pablo Gas and Snacks	Richmond	Gasoline Dispensing Facilities
07/07/2009	C8605	Sunny Chevron	Richmond	Gasoline Dispensing Facilities
07/08/2009	D0450	Cutting Mini Market (ARCO)	Richmond	Gasoline Dispensing Facilities
07/17/2009	A0010	Chevron Products Company	Richmond	Standards of Performance for New Stationary Sources; Equipment Leaks
07/20/2009	R0790	Sentinel Transportation	Richmond	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
07/21/2009	C9922	Do It Fluid	Richmond	Gasoline Dispensing Facilities
08/28/2009	A0057	BP West Coast Products, LLC	Richmond	Storage of Organic Liquids; Wastewater (Oil - Water) Separators
07/17/2009	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Standards of Performance for New Stationary Sources; Major Facility Review (Title V); Equipment Leaks; Storage of Organic Liquids
08/27/2009	B9653	Pinole Rodeo Auto Wreckers	Rodeo	Authority to Construct; Permit to Operate
07/07/2009	C0393	City of San Pablo Corporation Yard	San Pablo	Gasoline Dispensing Facilities
07/07/2009	C8906	Top Food and Gas	San Pablo	Gasoline Dispensing Facilities

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009
Continued

Contra Costa County continued

Status Date	Site #	Site Name	City	Regulation Title
07/08/2009	D0362	Valero Refining Co SS#7272	San Pablo	Gasoline Dispensing Facilities
08/25/2009	C9302	BP Station #11152 *ARCH* *ARCH*	San Pablo	Gasoline Dispensing Facilities
07/07/2009	C9250	San Ramon Shell	San Ramon	Gasoline Dispensing Facilities
07/07/2009	C7291	San Ramon Gas Food & Liquor	San Ramon	Gasoline Dispensing Facilities
07/07/2009	C6072	Unocal #6578	San Ramon	Gasoline Dispensing Facilities
08/12/2009	D0400	Valero Refining Co SS#7974	San Ramon	Failure to Meet Permit Conditions
08/20/2009	C9129	Sponges Car Wash	San Ramon	Gasoline Dispensing Facilities
07/08/2009	C9838	Chevron Inc	Walnut Creek	Gasoline Dispensing Facilities
08/20/2009	C7639	Coast Gasoline & Service	Walnut Creek	Gasoline Dispensing Facilities
08/21/2009	C1719	Main Street Chevron	Walnut Creek	Gasoline Dispensing Facilities
09/03/2009	C9461	Gavs Auto Care	Walnut Creek	Gasoline Dispensing Facilities

Marin County

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	C8409	Marin Municipal Water District	Corte Madera	Gasoline Dispensing Facilities
07/07/2009	C8997	Ferraro Service Station	Fairfax	Gasoline Dispensing Facilities
07/07/2009	C7948	Unocal SS #7380	Mill Valley	Gasoline Dispensing Facilities
07/17/2009	A1179	Redwood Landfill Inc	Novato	Authority to Construct; Permit to Operate
07/28/2009	S9553	Pimentel Construction	San Anselmo	Asbestos Demolition, Renovation & Mfg.

These Facilities have Received one or more Notices of Violations
Report period: July 1, 2009 – September 30, 2009
Continued

Napa County

Status Date	Site #	Site Name	City	Regulation Title
07/15/2009	C7248	VCS #5	Saint Helena	Gasoline Dispensing Facilities

San Francisco County

Status Date	Site #	Site Name	City	Regulation Title
07/07/2009	C9908	Silver Gas	San Francisco	Gasoline Dispensing Facilities
08/12/2009	C8121	TAMM Auto Service Corp	San Francisco	Gasoline Dispensing Facilities
08/12/2009	C9106	Tosco Facility #4200	San Francisco	Gasoline Dispensing Facilities
08/12/2009	C2175	Union 76 branded gasoline statio	San Francisco	Gasoline Dispensing Facilities
08/21/2009	C2354	Unocal #5459	San Francisco	Gasoline Dispensing Facilities
08/21/2009	C8313	Mission 76	San Francisco	Gasoline Dispensing Facilities
08/21/2009	C0805	Valero SS#7959	San Francisco	Gasoline Dispensing Facilities
09/24/2009	C5338	MiraLoma Auto Care Inc	San Francisco	Gasoline Dispensing Facilities

San Mateo County

Status Date	Site #	Site Name	City	Regulation Title
08/21/2009	D0421	Valero Refining Co SS#7044	Foster City	Gasoline Dispensing Facilities
07/07/2009	C9889	Menlo Park Beacon	Menlo Park	Gasoline Dispensing Facilities
08/21/2009	C0013	Pacifica Chevron	Pacifica	Gasoline Dispensing Facilities
07/07/2009	C9115	Unocal\Union Oil Co of California Fifth Avenue Enterprises dba	Palo Alto	Gasoline Dispensing Facilities Gasoline Dispensing Facilities
07/14/2009	C9772	Silver Gas	Redwood City	Gasoline Dispensing Facilities
07/14/2009	C8999	Canyon Gas & Propane	Redwood City	Gasoline Dispensing Facilities
07/15/2009	C8967	United Airlines - SFOPV	San Francisco	Gasoline Dispensing Facilities
07/07/2009	C3206	Peninsula Chevron	San Mateo	Gasoline Dispensing Facilities
07/28/2009	T7101	DLR Construction	San Mateo	Asbestos Demolition, Renovation & Mfg.
08/21/2009	C7949	Coast Gasoline Station	San Mateo	Gasoline Dispensing Facilities
07/08/2009	C9543	Shell Service Station	South San Francisco	Gasoline Dispensing Facilities
07/15/2009	C9707	Spruce Street Car Wash	South San Francisco	Gasoline Dispensing Facilities
09/24/2009	D0753	Skywood Trading Post	Woodside	Gasoline Dispensing Facilities

**Closed NOV's with Penalties by County
July 2009 - September 2009**

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
76 Gas Station	D0134	Dublin	\$1,000	1
76 Gas Station #11102	C9274	Oakland	\$500	1
Amber Flooring, Inc.	B9165	Oakland	\$1,000	2
Andy's Valero	D0358	Fremont	\$1,000	1
ARCO Fac #771/AM PM Mini Market-NARRA INC	C7939	Livermore	\$300	1
Bay Area Holdener Petroleum Co	C5507	Hayward	\$1,000	1
Broadway Express Gas	C0539	Oakland	\$775	1
CCNI ANCUD	T6974	Emeryville	\$5,000	1
Chevron #1745	C0090	Berkeley	\$700	1
Chevron Inc	C8826	Oakland	\$1,000	1
Chevron USA #0877	C0130	Berkeley	\$1,000	1
Chevron USA #9-3322	C9259	Oakland	\$700	1
City of Alameda, Maintenance Serv Div	C7128	Alameda	\$500	1
ConocoPhillips #255430	C9925	San Leandro	\$300	1
Dublin Dougherty Shell	C9652	Dublin	\$1,000	1
Dublin Fed Prison, ATTN: D Hickey, Garage	C9577	Dublin	\$500	1
East Bay Municipal Utility Dist	B3743	San Lorenzo	\$500	1
Fremont Gas & Car Wash	D0582	Fremont	\$700	1
Fruitvale Union 76	C6872	Oakland	\$600	1
Golden Gas	C9693	Oakland	\$700	1

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Alameda (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Ken Betts Chevron	C0803	Oakland	\$250	1
Lake Merritt Gasoline - Sanjiv N	D0035	Oakland	\$775	1
Lawrence Berkeley Laboratory	C6134	Berkeley	\$300	1
Max Gas	D0587	Fremont	\$775	1
Metro Shop & Gas #2	C9906	Oakland	\$700	1
Morton International Inc	A0079	Newark	\$4,500	2
Newark Chevron	C8521	Newark	\$700	1
Pacific Pride	C0553	Oakland	\$1,000	1
Piedmont Valero Service Center	D0914	Piedmont	\$700	1
Portola Food and Liquor	C9998	Livermore	\$550	1
Premier Gasoline and Snacks	D0060	San Leandro	\$700	1
Quick Gas N Shop	C8026	Hayward	\$700	2
Santa Rita Shell #135786	C8739	Pleasanton	\$1,000	1
SAVE ON GAS - WING WONG	C0279	Oakland	\$1,000	1
Seminary Gas	C8544	Oakland	\$600	1
Sterling Environmental Corp.	T5275	Oakland	\$1,250	1
Stop & Save	C7480	Castro Valley	\$1,000	1
University Arco	C0121	Berkeley	\$1,000	1
Unocal Service Station #3955	C5765	San Leandro	\$300	1
Valley Automated Fuels, Inc	C9640	Fremont	\$1,000	1

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Alameda (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Warm Spring Gas	C8687	Fremont	\$775	1
Westco Gas	C0760	Oakland	\$700	1
Wheels America	B2032	Union City	\$300	1

Total Violations Closed: 46

Contra Costa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Alwand Service Station, Inc	C7640	Lafayette	\$700	1
ARCO Store #6511	C0931	Brentwood	\$1,000	1
Bonfare Markets	C9969	Concord	\$1,000	1
Bonfare Markets	C9970	Concord	\$1,000	1
BP Station #11152 *ARCH* *ARCH*	C9302	San Pablo	\$1,000	1
Brentwood American Station	C1164	Brentwood	\$650	1
Byron Mini Mart	C8893	Byron	\$1,000	1
Chevron Inc	C9838	Walnut Creek	\$600	1
Circle "A" Foodmart	C9971	Brentwood	\$850	1
City of San Pablo Corporation Yard	C0393	San Pablo	\$600	1
ConocoPhillips #2709143	C9295	San Ramon	\$350	1
Crockett Auto Service	C8606	Crockett	\$550	1
Cutting Mini Market (ARCO)	D0450	Richmond	\$1,000	1

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Contra Costa (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Dahl-Beck Electric	A7668	Richmond	\$1,500	2
Do It Fluid	C9922	Richmond	\$500	1
East Bay Municipal Utility Dist	B3719	Orinda	\$1,000	2
EGC Service Station	C1359	El Sobrante	\$975	1
Equilon Enterprises LLC	B1956	Martinez	\$12,000	2
Foundation Constructors	J2088	Oakley	\$1,000	1
Gas City	C9980	Antioch	\$700	1
Gas of America	C9590	Antioch	\$900	1
Gasco	D0479	Concord	\$775	1
Golden Gate Petroleum	C9726	El Sobrante	\$1,000	1
Gulf Transportation	A0745	Concord	\$750	1
Gulf Transportation	Q5080	Concord	\$750	1
Kay & Appian Express Mart & Gaso	C9477	El Sobrante	\$550	1
Lamorinda Food Mart and Gasoline	D0246	Moraga	\$500	1
Main Street Chevron	C1719	Walnut Creek	\$1,000	1
Major Line Gas & Mart	C0377	Pinole	\$975	1
Pleasant Hill Shell-Shell Oil Products	D0455	Pleasant Hill	\$750	2
Ron Nunn Farms	T5729	Brentwood	\$4,000	1
Roneer Enterprises Inc	C0047	Danville	\$1,000	1
San Pablo Gas and Snacks	C1620	Richmond	\$1,000	1

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Contra Costa (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
San Ramon Gas Food & Liquor	C7291	San Ramon	\$550	1
San Ramon Shell	C9250	San Ramon	\$1,000	1
Sentinel Transportation	R0790	Richmond	\$600	1
So Coast Service, LP Douglas Lindsey	C0930	Brentwood	\$1,000	1
Sponges Car Wash	C9129	San Ramon	\$1,000	1
Stop & Save Gasoline	C7223	Richmond	\$1,250	4
Sunny Chevron	C8605	Richmond	\$700	1
Super Gas and Liquor	D0527	Concord	\$700	1
Top Food and Gas	C8906	San Pablo	\$1,000	1
Tosco Facility #11142	C9294	Danville	\$850	1
Tri-Convenience Store	C7345	Martinez	\$400	1
Unocal #3906	C9116	El Sobrante	\$775	1
Unocal #6578	C6072	San Ramon	\$700	1
Unocal Service Station #3937	C8950	Moraga	\$1,000	1
Valero Refining Co SS#7272	D0362	San Pablo	\$700	1
Virginia Hill Auto Center	C6522	Martinez	\$700	1
Vogue Cleaners	B1287	Pleasant Hill	\$500	1
Walnut Creek Gasoline	C9293	Walnut Creek	\$700	1

Total Violations Closed: 58

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

District Wide

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Samuel and/or Frances Farr	T5389	Lakeview	\$650	1
Venoco Inc.	A0813	Yuba City	\$1,000	1
Vitoil, Inc.	S5717	Studio City	\$5,000	1

Total Violations Closed: 3

Marin

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Fara's Auto Repair	C8934	San Anselmo	\$500	1
Ferraro Service Station	C8997	Fairfax	\$550	1
Marin Municipal Water District	C8408	Fairfax	\$850	1
Marin Municipal Water District	C8409	Corte Madera	\$850	1
Unocal SS #7380	C7948	Mill Valley	\$1,000	1

Total Violations Closed: 5

Napa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Clover Flat Landfill Inc	B1247	Calistoga	\$3,000	3
Michael Chiarello	T5715	Saint Helena	\$1,500	1
Peju Winery	J0673	Rutherford	\$2,500	1
Sam Gittings	T5320	Napa	\$1,650	1
VCS #5	C7248	Saint Helena	\$900	1

Total Violations Closed: 7

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

San Francisco

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Mirant Potrero, LLC	A0026	San Francisco	\$6,250	1
Silver Gas	C9908	San Francisco	\$700	1
Tosco Facility #4200	C9106	San Francisco	\$700	1
Union 76 branded gasoline statio	C2175	San Francisco	\$700	1
Unocal #5459	C2354	San Francisco	\$700	1

Total Violations Closed: 5

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Canyon Gas & Propane	C8999	Redwood City	\$700	1
Coast Gasoline Station	C7949	San Mateo	\$700	1
Fifth Avenue Enterprises dba Silver Gas	C9772	Redwood City	\$700	1
Menlo Park Beacon	C9889	Menlo Park	\$800	1
Millbrae Gas and Food	D0497	Millbrae	\$700	1
Pacific Fuel & Auto Service, Inc	D0752	San Mateo	\$900	1
Pacifica Chevron	C0013	Pacifica	\$1,000	1
Peninsula Chevron	C3206	San Mateo	\$775	1
Shell Service Station	C9543	South San Francisco	\$1,000	1
Spruce Street Car Wash	C9707	South San Francisco	\$500	1
United Airlines - SFOPV	C8967	San Francisco	\$750	1
Unocal\Union Oil Co of California	C9115	Palo Alto	\$1,000	1

Total Violations Closed: 12

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
ARCO #2145	C6528	Sunnyvale	\$1,000	1
ARCO AM/PM	D0619	Morgan Hill	\$750	2
Arturo Gas Station	C9872	San Jose	\$500	1
Cadence Design Systems, Inc	B7019	San Jose	\$2,000	1
California's Great America	B0647	Santa Clara	\$500	1
Chevron #8247	C4232	San Jose	\$700	1
City Gilroy Gas Station	D0158	Gilroy	\$775	1
Coast Oil Company, LLC	A2981	Gilroy	\$500	1
Coast Oil Company, LLC	C0265	Gilroy	\$500	1
Cochrane Chevron - Attn : Sunny	C0758	Morgan Hill	\$1,000	1
Contract Transportation Service	C8793	San Jose	\$1,000	2
Cupertino Beacon	C6681	Cupertino	\$850	1
eBay / WPR	B6777	San Jose	\$500	1
Express Gas & Auto Service	C0528	San Jose	\$500	1
Gary Andrews Campus Service Inc	C3768	Stanford	\$975	1
Gas N' Go	C9723	San Jose	\$775	1
Hecker Pass Gas Mart	C8208	Gilroy	\$500	1
J.N. Abbott Distributor	S4982	Gilroy	\$500	1
Jeff Drennon	T4940	San Martin	\$500	1

**Closed NOV's with Penalties by County
July 2009 - September 2009
Continued**

Santa Clara (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Jim Davis Texaco	C7164	Palo Alto	\$800	1
L & D Service Station	C7261	San Jose	\$700	1
Los Gatos-Almaden Chevron	C7035	Los Gatos	\$1,000	1
Main Street Gas	C9037	Milpitas	\$900	1
Monterey Chevron	C9462	Gilroy	\$775	1
Mountain View Valero SS#7542	D0406	Mountain View	\$900	1
New Sunrise Seven Gas & Service	C8513	San Jose	\$850	1
Pete's Stop	C8900	San Jose	\$900	1
Pete's Stop Gas & Auto Service	C9066	San Jose	\$700	1
Rancho 76	C8149	Los Altos	\$900	1
S J Valley Plating Inc	A5079	Santa Clara	\$2,500	2
Santa Clara County-GSA Fleet Mgmt Dist	C7879	San Jose	\$700	1
Santa Clara Valley Health & Hospital System	A0475	San Jose	\$2,500	1
SFD	T1337	Morgan Hill	\$350	1
SJ Service Station, LP Douglas Lindsey	C6076	San Jose	\$1,000	1
Stop Corner	C9054	San Jose	\$650	1
Sunnyvale Car Wash/US Gas	D0284	Sunnyvale	\$1,000	1
Texaco	C8446	Santa Clara	\$500	1
Unocal #5954	C7732	San Jose	\$900	1
Valero	C3722	Palo Alto	\$775	1

Closed NOV's with Penalties by County
July 2009 - September 2009
Continued

Santa Clara (cont'd)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Valero Refining Co SS#7445	D0365	San Jose	\$950	1
Valero Refining Co SS#7850	D0357	Santa Clara	\$1,000	1
Valero Sunnyvale	D0467	Sunnyvale	\$1,000	1
Valley Automated Fuels	C5635	San Jose	\$1,000	1
Valley Pacific	S4936	San Jose	\$650	1
Village Chevron	C8871	Los Altos	\$700	1
West San Carlos Gas	D0021	San Jose	\$600	1

Total Violations Closed: 49

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
AKA Chemical Inc	C8862	Vallejo	\$700	1
Bonfare Market	C9735	Fairfield	\$1,000	1
Bonfare Market #36	C9976	Vallejo	\$1,000	1
Bonfare Market #37	C9977	Suisun City	\$1,000	1
Bonfare Markets	C9978	Vallejo	\$1,000	1
BPG Pacific, LLC - Manouchehr Shahab	D1182	Vallejo	\$1,000	1
Calco - GHAZI ZEIDAN & TERRY HADDAD	C9718	Vallejo	\$500	1
David's Spirit	C4655	Fairfield	\$1,000	1
Lee's Market	C9229	Vallejo	\$900	1
Vallejo KWIK Serve	D2086	Vallejo	\$950	1
W Texas LLC/Chevron Foodmart	C9650	Fairfield	\$600	1

Total Violations Closed: 11

Closed NOV's with Penalties by County
July 2009 - September 2009
Continued

Sonoma

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
B & G Gas & Food Mart/Fast Lane Gas & Food	D0029	Santa Rosa	\$750	1
Bill's Valero	C9613	Sebastopol	\$700	1
California Food and Fuel	C6887	Sonoma	\$600	1
Daniel O Davis Inc	B5523	Santa Rosa	\$7,500	3
Empire Cleaners	B2782	Santa Rosa	\$500	1
G W Inskeep dba The Corner Stat	D0199	Sonoma	\$650	1
North Bay Corp.	R9095	Santa Rosa	\$1,500	2
Oakmont Service	D1330	Santa Rosa	\$800	1
Ron Lakatos	T6325	Sonoma	\$600	1
Valley of the Moon Plaza	C0082	Santa Rosa	\$1,000	1

Total Violations Closed: 13

ACRONYMS AND TERMINOLOGY

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

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



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

TO: Members of the Board of Directors

FROM: Honorable Ken Yeager 
Board Member

DATE: October 6, 2009

SUBJECT: QUARTERLY REPORT OF MY ACTIVITIES AS AN AIR RESOURCES BOARD MEMBER

The list below summarizes my activities as an Air Resources Board member from July 1 through September 30, 2009:

July Activities

- 1st Pre-Confirmation Hearing meeting with Senator Aanestad, Sacramento
- 1st Pre-Confirmation Hearing meeting with Senator Dutton, Sacramento
- 20th Air Resources Board Staff Briefings
- 23rd Air Resources Board Meeting, San Diego

August Activities

- 31st Pre-Confirmation Hearing meeting with Senator Oropeza, Sacramento
- 31st Senate Rules Confirmation Hearing, Sacramento

September Activities

- 9th Met with East Yard Communities for Environmental Justice re Staff Recommendations to Provide Further Locomotive and Railyard Emissions Reductions
- 21st Air Resources Board Staff Briefings

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Members of Board of Directors
October 6, 2009
Page 2

21st Met with Association of American Railroads re Staff Recommendations to
Provide Further Locomotive and Railyard Emissions Reductions

24th & 25th Air Resources Board Meeting, Diamond Bar

Attachments: Public Agendas

LOCATION:



County Administration Center
Board Chambers, Room 310
1600 Pacific Highway
San Diego, California 92101

PUBLIC MEETING AGENDA

July 23, 2009

WEBCAST

Electronic Board Book

This facility is accessible by public transit.
For transit information, call (619) 233-3004,
website: <http://www.sdmts.com>
(This facility is accessible to persons with
disabilities.)

**TO SUBMIT WRITTEN COMMENTS
ON AN AGENDA ITEM IN ADVANCE
OF THE MEETING GO TO:**

<http://www.arb.ca.gov/lispub/comm/bclist.php>

July 23, 2009

9:00 a.m.

Agenda Item #

Agenda Topic

09-7-2:

Public Meeting to Discuss the Climate Science Update (Overview of Haagen-Smit)

Staff will provide an overview of the 2009 Haagen-Smit Symposium entitled "Addressing the Missing Piece of California's Carbon Footprint: Non-Kyoto Pollutants, International Transport, and the Carbon Embedded in Imports." The symposium brought together policy-makers and researchers from California, the United States, and the international community to address that fraction of California's climate-forcing emissions that are not currently addressed by current mitigation programs.

[More Information](#) [Staff Presentation](#)

09-7-4:

Public Meeting to Update the Board on CalNex 2010 and Other Major Field Studies in California in 2010

ARB and the National Oceanic and Atmospheric Administration staff will update the Board on CalNex 2010, a major air quality and climate science field study, as well as other studies, which will take place in California in 2010.

[More Information](#) [Staff Presentation](#)

09-7-7:

Public Hearing to Consider Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets

Staff will propose amendments to implement changes to the regulation for in-use off-road diesel vehicles (off-road regulation). As part of the February 2009 State budget, Assembly Bill 8 2X, the ARB was directed to make several

changes to the off-road regulation that will lessen its requirements for many large fleets in 2010 through 2012. Staff will also propose amendments to mitigate the potential loss in emission benefits resulting from these changes and propose amendments to clarify and correct minor inconsistencies in the regulation's exemption provisions. The off-road regulation was adopted by the Board on July 26, 2007.

[More Information](#) [Staff Presentation](#)

09-7-6:

Public Meeting to Consider a Status Report on the Zero-Emission Bus Regulation

The staff presentation will report on the delays in Z-Bus demonstrations, continued higher costs for Z-Buses as well as commercial readiness of fuel cell technology used in Z-Buses. Given the remaining challenges identified in staff's report, recommendations will also be made regarding possible amendments to the Z-Bus regulation. Staff will lay out suggestions for delay of the Z-Bus purchase requirement, the way the purchase requirement would be implemented and the role that transit buses may play in greenhouse gas emission reduction strategies. Staff will look to the Board for discussion and direction on a future rulemaking to amend the Z-Bus regulation.

[More Information](#) [Staff Presentation](#)

CLOSED SESSION - LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending litigation:

Central Valley Chrysler-Jeep, Inc. et al. v. Goldstene, U.S. Court of Appeals, Ninth Circuit, No. 08-17378 on appeal from U.S. District Court (E.D. Cal. - Fresno).

Fresno Dodge, Inc. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 04CE CG03498.

General Motors Corp. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 05CE CG02787.

State of California by and through Arnold Schwarzenegger, the California Air Resources Board, and the Attorney General v. U.S. Environmental Protection Agency, and Stephen L. Johnson, Administrator, U.S. Court of Appeals, District of Columbia Circuit, Case No. 08-1178.

California Business Properties Association, et al. v. California Air Resources Board, et al., Superior Court of California (Sacramento), Case No. 34-2009-80000232.

Green Mountain Chrysler-Plymouth-Dodge-Jeep, et al. v. Crombie, 508 F.Supp.2d 295, U.S. District Court Vermont (2007), appeal to U.S. Court of Appeals, Second Circuit, Nos. 07-4342-cv(L) and 07-4360-cv(CON).

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court,

EDCA, Case No. 2:09-CV-01151-MCE-EFB.

American Trucking Association, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

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OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

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THE AGENDA ITEMS LISTED ABOVE MAY BE CONSIDERED IN A DIFFERENT ORDER AT THE BOARD MEETING.

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SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD

[Back to Board Meetings & Other Information Page](#)



LOCATION:

South Coast Air Quality Management District
Office
Auditorium
21865 Copley Drive
Diamond Bar, California 91765-4182

PUBLIC MEETING AGENDA

September 24 & 25, 2009

WEBCAST

Electronic Board Book

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TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

September 24, 2009

9:00 a.m.

DAY-ONE

- | <u>Agenda Item #</u> | <u>Agenda Topic</u> |
|-----------------------------|---|
| 09-8-3: | <p>Public Meeting to Consider a Report on Staff's Recommended Area Designations for the 2008 Federal Lead Standard</p> <p><i>Staff will present its recommended area designations for the 2008 federal lead standard of 0.15 ug/m3. The Air Resources Board (ARB or Board) must submit these recommendations to the United States Environmental Protection Agency by October 15, 2009.</i></p> <p><u>More Information</u></p> |
| 09-8-6: | <p>Public Meeting to Consider Appointment of Replacement Member to AB 32 ETAAC</p> <p><i>Staff will ask the Board to approve the appointment of a new member to the Economic and Technology Advancement Advisory Committee. A member, representing the California Chamber of Commerce, has resigned from the Committee and staff will recommend filling this seat, effective immediately, by appointing Mr. Marc Burgat, of the California Chamber of Commerce.</i></p> <p><u>More Information</u></p> |
| 09-8-2: | <p>Public Meeting to Present to the Board a Draft Report on Planned Air Pollution Research, FY 2009-2010</p> <p><i>Staff will present a draft report, "Planned Air Pollution Research for Fiscal</i></p> |

Year 2009-2010," to the Board and recommend its approval. The draft report provides a portfolio of research concepts to guide ARB's extramural research program. This research portfolio supports key policy and regulatory drivers: Health Effects and Exposure, Climate Change, and State Implementation Plan Support. If the Board approves the Plan, staff will bring the proposed concepts to future Board meetings for approval as fully designed research proposals.

[More Information](#) [Staff Presentation](#)

09-8-9: Public Meeting to Update the Board on ARB's Plan to Hold a Workshop on its Enforcement Program

The Executive Officer will report back to the Board on staff's plan to conduct outreach and hold a workshop on ARB's enforcement program. The workshop is scheduled to be held on October 12, 2009, from 1:00 pm to 5:00 pm, in the Byron Sher Auditorium of the Cal/EPA Headquarters Building.

[More Information](#)

09-8-4: Public Hearing to Consider Adoption of Proposed Amendments to the California Consumer Products Regulations

Staff will present proposed amendments to the existing Consumer Products Regulation that would establish volatile organic compound limits for three product categories. Minor modifications are also proposed to clarify requirements and/or enhance enforceability.

[More Information](#) [Staff Presentation](#)

09-8-7: Public Hearing to Consider Proposed Amendments to New Passenger Motor Vehicle Greenhouse Gas Emission Standards

Staff will present proposed amendments to California's regulations to control greenhouse gas emissions from new light-duty vehicles. The amendments would allow manufacturers to demonstrate compliance based on a combined sales of California-certified vehicles in California and all other states that have adopted California's greenhouse gas regulations. The proposed amendments would also allow manufacturers to demonstrate compliance with the California greenhouse gas requirements by submitting test data from the federal Corporate Average Fuel Economy program.

[More Information](#) [Staff Presentation](#)

09-8-8: Public Meeting to Consider Adoption of the Climate Action Reserve Updated Forest Project Protocol for Greenhouse Gas Accounting

Staff will recommend adoption of the updated Climate Action Reserve Forest Project Protocol (version 3.0) for greenhouse gas accounting for emission reduction projects. The Protocol is the result of almost two years of work with considerable stakeholder involvement to update the previously-adopted forest protocols in order to encourage greater participation in forest projects.

[More Information](#) [Staff Presentation](#)

September 25, 2009

8:30 a.m.

DAY-TWO

09-6-5: CONTINUED FROM THE JUNE 25, 2009 BOARD MEETING: Public Hearing to Consider Adoption of a Proposed AB 32 Cost of Implementation Fee Regulation and Proposed Amendment to the Existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

The Board will conduct a continuation of a public hearing to consider adopting a regulation to assess fees on sources of greenhouse gas emissions and an amendment to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions. The revenue from these fees would be used for the purpose of carrying out the California Global Warming Solutions Act of 2006 (AB 32, Stats. 2006; Ch. 488; Health and Safety Code sections 38500 et seq.).

[More Information](#) [Staff Presentation](#)

09-8-5: Public Meeting to Consider Staff Recommendations to Provide Further Locomotive and Railyard Emissions Reductions

Staff will present specific recommendations to provide further locomotive and railyard emissions and risks reductions beyond those expected from existing United States Environmental Protection Agency and ARB regulations and agreements.

[More Information](#) [Staff Presentation](#)

CLOSED SESSION - LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending litigation:

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California Business Properties Association, et al. v. California Air Resources Board, et al., Superior Court of California (Sacramento), Case No. 34-2009-80000232.

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court, EDCA, Case No. 2:09-CV-01151-MCE-EFB.

American Trucking Association, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090.

Yamaha Motor Corporation, USA v. James Goldstene, et al., Superior Court of California (San Diego County), Case No. 37-2009-00094919-CU-MC-CTL.

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THE AGENDA ITEMS LISTED ABOVE MAY BE CONSIDERED IN A DIFFERENT ORDER AT THE BOARD MEETING. BOARD ITEMS NOTED ABOVE WHICH ARE NOT COMPLETED ON SEPTEMBER 24, WILL BE HEARD ON SEPTEMBER 25 BEGINNING AT 8:30 A.M.

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack Broadbent
Executive Officer/APCO

Date: November 4, 2009

Re: Consider Adjusting the Air District's Medical Contribution Declared to California
Public Employee's Retirement System (CalPERS)

RECOMMENDATION:

Approve the attached resolution adjusting the Air District's Maximum Medical Contribution declared to CalPERS for management, confidential, represented, and miscellaneous employees and annuitants (retirees).

BACKGROUND

The Air District uses CalPERS to broker its medical insurance plans pursuant to the Public Employees' Medical and Hospital Care Act (PEMHCA). CalPERS requires the Air District to annually declare a maximum contribution amount that can be used by active employees and annuitants to purchase medical insurance.

DISCUSSION

Staff is recommending that the contribution amount be set at the lowest monthly fringe benefit allowance available to current annuitants, which is \$1,022.34 per month. This is the same amount designated for the past two years. The Air District intends to make up the difference for active employees in order to comply with the Memorandum of Understanding and benefits adopted for active confidential and management employees, and for annuitants who have a higher monthly fringe benefit allowance.

The PEMHCA rules also require the Air District to set a contribution amount of \$105.00 per month that can be used by miscellaneous employees (i.e., limited term employees) to purchase medical insurance.

Upon the Board's adoption of the attached resolution, the Air District's maximum medical premium contributions declared to CalPERS will be set as follows:

<u>Category</u>	<u>Monthly Contribution Effective 1/1/10</u>
Active Employees and Annuitants	\$1,022.34
Miscellaneous (i.e., limited term)	\$105.00

BUDGET CONSIDERATION/FINANCIAL IMPACT:

There is no additional fiscal impact beyond that contemplated in the current budget approved for FY 2009-10.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. 2009-__

RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, California Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act (PEMHCA) shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(B) of the Act, and

WHEREAS, the Bay Area Air Quality Management District is a local agency contracting under the Act;

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of his/her family members in a health benefits plan up to a maximum of:

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
004	Management	\$1,022.34
010	Non-Management	\$1,022.34
011	Confidential	\$1,022.34
005	Miscellaneous Unrepresented	\$105.00

Plus administrative fees and Contingency Fund assessments.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ___ day of November 2009 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Pamela Torliatt
Chairperson of the Board of Directors

ATTEST:

Tom Bates
Secretary of the Board of Directors

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: October 27, 2009

Re: Notice of Proposed Amendments to the Air District's Administrative Code
Division III - Personnel Policies and Procedures - Section 3 Adding a New
Subsection 3.12 Entitled "Fraud, Misconduct, and Dishonesty in the Workplace"

RECOMMENDED ACTION:

None at this time. This item is a notice of Proposed Amendments to the Air District's Administrative Code, Division III Personnel Policies and Procedures - Section 3 adding a new subsection 3.12 entitled "Fraud, Misconduct, and Dishonesty in the Workplace." Amendments addressing these subjects were recommended by the District's auditors. The proposed new subsection is attached.

BACKGROUND

In accordance with provisions of the Administrative Code governing amendments to the Code, notice is hereby given at the Board of Directors regular meeting of November 4, 2009 that the Board of Directors will consider at its next regular meeting, amendment of the code to add the proposed provisions addressing fraud, misconduct, and dishonesty in the workplace.

DISCUSSION

This noticing action starts the process of amending the Air District's Administrative Code to incorporate the recommended provisions.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment

ADMINISTRATIVE CODE REVISIONS

Amend Division III, “Personnel Policies and Procedures,” by adding a new Section 3.12, entitled “Fraud, Misconduct, and Dishonesty Policy.”

15. Fraud, Misconduct, and Dishonesty in the Workplace.

15.1 It is the policy of the District to prevent, investigate and correct fraud, misconduct and dishonesty in the workplace.

15.2 No employee shall commit fraud or acts of misconduct or dishonesty against the District or in connection with his or her District employment.

15.3 Fraudulent acts and acts of misconduct and dishonesty in District employment include, but are not necessarily limited to, the following:

- Forgery or unauthorized alteration of District financial records, including checks and warrants payable to or by the District;
- Misappropriation of District goods or assets, e.g., furniture, fixtures, equipment, and office supplies;
- Misappropriation of District funds and securities;
- Falsification of employee timesheets or District work reports and products;
- Knowingly false reporting or handling of District funds for financial transactions;
- Having a personal financial interest in any purchase, sale or contract with a vendor or contractor made by the employee in his or her capacity as a District employee;¹
- Unpermitted personal use or receipt of District assets, goods, funds, and services;
- Unauthorized solicitation or acceptance of, gifts, gratuities, or other consideration from contractors, vendors or consultants providing goods or services to the District;
- Solicitation of, asking, acceptance of, or agreement to accept any gratuity, gift or other consideration from someone other than the District for performing District employment;²
- Solicitation of, asking, acceptance of, or agreement to accept a bribe for taking action in one’s capacity as a District employee in a matter that is pending or that may take place;³
- Knowingly unpermitted disclosure of confidential or proprietary District information to non-District persons and entities;
- Intentional or negligent, unpermitted destruction or damage of District goods or assets, e.g., furniture, fixtures, equipment, and office supplies;
- Use of, or being under the influence of, alcohol or illegal drugs in the course of performing District duties and responsibilities; and
- Willful failure to perform the duties and tasks of one’s District employment.

¹ Cal. Government Code section 1090.

² Cal. Penal Code section 70.

³ Cal. Penal Code section 68.

15.4 Retaliation against an employee who reports reasonable suspicion of the existence or occurrence of an act of fraud, misconduct or dishonesty is prohibited.

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: October 27, 2009

Re: Approve an Administrative Instruction Regarding a Capital Assets and
Depreciation Policy

RECOMMENDED ACTION:

Approve an Administrative Instruction regarding a Capital Assets and Depreciation Policy.

BACKGROUND

In accordance with a recommendation by the District's auditors, staff recommends the Board approve an Administrative Instruction regarding Capital Assets and Depreciation.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment

ADMINISTRATIVE INSTRUCTION

DATE: September 2, 2009

SUBJECT: Capital Assets and Depreciation

EFFECTIVE DATE: November 4, 2009

General:

Under Governmental Accounting Standards Board (GASB) Statement Number 34, the Bay Area Air Quality Management District (Air District) is required to capitalize and depreciate capital assets, and report this information in the audited Basic Financial Statements.

Policy Objective:

The objective of the Administrative Instruction (AI) is to provide criteria for identifying the Air District's capital expenditures, and to ensure that Generally Accepted Accounting Principles (GAAP) for asset classification, asset valuation and historical cost, asset useful life, depreciation methodology, and reporting requirements are properly applied. Additionally, the AI applies to the disposition of retired assets.

Asset Classification:

Generally, assets required to be capitalized are those that exceed the capitalization threshold as indicated in the Depreciation Methodology Section. The District has determined that the following asset classes are capitalized:

- Land
- Land Improvements
- Buildings
- Leasehold Improvements
- Furniture and Fixtures
- Machinery and Equipment
- Licensed Vehicles
- Intangible Assets
- Construction in Progress

Asset Valuation and Historical Cost

Asset Valuation:

According to GAAP, capital assets should be recorded or capitalized at the historical cost or estimated historical cost. If purchasing or constructing a new asset, the cost is the amount paid for the asset, or the construction costs and all ancillary charges related to placing the asset in its required location and condition for use.

If the asset is donated, the cost is the fair market value as of the donation date. The fair market value is the estimated value of the asset for which it would be exchanged between a willing buyer and seller when neither is forced into the exchange. In addition, both parties should have knowledge of all facts and consider it an equitable exchange.

Asset Historical Cost:

Historical cost for the various categories of assets include:

- **Land** - The historical cost for a land purchase includes the purchase price, legal and title fees, surveying fees, appraisal and negotiating fees, and damage payments. Land related to infrastructure such as easements or right of way may be valued at five percent of the total project cost if the fair market value is unknown. Land is not depreciated due to its permanent nature.
- **Non-depreciable and Depreciable Land Improvements** - The historical cost for a land improvement includes the purchase price, contract price, or job costs, and any other expenditure necessary to place the improvement into its intended state of operation. Additional expenditures may include professional fees, damage claims, cost of fixtures, insurance premiums, and related costs incurred during the period of construction. (Note: Non-depreciable land improvements are improvements that produce permanent benefits such as fill and grading costs and are, therefore, not depreciated. Improvements that are part of a structure and deteriorate with the passage of time such as parking lots and fencing are depreciated.)
- **Buildings** - The historical cost for buildings include the purchase price, contract price, or job order costs, and any other expenditure necessary to place the building or structure into its intended state of operation. Additional expenditures may include professional fees, damage claims, cost of fixtures, insurance premiums, and related costs incurred during the period of construction.

Leasehold Improvements - Improvements made to existing structures by the lessee, who has the right to use these leasehold improvements over the term of the lease. These improvements *will revert to the lessor* at the expiration of

the lease. Moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement. Leasehold improvements do not have a residual value.

- Furniture and Fixtures - The historical cost for furniture and fixtures includes the total purchase price less any applicable discounts. It also includes any ancillary payments required to place the asset in its intended state of operations.
- Machinery and Equipment - The historical cost for machinery and equipment includes the total purchase price less any applicable discounts. It also includes any ancillary payments required to place the asset in its intended state of operations.
- Licensed Vehicles - The historical cost for licensed vehicles is the total purchase price less any applicable discounts. It also includes any ancillary payments required to place the asset in its intended state of operations.

Intangible Assets – The Air District’s intangible assets are composed of computer software which is capitalized and amortized in accordance with the guidance recommended in Statement of Position (SOP) 98-1, *Accounting for Costs of Computer Software Developed or Obtained for Internal Use*. The historical cost includes direct costs of materials and services consumed in developing or obtaining internal-use software, payroll and payroll-related costs devoted directly to the project. Preliminary project costs, as well as post-implementation costs such as training are not included as a component of historical cost, but are expensed as incurred.

- Construction In Progress - The historical cost for construction in progress is the total amount expended on a construction project at a given time prior to the Air District accepting the project as completed. If the Air District is self-constructing an asset using in-house resources such as labor, materials, and supplies, they must be included as part of the asset cost and capitalized.

Asset Useful Life

The asset useful life should be set to correspond to the time frame that the asset will contribute to the production of goods or services. The Air District has chosen the following asset useful lives, over which to depreciate the historical cost:

Buildings, ground and improvements	15 – 20 years
Equipment	5 - 7 years
Intangible assets	5 years

Depreciation Methodology

Depreciation is a cost allocation methodology that spreads the cost of the asset over its useful life, rather than recognizing the total cost at the time of asset purchase.

The annual depreciation expense is based on:

Historical Cost- The total cost to place the asset in service.

Acquisition Date – The date the Air District took ownership of the asset and placed the asset in service.

Salvage Value - The amount The Air District can anticipate recovering at the end of the useful life of the asset.

Depreciation method- The Air District has chosen to adopt the straight-line depreciation method which uses the mid-month convention, historical cost less residual value, divided by the asset's useful life.

Capitalization Threshold – All assets that meet or exceed the Air District's established capitalization threshold of \$5,000 and a useful life greater than one year must be capitalized.

Capitalization Criteria: - The Air District follows the guidance in the table below to determine if a cost should be capitalized or expensed:

<u>EXPENDITURE TYPE</u>	<u>ACCOUNTING TREATMENT</u>
Maintenance costs	Expense
Preservation costs	Capitalize
Additions, Improvements, and Betterments	Capitalize

- Maintenance and repair costs allow an asset to continue to be used during its originally established useful life. If costs are incurred to keep an asset in its normal operating condition (e.g. lubrication, cleaning, or replacement of small parts) and the life of the asset is not extended, the costs would be truly maintenance expenditures that are expensed in the period incurred.
- Preservation costs extend the useful life of an asset beyond its previously established useful life but do not increase the capacity or efficiency of the asset. These costs are capitalized and depreciated if the asset is accounted for using traditional depreciation.
- Additions, improvements, and betterments increase the capacity or efficiency of the asset. An increase in capacity increases the level of service provided by an asset. A change in efficiency maintains the same level of service but at a lower cost. These costs are capitalized and depreciated.

Disposition of Assets

Assets are retired from the capital asset record when it has been determined that the asset is no longer operable, has been replaced, or is no longer available for use. Disposition will be carried out by the Executive Officer/APCO or designee, to sell or dispose of surplus equipment or property pursuant to the requirements and guidelines of Governmental Code Sections 25363 and 25504. Submittal of a memorandum listing those assets which are proposed for disposal should be sent to the Executive Officer/APCO or designee for approval.

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 27, 2009

Re: Set a Public Hearing for November 18, 2009 to Receive Testimony on
Proposed Amendments to the District's California Environmental Quality
Act (CEQA) Thresholds of Significance

RECOMMENDED ACTION:

Set a Public Hearing for November 18, 2009 to consider proposed amendments to the District's CEQA thresholds of significance for air quality and continue the hearing to December 2, 2009, at which time adoption of the proposed amendments will be considered.

BACKGROUND

The District's CEQA Guidelines (Guidelines) are developed to assist local jurisdictions and other lead agencies in identifying proposed local land use plans and development projects that may have a significant adverse effect on air quality and public health. Staff began a comprehensive update to the District's recommended thresholds of significance in October 2008. The proposed revisions to the existing thresholds of significance include thresholds for construction, project operation, and plan-level emissions of criteria air pollutants, ozone precursors, greenhouse gases, toxic air contaminants, and odors. The Guidelines also provide technical information on impact assessment methodology and mitigation strategies.

DISCUSSION

Staff hosted the first public workshop for the Guidelines update in February 2009. At the workshop staff presented various options for developing thresholds of significance and invited recommendations from the public and stakeholders on identifying any additional options District staff should evaluate. Additional rounds of public workshops were held to discuss the merits of several threshold options in April 2009 and on specific recommended thresholds in September/October 2009. District staff also made several presentations during this process with business organizations and other public stakeholder groups to receive input on District proposals. Staff posted recommended thresholds on September 4, 2009, and revised thresholds, reflecting public comments, on October 8, 2009.

Staff reported to the Board of Directors on the status of the CEQA Guidelines update at Executive Committee meetings of March 16, 2009, June 29, 2009, and September 24, 2009, and at the September 10, 2009 Climate Protection Committee meeting.

The District will release a proposed final CEQA Thresholds and Justification Report on or before November 2, 2009 that provides the substantial evidence and justification for District-recommended thresholds of significance.

A public hearing notice and the Draft CEQA Thresholds and Justifications Report will be posted on the District's website at <http://www.baaqmd.gov/Divisions/Planning-and-Research/Planning-Programs-and-Initiatives/CEQA-GUIDELINES.aspx>.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sigalle Michael
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: October 28, 2009

Re: Report of the Executive Committee Meeting (Continued) of September 24, 2009

RECOMMENDED ACTION

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

- A) Air District's Administrative Code Regarding Board of Directors Officers' Term of Office:
 - 1. Amend the Air Districts' Administrative Code Division I, Section 2.1: Officers of the Board, by establishing a two-year term of office for the Chairperson, to become effective with the 2010 Chairperson.

BACKGROUND

The Executive Committee met on Thursday, September 24, 2009. The Committee received the following reports and updates:

- A) Update on the Indirect Source Rule
- B) Air District CEQA Guidelines Update
- C) Continued Discussion to Amend the Air District's Administrative Code Regarding Board of Directors Officers' Term of Office (*Deferred to November 4, 2009 Board of Directors Meeting*)
- D) Update on Survey Results Relative to Potential Relocation of Air District Headquarters (*Deferred to the next Executive Committee Meeting*)
- E) California Air Resources Board Appointments

Attached are the staff reports previously presented in the Executive Committee packet of September 24, 2009.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None.

- B) Funding for consultant services to update the Air District CEQA Guidelines is included in the approved FY 2008/2009 Air District budget.
- C) None.
- D) Funding for consulting services for this project is included in Program 702 of the approved FY 2009/2010 Air District budget.
- E) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Reviewed by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 14, 2009

Re: Indirect Source Review Rule Update

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

Air District staff were directed at the Board retreat in January 2009 to commence work on an Indirect Source Review (ISR) rule. Since that time, staff has created a stakeholder work group to provide input on this rule development effort. The work group is comprised of representatives from cities and counties, regional agencies, government agencies, environmental, business and community organizations, and other interested parties. The District hosted the first stakeholder group meeting on May 28th where participants provided valuable insight on various broad issues associated with the rule. The next meeting of the stakeholder group is tentatively planned for October 2009.

DISCUSSION

Staff is developing an Indirect Source Review Rule concept paper. Staff will provide an update to the Executive Committee on the outcomes of the stakeholder meeting, preliminary concepts for the ISR rule, and a draft timeline for development of the ISR rule.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sigalle Michael
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: September 14, 2009

Re: Air District CEQA Guidelines Update

RECOMMENDED ACTION:

None, for information only.

BACKGROUND

The BAAQMD Guidelines provide guidance to local lead agencies conducting air quality analyses pursuant to the California Environmental Quality Act (CEQA). Staff is updating and revising the Guidelines.

DISCUSSION

The CEQA Guidelines recommend air quality significance thresholds for local agencies to use when preparing impact analyses under CEQA and provide guidance on the District's recommended analytical methodologies and mitigation measures. Staff is reviewing, and revising as necessary, existing thresholds of significance, and developing new significance thresholds for local air quality impacts and for greenhouse gas emissions from projects subject to CEQA. Staff also is updating analytical methodologies and mitigation measures used in the Guidelines.

Staff hosted public workshops for the Guidelines update in February, April and September 2009. At the September workshops, staff presented the Draft CEQA Guidelines document with Air District recommended thresholds of significance, analytical methodologies and mitigation strategies.

Staff will provide an update on the progress made developing the District's recommended thresholds of significance and revising the CEQA Guidelines.

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 Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2009

Re: Continued Discussion to Amend the Air District's Administrative Code
Regarding Board of Directors Officers' Term of Office

RECOMMENDED ACTION:

The Committee will continue discussions to amend the Air District's Administrative Code to revise the current one-year term of office for Board Officers to a two-year term of office. Consideration of Possible Amendments to the Air Districts' Administrative Code Division I, Section 2.1: Officers of the Board.

BACKGROUND

The term of office for Board Officers is currently a one-year term of office and was amended by the Board of Directors in 2003, effective 2005, from a two-year term of office to a one-year term. In 1999 the term of office was amended to a two-year term of office for the Chairperson, Vice-Chairperson and Secretary.

The Air District's Administrative Code Division I, Section 14 enables the Board of Directors to amend its Administrative Code "at any meeting by a vote of a majority of the members of the Board of Directors, provided notice of such amendments has been given at a preceding regular meeting."

The practice at other regional agencies with regard to the term of office for their respective Officers is as follows:

- 1) Metropolitan Transportation Commission- Chairperson two-year term
- 2) Association of Bay Area Governments' President serves two-year
- 3) South Coast Air Quality Management District, Sacramento Metro Air Quality Management District, and the Mojave Air Quality Management District is set by statute and have two-year term of office;

DISCUSSION

Per direction received at the Board of Directors' meeting of May 20, 2009, the Committee was asked to continue discussions on this item.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 2, 2009

Re: Update of Survey Results Relative to Potential Relocation of Air District Headquarters

RECOMMENDED ACTION:

Consider recommending Board of Directors' authorize the Executive Officer/APCO to continue with facility assessment through completion of the Strategic Facility Planning Study.

BACKGROUND

The Executive Committee at its July 29th meeting, received an overview of the Strategic Facility Planning Process. The Committee received an overview of a revised Request for Proposal for Strategic Facilities Planning issued to include Phase I: Visioning Process and Phase II: Data Gathering. The Strategic Facility Planning process is a multi-phased approach that will be instrumental in determining recommendations for improvements. Hellmuth, Obata + Kassabaum, Inc. (HOK) Advanced Strategies has been contracted by the Air District to perform the study.

DISCUSSION

The Committee will receive an overview of study process and progress, interview and survey results conducted over the past month with Executive Management staff, operational staff, the Board of Directors, Advisory Council and the Hearing Board.

BUDGET/FINANCIAL IMPACT:

Funding for consulting services for this project is included in Program 702 of the approved FY 2009/2010 Air District budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2009

Re: California Air Resources Board Appointments

RECOMMENDED ACTION:

Consider adopting a procedure for notifying the Board of Directors when the BAAQMD position on the California Air Resources Board becomes vacant.

BACKGROUND

By California statute, one member of the California Air Resources Board is to be appointed from the Board of Directors of the Bay Area Air Quality Management District. The Governor makes the appointment. The Senate Rules Committee considers confirmation of the appointment within one year.

The BAAQMD position on the CARB Board became vacant when Jerry Hill was elected to serve in the California Assembly. BAAQMD board member Ken Yeager was appointed by the Governor to the CARB Board and was recently confirmed by the Senate. The issue of Board of Directors support for appointments to the CARB Board was discussed at the Executive Committee meetings held on June 29, 2009 and July 29, 2009. The Committee considered whether to have a policy regarding support for CARB Board appointments, but decided at the July 29th Committee meeting to instead have staff develop a procedure for notifying the Board members when the BAAQMD position on the CARB Board becomes vacant.

PROPOSAL

Based on the discussion at the July 29th Executive Committee meeting, staff suggests the following procedure when the BAAQMD position on the CARB Board becomes vacant:

- Executive Office staff will compile information about any process for expressing interest in and qualifications for the BAAQMD position on the CARB Board.
- BAAQMD Board Chair will notify all BAAQMD Board members of the vacancy as well as any process for expressing interest and qualifications to the Governor.

The Executive Committee concluded that the Board of Directors and staff would not prepare letters of support for any candidates; however, individual Board members could send letters of support if they wished to do so.

BUDGET/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jean Roggenkamp

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: October 28, 2009

Re: Report of the Climate Protection Committee Meeting of October 8, 2009

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Climate Protection Committee met on Thursday, October 8, 2009. The Committee received the following reports and updates:

- A) Overview of Electric Vehicle Technologies; and
- B) Greenhouse Gas Measures in the 2009 Clean Air Plan

Attached are the staff reports presented in the Climate Protection Committee packet.

Chairperson, Yoriko Kishimoto, will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) None at this time.
- B) Staff and consultant work on the 2009 CAP was included in the FYE 09 and FYE 10 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Kishimoto and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 1, 2009

Re: Overview of Electric Vehicle Technologies

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

The transportation sector accounts for more than 40% of greenhouse gas (GHG) emissions in the Bay Area. Within the transportation sector, approximately 75% of GHG emissions are generated by on-road vehicles. In order to meet the objectives of the Air District's Climate Protection Initiative, significant reductions from this sector are necessary. Based on recent technological advances, electric vehicles are a promising solution to meeting greenhouse gas emission reduction targets.

DISCUSSION

Staff will present an informational overview on electric vehicle technologies and their development. Additionally, the committee will be updated on options to support the deployment of these technologies in the Bay Area.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None at this time.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen M. Schkolnick
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Kishimoto and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 1, 2009

Re: Greenhouse Gas Measures in the Bay Area 2009 Clean Air Plan

RECOMMENDED ACTION

Receive and File.

BACKGROUND

The California Health & Safety Code requires air districts to revise their plans for attaining state ozone standards on a triennial basis. These triennial updates must demonstrate an annual 5% reduction in ozone precursor emissions or contain “all feasible control measures” to attain state ozone standards as expeditiously as practicable and reduce transport to neighboring air basins. To date, all California air districts have pursued the all feasible measures approach.

In response to state and federal requirements and guidelines, air quality planning to date has been performed on a single pollutant basis, with an emphasis on ozone planning. However, in the past several years, there has been growing interest in the concept of multi-pollutant air quality planning. In January 2004, the National Research Council issued recommendations calling for air quality agencies to pursue a multi-pollutant, risk-based, “one atmosphere” approach for air quality planning. US EPA has been moving to gradually embrace the concept of planning on a multi-pollutant basis.

Air District staff agrees with this approach and therefore the 2009 Clean Air Plan (CAP) will provide a multi-pollutant control strategy to reduce emissions of particulate matter, air toxics, and greenhouse gases, in addition to ozone precursors. The plan will propose an integrated control strategy that identifies co-benefits (or disbenefits) of the control measures for each of these pollutants.

DISCUSSION

In preparing the 2009 CAP, staff is developing a multi-pollutant control strategy to address three core goals:

- To improve air quality and attain all applicable standards
- To protect public health
- To protect our climate

Higher temperatures related to global warming are expected to increase emissions and ambient concentrations of criteria pollutants. Therefore, including greenhouse gases in the CAP will help to protect air quality as well as to protect our climate.

Although the CAP is not intended to serve as a regional greenhouse gas reduction (GHG) plan per se, the CAP will address greenhouse gases and climate protection by:

- Including numerical GHG reduction objectives based on targets established in AB 32 and the Governor's 2005 Executive Order.
- Including GHG reductions in the multi-pollutant evaluation method that staff has developed to analyze the benefits of potential control measures on a multi-pollutant basis.
- Seeking to maximize reductions in GHGs from all measures in the CAP control strategy
- Adding a new category of control measures entitled Energy & Climate Measures.

The new Energy & Climate Measures (ECM) category contains four proposed control measures:

- ECM 1 will promote energy efficiency.
- ECM 2 will promote renewable forms of energy.
- ECM 3 will address urban heat island mitigation by promoting cool roofs and cool paving.
- ECM 4 will promote planting of (low biogenic VOC) trees and urban forestry.

The proposed ECMs represent a new direction for the District, and staff is still working to define the best role that the District can play in this area.

In sum, the CAP control strategy will reduce emissions of GHGs, address the need to adapt to climate change via urban heat island mitigation, and support the six-point Regional Agency Joint Climate Action Plan prepared by the Joint Policy Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Staff and consultant work on the 2009 CAP was included in the FYE 09 and FYE 10 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Burch
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: October 28, 2009

Re: Report of the Public Outreach Committee Meeting of October 15, 2009

RECOMMENDED ACTIONS

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

- A) Contract Renewal for Air District Resource Teams:
 - 1. Recommend Board of Directors' approval of renewal of a contract with Community Focus for facilitation of Air District Resource Teams in the amount of \$200,000.

BACKGROUND

The Public Outreach Committee met on Thursday, October 15, 2009. The Committee received the following reports and updates:

- A) Community Grant Program
- B) Contract Renewal for Air District Resource Teams
- C) Report on the 2009 Spare the Air Every Day Campaign
- D) 2009-2010 Winter Spare the Air Communication Strategy

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

Chairperson Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) \$250,000 was approved by the Board of Directors on December 3, 2008 and included in the FY 2009/10 Budget.
- B) Funding for the contract is included in the FY 2009-2010 budget.
- C) Funding for this program was included in the FY 2007-2008 and FY 2008-2009 Budgets. Funding sources include TFCA and Congestion Mitigation Air Quality (CMAQ) funds.

D) Funding for the outreach program is included in the FY 2009-10 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 7, 2009

Re: Community Grant Program

RECOMMENDED ACTION:

None; Information item.

BACKGROUND

The Air District Board of Directors approved the establishment of a \$250,000 Community Grant Program to fund local community projects in the Bay Area on December 3, 2008. On June 22, 2009, staff issued a Community Grant Program request for applications to community-based organizations throughout the Bay Area and posted the request for applications on the District website.

The grant application period ran from June 22, 2009 through July 24, 2009. Staff fielded numerous telephone and email inquiries during the grant application period. A total of 57 applications were received requesting a total of \$2,173,413. Table 1 provides a summary of applications received.

**Table 1:
Summary of Applicants**

Type of Applicant	# of Applications
Local Government / Public Agency	19
Non-profit	34
K-12 School	1
Small Business	1
Applications by County	# of Applications
Alameda	18
Marin	2
Sonoma	6
Contra Costa	5
San Mateo	4
Santa Clara	12
San Francisco	7
Napa	1
Solano	1
Applications serving multiple counties	9

Evaluation Process

All 57 applications met program eligibility criteria and were evaluated based on the criteria set forth in the Community Grant Program Guidelines. Seven Air District staff members participated in three review panels and scored applications from three categories: Outreach and Education (31); Emissions Reductions (20) and Respiratory Health Improvement (6). Review panel members were selected on the basis of their professional backgrounds as related to each grant category. Projects awarded for funding were based on applicant scores, project type and geographic impact.

DISCUSSION

The response to this grant program from across the Bay Area was significant and demonstrates a great need in the region spurred both by the recession and by the tremendous amount of air quality and climate change-related work being done both locally and regionally. The level of innovation and on-going commitment shown in the applications reflects an exciting opportunity for the District to shine as an agency committed to maximizing opportunities for air quality improvement in the region during an especially difficult economic environment.

Funded Projects

Table 2 identifies grant awards funded with the \$250,000 previously authorized by the Board of Directors on December 3, 2008, plus \$4,668 from the Program 302 Community Outreach budget.

**Table 2:
Community Grant Program Funded Projects**

Applicant	Project	Location	Amount Awarded
American Lung Association	Asthma management in schools	Oakland/Alameda	\$ 43,707
Axis Community Health	Medical and educational asthma interventions for low-income uninsured	Tri-Valley/Alameda	\$ 30,089
Chabot Space and Science Center	Creation of a stationary and web-based climate education laboratory	Multiple County	\$ 50,000
CreatTV	Youth-based climate change social media project	San Jose/Santa Clara	\$ 37,800
Earth Team	Youth leadership development and education about diesel particulates	West Oakland/Alameda	\$ 43,072
Greenaction	Diesel education and emissions reduction	Southeast San Francisco	\$ 50,000
		Total	\$254,668

Additional Funds

If additional funding becomes available for Community Grant Program grant awards, Table 3 identifies additional projects that would be funded.

**Table 3:
Community Grant Program to be funded with Additional Funding**

Applicant	Project	Location	Amount Proposed
Acterra	Conservation awareness for high energy use households	San Mateo and Santa Clara counties	\$ 25,000
City and County of San Francisco and San Francisco Unified School District	Traffic reduction at SFUSD schools	San Francisco	\$ 25,000
Solar Richmond	Solar installation @ NGOs	Contra Costa County	\$ 50,000
Sonoma County Parks	Construction of Bellevue Elementary footbridge	Sonoma	\$ 17,000
TransForm	Promoting transit use with new residents near transit hubs	Multiple County	\$ 28,000
		Total	\$145,000

BUDGET CONSIDERATION / FINANCIAL IMPACT:

\$250,000 was approved by the Board of Directors on December 3, 2008 and included in the FY09/10 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Richard Lew
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 7, 2009

Re: Contract Renewal for Air District Resource Teams

RECOMMENDED ACTION

Request the Committee recommend Board of Directors' approval of \$200,000 contract with Community Focus for organization and facilitation of nine community-based Air District Resource Teams.

BACKGROUND

Community Focus organizes and facilitates the existing nine Air District Resource Teams which are located in Alameda, Contra Costa, Napa, San Francisco, San Mateo, Santa Clara and Sonoma counties. Resource teams are working groups comprised of business representatives, public agencies, environmental and health organizations, bicycle coalitions and other parties interested in participating in voluntary collaborative efforts to reduce air pollution. The Resource Teams have become an integral part of the Air District's community-based efforts to improve air quality, and Community Focus has done an excellent job of facilitating the teams.

DISCUSSION

Because the Air District's contract with Community Focus was concluding, staff issued a Request for Proposals (RFP) in April 2009. Community Focus submitted the only proposal. Their proposal was responsive to the Air District's RFP and will help the Resource Teams better integrate into the goals of the Air District. Staff recommends approval of continuation of the contract with Community Focus.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for the contract is included in the FY 2009-2010 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Richard Lew
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 7, 2009

Re: Report on the 2009 Spare the Air Every Day Campaign

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

The Spare the Air program was created in 1991, with the two-fold purpose of notifying the public when air pollution is expected to be unhealthy and to encourage Bay Area residents to take individual action to reduce smog-forming pollutants.

In 2009, the Spare the Air summer campaign transitioned to the Spare the Air Every Day Campaign, in an effort to encourage behavior change from residents, not just during Spare the Air Alerts, but every day during the season.

This year's Spare the Air Every Day campaign launched on May 11, 2009, and ran through October 2, 2009. The campaign focus this year was on carpooling and transit use. A total of 14 Spare the Air Alerts were issued. There were a total of eight exceedances of the national 8-hr standard, 13 exceedances of the State 8-hr standard, and 11 exceedances of the State 1-hr standard.

DISCUSSION

Outreach elements of the 2009 campaign, such as staffed booths at events and collateral materials, promoted a multitude of clean-air behavior choices. The advertising and media elements of the campaign focused on carpooling, and in particular, on the reduction of the single-occupancy vehicle (SOV) on Bay Area roads. SOVs are the largest source of smog-forming pollution in the Bay Area.

Highlights of outreach, advertising, media and measurement from this year's campaign are presented below.

Outreach

Staff promoted the Spare the Air Every Day Campaign and AirAlerts email registration at approximately 40 events throughout the Bay Area, including events such as:

- San Francisco Sunday Streets
- Sonoma Jazz Festival
- Alameda County Fair
- KBLX Stone Soul Picnic, Concord
- Great American Food & Music Festival, Mountain View
- Millbrae Art and Wine Festival
- San Jose Jazz Festival

Advertising

Highlights from this season's advertising campaign include:

- 449 television ads aired
- 435 radio ads, including a Spare the Air message which ran June- September
- Over 32 million viewings of Internet advertisements placed with Placecast, Facebook, Comcast.net and through search terms (keywords) on Google
- Outdoor advertising including the Treasure Island banner in June and July, billboard ad on Highway 4 in Contra Costa County and bicycle outreach in the nine Bay Area counties on 13 weekends between June and September.

Media

Highlights from this season's media campaign include:

- On July 7, 2009, the Air District held an employer workshop at the offices of Wendel, Rosen, Black & Dean to explain the in's and out's of carpooling.
- Confessions of a Carpooler Contest - Bay Area commuters were encouraged to share fun and interesting carpool experiences and demonstrate what makes them a top carpooler. The contest received coverage across television, newspaper, radio and blogs with chatter on Facebook and Twitter. The contest ran from August 25 to September 30, 2009.
- KPIX Carpooling Story – KPIX's Green Beat reporter, Jeffrey Schaub covered a carpooling story. Utilizing one of the Air District's wrapped Priuses, Mr. Schaub carpoled for two days and reported on his experience.
- Carpool Button Handouts – Air District representatives blanketed the casual carpool drop-off and handed out more than 1,000 "I Carpool" buttons to East Bay carpooling advocates on the afternoon of September 21, which was also a *Spare the Air Day*.
- Several broadcast appearances, including Comcast Newsmakers and Univision's Encuentro en la Bahia weekend television show.

Air District Resource Teams

Spare the Air Resource Teams complemented the campaign through various initiatives. Some of these include:

- 2nd Annual Great Race for Clean Air, Tri-Valley Team
- Outreach at Fremont Festival of the Arts with 511 Rideshare, AC Transit, VTA and ACE Train, Southern Alameda County Team
- Commute Solutions Workshop at Northport Loop Business Park in Fremont, Southern Alameda County Team
- Car-free tourism website and materials, Napa Team
- Sponsored Napa County Bicycle Coalition's Car Free Day, Napa Team
- Launched San Francisco Car Free website, San Francisco Team
- "Just Around the Corner" lunchtime driving reduction project for employers, Santa Clara Team

Measurement

The Air District's measurement contractor, True North, interviewed a total of 1,528 individuals via phone survey on days following Spare the Air Alerts in order to gauge campaign recognition and effectiveness. Some findings include:

- 78% of respondents had heard of the Spare the Air campaign prior to taking the survey
- 34% of respondents were aware that it was a Spare the Air day

- 48% of respondents recalled hearing, reading or seeing air quality related information in the two days prior to the interview
- 4.2% of respondents indicated that they reduced at least one driving trip because of the Spare the Air campaign and respondents averaged 2.06 reduced driving trips.

Focus Groups

The Air District also hosted five focus-groups throughout the Bay Area to conduct market research on the Spare the Air program and perspectives on clean-air behavior. Focus groups were held in Concord, Novato, Sunnyvale and San Jose. The San Jose location had two groups, one in English and one in Spanish.

The above highlights will be presented at the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for this program was included in the FY 2007-2008 and FY 2008-09 Budgets. Funding sources include TFCA and Congestion Mitigation Air Quality (CMAQ) funds.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 7, 2009

Re: 2009-2010 Winter Spare the Air Communication Strategy

RECOMMENDED ACTION:

For information only.

BACKGROUND

Regulation 6; Rule 3: Wood Smoke Devices was adopted by the Board of Directors in July 2008. Last year marked the first year of the Air District's *Winter Spare the Air* Campaign designed to ensure compliance with Regulation 6-3. The campaign focused on implementation of the Wood Smoke Rule through outreach and education. The 2009-2010 campaign will build on last year's campaign, integrating modifications for enhanced education to the public. The wood smoke regulatory season will run from November 1 to February 28, 2009. The outreach campaign will begin in mid-October.

DISCUSSION

The *Winter Spare the Air* Campaign will inform residents about the Wood Smoke rule, how to comply with the rule, and why it is important to their health and the health of their families. Messages will be delivered to the public through major advertising, media outreach, internet and email, community outreach, grassroots strategies, Air District Resource teams, and direct mail. Modifications will be integrated for enhanced education to the public.

Modifications from Last Season

New Forecast Time - The Air District will forecast air pollution levels for the next day by 1 p.m. every day, as in the Summer Spare the Air Season. From November 1, 2009 to February 28, 2009, if the air quality is forecast to be unhealthy, a *Winter Spare the Air Alert* will be issued for the next day. The Alert will be effective from midnight to midnight.

Established Penalty Amount – Near the end of last Winter season a \$400.00 penalty amount was established for violations following a warning letter.

Exemption Policy Guidance Document – An Exemption Policy Guidance Document has been developed for the wood burning rule.

Methods for Notification to the Public

Air District residents will have several options for informing themselves of the *Winter Spare the Air Alert* status. These include:

- Checking the Air District Web sites: www.baaqmd.gov or www.sparetheair.org;
- Downloading and checking the *Winter Spare the Air Alert* widget;
- Signing up for email AirAlerts at www.sparetheair.org or in person at an Air District staffed event;
- Calling 1-877-4-NO-BURN. This line will be available in English and Spanish
- Signing up for *Winter Time Spare the Air* phone alerts by calling 1-800-430-1515. Phone alert sign ups will be available in five languages: English, Spanish, Cantonese, Mandarin, and Vietnamese.

Communication Strategy Highlights

Highlights of this year's communication strategy include:

- Outreach - Staff will promote the *Winter Spare the Air* campaign and AirAlerts email registration at various events throughout the Bay Area. Staff will also conduct grass roots outreach and targeted direct mail campaigns.
- Advertising – advertising will be conducted via cable TV, broadcast TV, on-line venues, print outlets, radio, sports venues, cinema ads, in-store advertising, and outdoor ads including the banner-toting cyclist and the Treasure Island banner.
- Media – Staff will promote the campaign to media outlets via Op-Eds, desk side visits, and features throughout the season.
- Measurement - The Air District's measurement contractor, True North, will be conducting winter time surveys to gauge effectiveness of the program.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for the outreach program is included in the FY 2009-10 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Lisa Fasano

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: October 27, 2009

Re: Report of the Stationary Source Committee Meeting of October 19, 2009

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Stationary Source Committee met on Monday, October 19, 2009.

The Committee received the following reports and presentations:

- A) Status Report on the Flare Minimization Plan (FMP) Second Annual Updates Under Regulation 12, Rule 12: Flares at Petroleum Refineries
- B) Update on Bay Area Emission Inventory Trends

Attached are the staff reports presented to the Stationary Source Committee for your review.

Chairperson John Gioia 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: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 16, 2009

Re: Status Report on the Flare Minimization Plan Second Annual Updates
Under Regulation 12, Rule 12: Flares at Petroleum Refineries

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

In order to minimize the frequency and magnitude of flaring at petroleum refineries, the District Board of Directors adopted Regulation 12-12: Flares at Petroleum Refineries on July 20, 2005. The regulation recognizes that refinery flares are first and foremost a safety device and it allows refineries to develop plans to continuously minimize flaring without compromising safety. The regulation prohibits the non-emergency use of a refinery flare unless that use is consistent with an approved Flare Minimization Plan (FMP).

Each Flare Minimization Plan must include:

- Information regarding the design and operation of the facility as it relates to flaring;
- Description of the prevention measures previously taken that permanently capture current emission reductions and planned measures to further reduce flare emissions at the refinery; and
- Commitments to implement all additional feasible prevention measures expeditiously.

The regulation functions as a continuous improvement process by requiring the refineries to update their FMP annually to incorporate any new prevention measures developed as a result of investigations into the primary cause and contributing factors for significant flaring events.

DISCUSSION

The Air District's flare regulations have been making progress in reducing the frequency and magnitude of flaring as indicated by downward trends in the total volume of vent gas flared, the number of flaring days, and the total emissions of methane and non-methane hydrocarbons. Emissions of sulfur dioxide have also been trending downward with the exception of 2008. The sulfur dioxide flaring increases at the Valero and Tesoro refineries were related to maintenance activities and discussed at the committee's April 20, 2009 meeting.

The first annual updates to the Flare Minimization Plans were submitted July 16, 2008. The updates included analysis of the reported cause and associated emissions for each significant flaring event for the time period of June 2006 through May 2008. In response to the public's comments to improve the clarity of the Plans and have a consistent timeframe, the District required changes for the next plan update. The second annual updates were due Oct 1, 2009 and will include flaring analysis for the time period June 1, 2008 through June 30, 2009. All future annual updates will be due Oct 1, will add a 12-month flaring analysis ending June 30 of the same year, and will contain any modifications or amendments to flaring prevention measures contained in the Plan. The first annual Flare Minimization Plan updates were approved by the District on April 17, 2009.

Significant progress has been made in reducing the frequency and magnitude of flaring since District flaring regulations were adopted. The flare control regulation is structured to account for the variability of petroleum refinery designs, to ensure continuous improvement in identifying flaring prevention measures specific to each refinery's design and operation, and to provide an opportunity to consider public input in developing the most effective Flare Minimization Plan.

The District uses a robust engagement process for evaluating Flare Minimization Plans. In addition to working with each refinery, district staff considers all public comments received for each plan. The District received one comment letter from the Public and Environmental Health Advisory Board for Contra Costa County for the first annual update. After careful evaluation of the information provided by each refinery and in consideration of the public comment received, the Air District posted summary information on the progress made reducing the frequency and magnitude of flaring, worked with each refinery to add summarized information to the existing plan updates, and added a requirement that the Plans must now include an executive summary with standardized metrics for measuring progress complete with trend data. Throughout the Flare Minimization Plan engagement process, the District staff focuses on ensuring all feasible prevent measures identified as a result of the investigations into the reasons for flaring are expeditiously implemented. The engagement with refineries centers on the following main areas: Vent gas source reduction efforts; Fuel gas balance between gas generators and consumers; Vent gas compressor capacities; and Sour gas scrubbing capabilities.

While emissions and volumes from petroleum refinery flares have been showing steady decreases since 2004 for most pollutants, the Air District expects these trends to be less steady in the future due to the cyclic nature of maintenance activity at refineries. It is not uncommon for maintenance turnarounds to occur on 3 to 5-year intervals, or longer. This long time-frame activity makes any short-term analysis of annual flaring trends difficult, but longer 5-year annual averages are appropriate. Key parameters for tracking the frequency and magnitude of petroleum refinery flaring are presented in Table 1.

Table 1: Petroleum Refinery Flaring Frequency and Magnitude

First Five-Year Annual Average 2004 thru 2008					
Refinery	Vent Gas Volume (MMSCF)	Number of flaring days (Days)	Total Emissions		
			CH4 (Tons)	NMHC (Tons)	SO2 (Tons)
Chevron	84.6	139	7.7	30.1	64.9
ConocoPhillips	86.3	83	8.2	15.4	77.6
Shell	198.1	284	7.6	14.6	3.9
Tesoro	228.0	283	18.2	46.2	117.3
Valero	153.2	291	11.1	37.2	54.2

The District is committed to the goal of continuous improvement in minimizing petroleum refinery flaring and will continue to work with all stakeholders to achieve progress through the petroleum refinery Flare Minimization Plans.

The Committee will receive a status report on the petroleum refinery second annual Flare Minimization Plan updates.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alex Ezersky

Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 7, 2009

Re: Update on Bay Area Emission Inventory Trends

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

The Air District regularly prepares and updates an emission inventory of criteria air pollutant emissions in the San Francisco Bay Area. The inventory estimates emissions from all sources, including stationary sources subject to Air District regulations, as well as on-road and off-road mobile and other sources subject to state and federal regulations. The last inventory, published in 2008, was prepared based on 2005 data. Emission trends for prior and future years were updated based on 2005 data.

DISCUSSION

Staff will provide the Committee with a summary of the emission inventory, including:

- Major source categories for PM_{2.5}, ROG, NO_x and SO₂;
- Trends in emissions of these pollutants from all sources and from stationary sources; and
- Trends in air quality data.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None at this time.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Toch Mangat
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: October 29, 2009

Re: Report of the Ad Hoc Committee on Port Emissions Meeting of October 26, 2009

RECOMMENDED ACTIONS

None; Informational only.

BACKGROUND

The Ad Hoc Committee on Port Emissions met on Monday, October 26, 2009. The Committee received the following presentations:

- A) Update on Emission Reduction Strategy for the Port of Oakland;
- B) Report on the Compliance Plan for Enforcement of Mobile Source Regulations;
- C) Update on Drayage Truck Retrofit Program at the Port of Oakland;
- D) Overview of Shorepower at the Port of Oakland

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

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

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) On September 16, 2009, the Board of Directors transferred \$750,000 into the FY 2009/2010 budget for the marine highway project. Other grant funds will come from our existing grant programs, including TFCA, Carl Moyer, and Mobile Source Incentive Funds. Staff costs are covered by the FY 2009/2010 budget.
- B) The FY 2010 estimated costs for implementation of the MSCP are two FTE. The FY ending 2010 budget allocated \$ 201,347 in General Revenue for conducting CARB Mobile Source regulations enforcement in CARE impacted areas with focus on the Port of Oakland.
- C) None. The Port Truck Retrofit Program distributes funds from the Port, the Goods Movement Bond, DERA and TFCA to the District and then to eligible

equipment owners. Staff costs for the administration of the Program are included in the FY 2009/2010 budget.

D) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

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: October 19, 2009

Re: Update on Emission Reduction Strategy for the Port of Oakland

RECOMMENDED ACTIONS:

None.

BACKGROUND

At the July 16, 2009 meeting of the Ad Hoc Committee on Port Emissions, staff briefed the Committee on the development of a list of near term actions to reduce emissions at the Port of Oakland. Air District staff and Port of Oakland staff have been working jointly to develop the list.

DISCUSSION

The attachment entitled **Joint Work Program: Port of Oakland and BAAQMD -- Near Term Projects to Reduce Emissions at the Port of Oakland (October 19, 2009)** is the current version of the list of near term actions. The actions include:

- Outreach activities and compliance support to assist with ARB and BAAQMD enforcement of the CARB regulations applicable to operations at the Port of Oakland to ensure that the emission reductions anticipated by the CARB regulations are realized.
- Specific projects to be implemented jointly to reduce emissions from operations at the Port, including projects to reduce emissions from ships, trucks and switcher engines.
- Measures to track progress, including emission inventory updates and air monitoring.

Staff will continue to work with the Port of Oakland staff to finalize the list of near term measures. The Port Maritime Committee and the Port Board of Commissioners are scheduled to receive an update on the list of measures in November 2009. The Executive Officers of the Port and the Air District will make a formal commitment to implement the Joint Work Program.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

On September 16, 2009, the Board of Directors transferred \$750,000 into the FY 2009/2010 budget for the marine highway project. Other grant funds will come from our existing grant programs, including TFCA, Carl Moyer, and Mobile Source Incentive Funds. Staff costs are covered by the FY 2009/2010 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jean Roggenkamp

Joint Work Program: Port of Oakland and BAAQMD
Near-Term Projects to Reduce Emissions at the Port of Oakland
Draft –October 19, 2009 – For Discussion Only

Regulatory: Outreach Activities	
Description	To ensure compliance with CARB mobile source regulations and air toxic control measures (ATCM) through a wide range of activities, including the dissemination of informational materials, meetings with the owners or operators of regulated sources, signage, and other means of outreach support.
Scope	<ul style="list-style-type: none"> • CARB Drayage Truck Rule (Trucks) • CARB Idling Limits (Idling) • CARB ATCM: Transport Refrigeration Units (TRU)
Roles	BAAQMD (Lead, Outreach for ATCMs, Compliance and Enforcement Division) Port (Support of BAAQMD outreach activities, as identified below)
Cost	TBD
Funding	TBD
Schedule	Present through 2014
Activities	<p>The activities listed below encompass a full range of outreach activities. The relevant rules and ATCMs are identified in parentheses after each activity.</p> <p>I. Information Dissemination</p> <ul style="list-style-type: none"> • Develop multilingual compliance assistance materials (Trucks, Idling, TRU) • Distribute compliance materials (Trucks, Idling, TRU) • Web-based information sharing, including links to CARB and BAAQMD websites (All) • Provide e-mail contact information from public meeting rosters (where not otherwise prohibited by federal preemption or privacy/security) (Trucks, Idling, TRU) <p>II. Workshops and Meetings</p> <ul style="list-style-type: none"> • Conduct workshops and meetings with Marine Terminal Operators (MTOs) and Port tenants (All) • Conduct workshops and meetings with truck drivers, owners and motor carriers (e.g. Trucking Working Group) (Trucks, Idling, TRU) • Convene Port Maritime Stakeholder Group (All) <p>III. Signage</p> <ul style="list-style-type: none"> • Use of digital signboards re: idling restrictions, availability of grants funds at OT411, etc. (Trucks, Idling, TRU) • Fabrication of anti-idling signs (Idling) • Installation of permanent signs/placards (Idling) <p>IV. Facilities (e.g. OT411 Outreach Center) (Trucks, Idling, TRU)</p> <ul style="list-style-type: none"> • Assist truck owners with registering their vehicles in the CARB Drayage Truck Registry (Port, BAAQMD)

Regulatory: Enforcement Activities	
Description	The California Air Resources Board has the lead responsibility for compliance and enforcement of mobile source air quality rules. The BAAQMD enforces rules and regulations, including applicable state and federal law, to achieve and maintain state and federal ambient air quality standards. Both CARB and BAAQMD will conduct investigations and conduct enforcement actions to ensure compliance with mobile source

Joint Work Program: Port of Oakland and BAAQMD
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	rules and ATCMs.
Scope	<ul style="list-style-type: none"> • CARB Drayage Truck Rule (Trucks) • CARB Idling Limits (Idling) • CARB ATCM: Transport Refrigeration Units (TRU)
Roles	<ul style="list-style-type: none"> • BAAQMD (Lead, Enforcement of ATCMs, Compliance and Enforcement Division) • Port (Support of BAAQMD compliance activities, as identified below)
Cost	TBD
Funding	TBD
Schedule	Present through 2014
Activities	<p>The activities listed below encompass a full range of compliance support activities. The relevant rules or ATCMs are identified in parentheses after each activity.</p> <p>I. Reporting</p> <ul style="list-style-type: none"> • Encourage MTO reporting consistent with the Drayage Truck Rule (Trucks) • Collect reports and provide reports to CARB with a copy to BAAQMD (Trucks) <p>II. Operations</p> <ul style="list-style-type: none"> • Serve as liaison between field-based inspection staff and stakeholders (i.e. MTOs, truckers, motor carriers) (All) • Assist in resolving compliance questions (All) • Issue warnings to MTOs RE: excessive queues/idling <p>III. Facilities</p> <ul style="list-style-type: none"> • Terminals to develop turn-away procedures for non-compliant trucks (Trucks) • Utilize existing reefer capacity outlets at Marine Terminals for TRUs (3,309 480v outlets; 257 240v outlets. Total: 3,566) (TRU) <p>IV. Leases</p> <ul style="list-style-type: none"> • All Port leases require compliance with all applicable laws, rules and regulations and Port policies, including but not limited to, environmental rules and regulations (All) – (i.e. applies to existing leases as leases come up for renewal or new leases are negotiated) <p>V. Port Tariff (non-compliant DTR truck ban)</p> <ul style="list-style-type: none"> • Port to confer with BAAQMD on implementation of truck ban to facilitate BAAQMD enforcement of DTR (Trucks)

Project: LNG-fueled generators for shore power	
Description	<p>Pursue use of LNG-fueled generators for shore power for the terminal operators and carriers that choose that technology to comply with the CARB shore power regulation.</p> <p>Note: While no terminal operators at the Port of Oakland reported including dockside generators in their July 1, 2009 compliance plan submittals to CARB, Port and BAAQMD staff will continue discussions with terminal operators and carriers that are interested in integrating LNG generators in their overall compliance strategy for shorepower.</p> <p>A recent use of the LNG-fueled generators by APL during emergency repair work on the APL Korea demonstrated a potential use of this technology.</p>

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Project: Vessel speed reduction	
Description	Limit the maximum speed of ocean-going vessels near California's coast to reduce NOx, SOx, diesel particulate matter and green house gas (GHG) emissions.
Roles	<ul style="list-style-type: none"> • CARB is currently preparing rule-making studies and conducting public workshops, and will consider adopting a regulation. • BAAQMD (Enforce VSR regulation if adopted, Compliance and Enforcement Division) • Port (Evaluate feasibility of a voluntary program. Lead regional review and response to CARB proposals via discussions with the Harbor Safety Committee and other interested parties; Support of BAAQMD compliance activities if VSR regulation is adopted.)
Cost	TBD
Funding	TBD
Schedule	Present through 2010
Activities	<p>The activities listed below encompass a likely range of activities if the regulation is adopted by CARB.</p> <p>I. Information dissemination</p> <ul style="list-style-type: none"> • Distribute compliance materials to carriers • Web-based information sharing, including links to CARB and BAAQMD websites • Most information is expected to be distributed through CARB Marine Notice advisories to owners or operators of ocean-going vessels visiting California ports or through the U.S. Coast Guard. <p>II. Workshops and Meetings</p> <ul style="list-style-type: none"> • Contact with carriers is expected to be through CARB. • Regional discussions will be conducted in conjunction with, but not limited to, the Harbor Safety Committee, the Pacific Merchant Shipping Association and the San Francisco Bar Pilots Association on a potential voluntary program. <p>III. Other</p> <ul style="list-style-type: none"> • The enforcement reporting requirements will be described in the regulation, when it is adopted.

Project: Short Sea Shipping	
Description	Marine highway project ("short sea shipping") between the Port of Oakland and the Ports of West Sacramento and Stockton to use barges to reduce truck trips on regional freeways.
Roles	<ul style="list-style-type: none"> • BAAQMD (Project support) • Port (Project support) • Project leads are the Ports of West Sacramento and Stockton and terminal operators that are equipped to participate in this effort.
Cost	TBD
Funding	Private financing in an unspecified amount from a private company project proponent. Up to \$30 million in federal TIGER grant funding (application submitted by the Ports of Oakland, West Sacramento and Stockton/letter of support submitted by BAAQMD). \$750,000 from the BAAQMD (contingent on success of TIGER grant application, the project's utilization of clean tugs and service ramp-up milestones). \$500,000 from the San Joaquin Valley APCD (tentative, contingent on San Joaquin Valley

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	AQMD Board's approval). \$950,000 from the Port of West Sacramento and \$2.25 million from the Port of Stockton (including waterfront land value)
Schedule	Spring/Summer 2010
Activities	BAAQMD – provide funding Port – submit a joint TIGER grant application to the US Department of Transportation with the Ports of West Sacramento and Stockton.

Project: Ambient air quality monitoring	
Description	The BAAQMD has established a permanent monitoring station in West Oakland. Additionally, the BAAQMD is conducting the West Oakland Monitoring Study (WOMS), an intensive ambient air quality monitoring program to assist in better characterizing pollution sources and health risks. The Port is assisting BAAQMD by helping to locate and secure a temporary monitoring site on Port property. The Port is also providing funding to the BAAQMD toward the cost of an additional off-site monitor for the summer and winter 2009 monitoring periods. Data collected from the monitors will be accessible to the public via both agencies' websites, as will the WOMS draft and final reports. The Air District is responsible for operating the monitors, collecting the data and publishing the results of the monitoring.
Roles	<ul style="list-style-type: none"> • BAAQMD (Project lead) • Port (Project support)
Cost	TBD
Funding	BAAQMD – approx. \$500,000 (WOMS only). Port - \$19,400 – summer 2009 (WOMS) Approximately \$16,000 – winter 2009/10 (WOMS)
Schedule	Present through 2010

Project: Drayage Truck Retrofit and Replacement Program	
Description	Provide cash grants and other assistance for diesel particulate matter (DPM) filters or truck replacements for drayage truck owners. Available funding can support retrofits for 800 trucks and replacement of 200 trucks.
Roles	BAAQMD (Project lead) Port (Project support) Both BAAQMD and Port employees are staffing the OT411 information center to assist truckers in applying for grant assistance
Cost	Up to \$22 million
Funding	\$5 million – Port operating budget \$5 million – Air District (TFCA funding) \$10 million – Prop 1B grant (through CARB) \$2 million – DERA grant (through US EPA)
Schedule	Present through January 1, 2010

Project: Emissions inventory update	
Description	Update the 2005 Seaport Air Emissions Inventory to calendar year 2008.

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Roles	<p>Port (Project lead) – The Port is working with a consultant (Environ) to update the 2005 Seaport Air Emissions Inventory to calendar year 2008. Depending on funding availability, a second phase of the Project may inventory seaport-related GHG.</p> <p>BAAQMD (advice) - Along with CARB, provide advice on methodology to ensure that the emissions inventory will be consistent with and comparable to the 2005 inventory and HRA factors.</p> <p>The Air District will provide timely review of working drafts of the inventory, as well as in-kind technical assistance as needed. The Air District may assist the Port in presenting the inventory to local residents and businesses, as well as other government agencies.</p>
Cost	Port – c. \$95,000
Funding	Port – operating budget
Schedule	Present through 2010

Other Opportunities Under Consideration		
Project/Action	Recommended Time Frame	Notes
Review and update work program annually	Annual update	Staff from Port and BAAQMD to meet periodically to update the work program.
Designation of West Coast as an Emission Control Area by the International Maritime Organization.	Commence Fall 2009	Port and BAAQMD to join with other businesses and agencies to support this effort. In advance of the 60th session of the Marine Environmental Protection Committee (MEPC 60), currently scheduled for March 2010, the Port and BAAQMD will urge support within the maritime industry for adoption of the ECA, with an emphasis placed on gaining support from major business interests in the Bay Area, as well as Port customers.
Funding/implementation of landside shore power systems.	2010-2013	<p>Port is including funding for off-terminal infrastructure in its five-year capital program (budget approval is pending). BAAQMD to support Port TIGER/ARRA grant applications. BAAQMD has funded the installation of shorepower at three APL berths. Ports America has proposed an initial implementation of shorepower by 2012 in its Concession and Lease Agreement at Berths 20-24.</p> <p>Total cost est. \$90M.</p> <p>BAAQMD staff to discuss additional funding for this measure at an upcoming Mobile Source Committee meeting.</p>
Provide match funding for 2 low-emission switcher engines at the Port-owned rail yard leased by BNSF.	On-going	Port has planned a \$1.3 million grant to match BNSF investment. BAAQMD is considering additional funding to offset private match costs. BAAQMD/Port in discussions with BNSF.

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<p>Coordination on Technology Advancement projects possibly including, but not limited to:</p> <ul style="list-style-type: none"> • Electric Yard hostlers • Electric and/or Hydraulic hybrid drive trains for cargo handling equipment and vessel assist tugs. • Hybrid on-road trucks • NOx controls on ocean-going vessels 	<p>Commence in 2010</p>	<p>This measure is to assist the Port and its tenants in understanding, demonstration or developing new technologies that will further lower emissions of NOx, CO2 and PM10. Reduction in NOx from ocean going vessels is of particular interest, in addition to the primary interest in reducing diesel PM.</p> <p>Port to consider joining the ongoing San Pedro Bay Technology Advancement program or developing a complementary effort.</p> <p>Air District to consider possible funding options.</p> <p>Both agencies to collaborate with project sponsors in seeking other underwriting sources.</p>
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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 14, 2009

Re: Report on the Compliance Plan for Enforcement of Mobile Source Regulations

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Diesel particulate matter (PM) poses the largest air toxic health risk to Bay Area residents. In 1998, the California Air Resources Board (CARB) identified diesel PM as a toxic air contaminant (TAC) based on its potential to cause cancer, premature death and many other health problems. The Air District's CARE program studies have shown that diesel PM accounts for over 80% of the TAC cancer risk, with on-road and off-road mobile sources responsible for the majority of the risk. In addition, the comprehensive West Oakland health risk assessment determined that the community is exposed to diesel PM concentrations that are nearly 3 times higher than the average background diesel PM in the Bay Area.

The District has a strong stationary source enforcement program which spans more than 5 decades. However, mobile source enforcement has traditionally been under CARB's purview. Only recently, CARB's diesel PM air toxic control measures (ATCMs) allowed air districts the opportunity to have a larger role in mobile source regulation enforcement.

Following up on presentations in March and July 2009 to the Committee, staff completed the District's Mobile Source Compliance Plan. The goal of the Plan is to reduce diesel particulate matter health risk in CARE impacted areas, with special focus on the Port Of Oakland and West Oakland, using a robust enforcement program.

Staff have completed several logistical actions to ensure timely and effective Plan implementation, including: obtaining security clearances for Port access; attending mobile source training and conducting monthly familiarization inspections with CARB; beginning outreach; inspecting trucks that will receive District grant funds; and continuing to enforce mobile source requirements already under District purview. Plans are underway for a strong enforcement presence at the Port of Oakland to ensure compliance with the January 1, 2010 Drayage Truck Rule compliance deadline.

DISCUSSION

The Mobile Source Compliance Plan (MSCP) lays out the District's comprehensive strategy for enforcement of specified CARB ATCMs and related mobile source statutes and/or agreements. The MSCP includes the following key elements: an overview of the Compliance Assistance & Enforcement Program; the Memorandum of Understanding (MOU) between CARB and the District; discussion of Diesel PM and Mobile Source(s) impacts on CARE Areas; the Mobile Source Regulations addressed in the Plan; and an Implementation Schedule. The MOU is a critical component of the MSCP as it serves to clarify our authority and define the roles and responsibilities of each agency.

The District has prioritized its current efforts and those planned based on the overall level of emissions and their contribution to elevated health risk posed by a particular mobile source category. Included are several regulations (or statute or agreement, collectively "rules") which address categories which represent the highest emission sources/risks: trucks (3 rules); diesel equipment (4 rules); ships and boats (4 rules); locomotives (1 rule); and off-road vehicles (1 rule).

The Bay Area Air District is the first in the State to enter into a comprehensive mobile source enforcement partnership agreement with CARB. By implementation of the MOU and the Compliance Plan, the District will reduce diesel PM exposures, provide leadership on mobile source enforcement, and improve air quality for the communities we serve.

Staff will present the Mobile Source Compliance Plan to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The FYE 2010 estimated costs for implementation of the MSCP are two FTE. The FYE 2010 budget allocated \$ 201,347 in General Revenue for conducting CARB Mobile Source regulations enforcement in CARE impacted areas with focus on the Port of Oakland.

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 Miley and Members
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 19, 2009

Re: Update on Drayage Truck Retrofit Program at the Port of Oakland

RECOMMENDED ACTION:

None, receive and file.

BACKGROUND

Since May of 2009, the Bay Area Air Quality Management District (District) has operated a drayage truck retrofit program for trucks serving the Port of Oakland. This program is funded by a combination of monies: \$5 million provided by the Port, \$15 million in District funding from the TFCA and Goods Movement Bond (I-Bond) programs, and \$2 million from the United States Environmental Protection Agency (USEPA) via the American Resource and Recovery Act (ARRA) Diesel Emissions Reduction Program (DERA). Utilizing this funding, the Board of Directors set the ambitious goal to retrofit and replace 1,000 Port drayage trucks. This program is now in its final leg. Staff will provide the committee with an update on its progress to date.

DISCUSSION

The Port Truck Retrofit Program has had a number of starts and stops to program rollout described by the chronology below:

- August 15, 2008 - the District receives over 1,200 applications for Port truck retrofits and replacements totaling \$28 million for a solicitation of \$15 million (\$5 million in Port funds, \$5 million in I-Bond funds and \$5 million in TFCA funds).
- November 19, 2008 - the Board of Port Commissioners (Port Commissioners) passed a resolution postponing the use of \$5 million in Port funds to retrofit trucks under the joint I-Bond program until after the adoption of its Comprehensive Truck Management Program (CTMP).
- December 23, 2008 - the District was notified by the ARB that due to the State of California's fiscal year budget crisis, that I-Bond program funding was frozen.
- March 18, 2009 - the Board authorized to move forward with the drayage to program using \$5 million in TFCA funding.
- June 16, 2009 - Port of Oakland Commissioners vote to reinstate \$5 million in funding to program via an amended memorandum of understanding (MOU) with the District.
- June 26, 2009 - ARB reinstate his I-Bond funding

- July 2009 - District is awarded \$2 million in American Resource and Recovery Act funding from the United States Environmental Protection Agency (USEPA) for retrofits and Replacements at the Port.

Program Successes to Date

Despite the delays in some of the funding, and the four sets of administrative guidelines to which the program is subject, it has been extraordinarily successful. To date the program has:

- Issued over 780 retrofit contracts to drayage truck owners.
- Is projected to have over 350 retrofits devices installed on the Oakland drayage trucks by the end of October.
- Has assisted over 3, 000 truckers at its Oakland outreach center (OT 411) with information on grants and the upcoming regulation.
- Encumbered approximately \$13 million in Air District, Port, USEPA and I-Bond funding

Staff is currently working on the replacement drayage truck portion of the program and is expecting to issue approximately 170 contracts for truck replacements in November 2009. These truck replacement contracts will encumber the remaining \$9 million of program funds. While staff hopes that many of the trucks can be in place by ARB's January 1, 2010 regulatory deadline, it is also discussing options with the ARB for truckers who have not received their replacement truck by that time.

Current Issues

While the program continues to be successful, there continue to be implementation issues for grantees and vendors, and administrative issues for the District. These are as follows:

- There is currently a 6 to 8 weeks delay in the manufacturing of ECS hybrid retrofits, the device for which the most grants have been issued. This is slowing device installation considerably.
- Many drivers have missed installation deadlines and are now seeking contract amendments to allow them to install retrofits later this year.
- ARB imposed a number of new administrative hurdles on the District in order to receive Goods Movement Bond funding. While these requirements have been met, ARB have been slow to respond to the District on when actual funding will be delivered.
- Over 800 retrofit grant applicants were unsuccessful in getting funding and staff is spending a significant amount of time dealing with their concerns and questions.

Staff remains confident that these issues can be overcome and that the program will achieve the 1,000 trucks retrofitted or replaced.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Port Truck Retrofit Program distributes funds from the Port, the Goods Movement Bond, DERA and TFCA to the District and then to eligible equipment owners. Staff costs for the administration of the Program are included in the FY 2009/2010 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Karen Schkolnick

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: October 19, 2009

Re: Overview of Shorepower at the Port of Oakland

RECOMMENDED ACTION:

None, receive and file.

BACKGROUND

As part of its efforts to reduce emissions at California ports, the California Air Resources Board (ARB) enacted an Air Toxics Control Measure (ATCM) for "*Auxiliary Diesel Engines Operated on Oceangoing Vessels At Berth in a California Port*" in December, 2007. This regulation requires that vessel owners, terminals and California Ports work together to reduce the emissions caused when ships run/idle their engines to provide power for onboard activities while docked. The regulation offers a number of different compliance scenarios to terminal operators and vessel owners and requires reporting from each affected port. Staff will give an overview of the regulation and discuss the costs and issues with compliance at the Port of Oakland (Port).

DISCUSSION

Who Is Subject to the Regulation at the Port?

The Port's operation depend on the import and export of cargo. While the regulation offers a number of different exemptions, cargo fleets whose vessels visit Oakland more than 25 times in a year are subject to the requirements of the regulation. This means that all of the major terminals and vessel fleets visiting Oakland are subject to the rule's requirements. In many cases the vessel fleets and terminals in Oakland are owned by the same parent companies.

What Does the Regulation Require?

The regulation requires that vessel fleets and terminals choose between two emissions reductions options as follows:

Grid-based Shorepower - This is where a ship is hooked up directly to the California electrical grid system and is drawing power directly from a utility company.

Alternative Compliance - Ships have the ability to:

- Get power from onshore generators (such as the LNG generator funded by the District as a demonstration project in 2007). These generators have to be equivalent to the electrical grid in terms of emissions.
- Capture and treat emissions from the vessel's auxiliary engines as an alternative to utilizing electricity for onboard operations.

- The vessel itself can have an onboard engine that can provide power to the vessel but this engine has to be equivalent to the electrical grid in terms of emissions.
- The vessel could use a special fuel but again would have to meet an equivalent emission standard to the electrical grid.
- Other methods that would reduce emissions equivalent to the ship being powered by the electrical grid.

Under the regulation, terminals and vessel fleets were required to report to the ARB by July 2009, if they were going to choose an alternative compliance path. Based on the reports submitted, all of the facilities at the Port of Oakland have chosen to utilize grid-based shorepower to comply with the regulation. Additionally, by choosing this option, 50% of the vessels visiting the Port of Oakland must be able to plug into grid-based shorepower by July 2014.

Costs

The Port estimates that it will cost approximately \$90 million to provide grid-based shorepower to all but two terminals at its facility. The two terminals not included in the calculation are Ports America, who are required to provide their own electrical infrastructure under a concession agreement with the Port and the APL shipping line who is utilizing a combination of private and District funding (\$4.8 million - \$2 million from the Carl Moyer program and \$2.8 million in Goods Movement Bond funding (I-Bond)) to electrify their Berths and vessels.

Issues

Infrastructure:

Installation of shorepower infrastructure is complicated at the Port of Oakland due to a number of factors. These include the fact that both the Port and PG&E are the electrical utility providers for the majority of terminals in Oakland. This requires both entities to negotiate on the provision of actual power to the dock. No unified solution to the shorepower question at the Port has been presented by both entities to date. Additionally, there is a long lead time associated with planning and purchase of the infrastructure equipment and the actual construction and placement of it generally takes years. While engineering studies have been performed by the Port of Oakland, no equipment has been ordered to date.

Grant Funding:

Federal Funding - In order to fund some of the \$90 million required, the Port has applied for \$26 million in the United States Department of Transportation (USDOT) TIGER monies. These dollars are being leveraged against \$51 million from the Port's own capital improvements budget. However, the USDOT solicitation is nationwide and expected to be very competitive. The Port will not be notified until February 2010, as to whether or not it has been successful in this application. In the event that they are successful, they will have only until 2012 to spend this funding, a short turnaround for projects of this magnitude.

District Funding - The District has made Carl Moyer program (CMP) and Mobile Source Incentive Funding (MSIF) available to Port terminals via its annual solicitations in these programs. While staff has had several meetings with terminal operators and vessel owners, to date only APL has chosen to avail itself of District funding. Due to the surplus requirements of

the CMP and MSIF programs, this funding will no longer be available to applicants following December 2011.

In addition to this funding, shorepower is an eligible category under I-Bond. This funding source has different surplus requirement to the programs mentioned above which could provide additional time for funds to be used at the Port. However, due to a California state budget crisis funding from this revenue stream has been uncertain. The District continues to work with ARB to secure more of these funds for this and other projects.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Informational report.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Karen Schkolnick

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: October 28, 2009

Re: Report of the Budget & Finance Committee Meeting of November 2, 2009

RECOMMENDED ACTION

The Committee may recommend Board of Directors' approval of the following:

- A) Proposition 1A Securitization Program:
 - 1. Adopt the proposed Proposition 1A Sale Resolution and authorize execution of the Purchase and Sale Agreement and related documents.
- B) Greenhouse Gas Reduction Grant Program Funding:
 - 1. Authorize the creation of a Carbon Offset Fund Program Number 311, funded by the ConocoPhillips settlement in the amount of \$4,443,025, and adjust the Air District's FY 2009/10 Strategic Incentives Division budget accordingly.

BACKGROUND

The Budget & Finance Committee will meet on Monday, November 2, 2009. The Committee will receive and consider the following reports and recommendations:

- A) Proposition 1A Securitization Program
- B) Reduction in Services and Supplies Expenditures and in Goods Movement Workload
- C) Greenhouse Gas Reduction Grant Program Funding

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

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

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) The impact of the emergency suspension of Proposition 1A, an 8% reduction of property tax revenues apportioned to the district, will be mitigated.
- B) None

C) Staff's recommendation would result in a net increase to the District's Strategic Incentives Division FY 09/10 budget in the amount of \$4,443,025. This funding will be used to provide grants and staff administrative costs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 26, 2009

Re: Proposition 1A Securitization Program

RECOMMENDED ACTION:

Consider recommending that the Board of Directors adopt the proposed Proposition 1A Sale Resolution and authorize execution of the Purchase and Sale Agreement and related documents.

DISCUSSION:

Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur with the recommendation.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

The Proposition 1A Securitization Program was authorized under ABX4 14 and ABX4 15, and instituted by California Statewide Communities Development Authority ("California Communities") to enable local agencies to sell their respective Proposition 1A Receivables to California Communities. "Clean-up" legislation SB67 was passed by the Senate on October 14, 2009 to clarify specific aspects of ABX4 14 and ABX4 15, and signed by the Governor on October 19, 2009. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each participating local agency with the cash proceeds which will equal 100% of the amount of the property tax reduction. California Communities reports that as of mid-October, approximately 1,116 agencies have enrolled in the Securitization Program.

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits of participation in the Proposition 1A Securitization Program include

- Receipt of 100% of Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010
- All financing costs will borne by the State of California. The District will not have to pay any interest cost or costs of issuance in connection with it participation.
- The District has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other obligations associated with the bonds.

Requirements of Participation:

To participate in the Securitization Program, the Board must adopt the proposed Proposition 1A Receivables Sale Resolution and authorize the execution of the Purchase and Sale Agreement and related documents that must be signed by all agencies participating in the Program. The District Counsel and outside counsel, Hanson Bridgett LLP, have reviewed the documents for the District.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The impact of the emergency suspension of Proposition 1A, an 8% reduction of property tax revenues apportioned to the District, will be mitigated.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent *JPB*
Executive Officer/APCO

Date: October 16, 2009

Re: Addendum to Agenda Item #4 - Proposition 1A Securitization Program

Attached for your review are the Purchase and Sale Agreement with California Statewide Communities Development Authority, the Certificate of the Seller, and the Board Resolution.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) BAY AREA AIR QUALITY MANAGEMENT DISTRICT, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term “including” shall mean “including without limitation.”

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the “Proposition 1A receivable” as defined in Section 6585(g) of the California Government Code (the “Proposition 1A Receivable”), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an “Installment Payment” and, collectively, the “Installment Payments”), on January 15, 2010, and May 3, 2010 (each a “Payment Date” and, collectively, the “Payment Dates”). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.deleray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Deleray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller’s Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the “Pricing Date”), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's Board of Directors approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its Board of Directors members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 939 Ellis Street, San Francisco, CA 94109.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

BAY AREA AIR QUALITY MANAGEMENT
DISTRICT, as Seller

By: _____
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, as Purchaser

By: _____
Authorized Signatory

EXHIBIT A DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

“Act” means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

“Bill of Sale” has the meaning given to that term in Section 2(b)(ii) hereof.

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to lserdahl@baaqmd.gov not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

“County Auditor” means the auditor or auditor-controller of the county within which the Seller is located.

“Credit Enhancer” means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

“Initial Amount” means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

“Installment Payments” have the meaning set forth in Section 2(a).

“Payment Dates” have the meaning set forth in Section 2(a).

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to lserdahl@baaqmd.gov not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at 939 Ellis Street, San Francisco, CA 94109.

“Proposition 1A Receivable” has the meaning set forth in Section 2(a).

“Purchase Price” means an amount equal to the Initial Amount.

“Rating Agency” means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

“Rating Agency Confirmation” means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

“Resolution” means the resolution adopted by the Board of Directors approving the sale of the Proposition 1A Receivable.

“State” means the State of California.

“Transaction Counsel” means Orrick, Herrington & Sutcliffe LLP.

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of Bay Area Air Quality Management District, dated as of the Closing Date.

OPINION OF COUNSEL
to
BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the Bay Area Air Quality Management District (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the Board of Directors of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____
Seller's Counsel

OPINION OF COUNSEL
to
BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Bay Area Air Quality Management District (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller's Counsel

**EXHIBIT C1
CLERK'S CERTIFICATE**

CERTIFICATE OF THE
CLERK OF THE BOARD OF
BAY AREA AIR QUALITY MANAGEMENT DISTRICT, CALIFORNIA

Dated: Pricing Date

The undersigned Clerk of the Board of the Bay Area Air Quality Management District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the Board of Directors of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said Board of Directors had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the [City / Town / County] of San Francisco, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____
Clerk of the Board of the Bay Area Air
Quality Management District, California

**EXHIBIT C2
SELLER CERTIFICATE**

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the Bay Area Air Quality Management District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").
2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The Board of Directors duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the Board of Directors which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title _____

Signature

Jack P. Broadbent, Executive Officer/Air Pollution
Control Officer

Jeffrey McKay, Deputy Air Pollution Control Officer

I HEREBY CERTIFY that the signatures of the officers named above are
genuine.

Dated: Pricing Date

By: _____
Clerk of the Board of the Bay Area Air
Quality Management District, California

EXHIBIT C3
BILL OF SALE AND BRINGDOWN CERTIFICATE

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the Clerk of the Board dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

By: _____
Authorized Officer

EXHIBIT D
IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the Bay Area Air Quality
Management District and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, Bay Area Air Quality Management District (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's Board of Directors authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions

cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name: Wells Fargo Bank, N.A.
Bank ABA Routing #: 121000248
Bank Account #: 0001038377
Bank Account Name: Corporate Trust Clearing
Further Credit To: CSCDA Proposition 1A Bonds
Bank Address: 707 Wilshire Blvd., 17th Floor
MAC E2818-176
Los Angeles, CA 90017
Bank Telephone #: (213) 614-3353
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

BAY AREA AIR QUALITY MANAGEMENT
DISTRICT

By: _____
Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

_____, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The Bay Area Air Quality Management District (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's Board of Directors has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the Clerk of the Board, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller's Counsel, dated the Pricing Date;
4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

**BAY AREA AIR QUALITY MANAGEMENT
DISTRICT**

By: _____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
REVENUE BONDS
(STATE OF CALIFORNIA PROPOSITION 1A RECEIVABLES PROGRAM)
SERIES 2009

CERTIFICATE OF THE SELLER RE:
COMPONENTS OF PROPOSITION 1A RECEIVABLES

The undersigned, an Authorized Officer of the Bay Area Air Quality Management District (the "Seller") hereby certifies as follows with respect to that certain Purchase and Sale Agreement, dated as of November 1, 2009 (the "Agreement"), by and between the Seller and the California Statewide Communities Development Authority (the "Purchaser") as follows (all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Agreement):

1. The components (the "Components") of the Proposition 1A Receivable listed in Schedule I, attached hereto and incorporated herein by reference, belong to the Seller;

2. The Components are listed as they appear on the certification of the County Auditor pursuant to Section 100.06 of the Revenue and Taxation Code;

3. By entering into the Agreement, the Seller is selling the Proposition 1A Receivable, including all Components thereof listed in Schedule I;

4. The Seller acknowledges that the Purchase Price of the Proposition 1A Receivable will be equal to aggregate the Initial Amounts of each Component as each such Component is separately certified by the County Auditor; and

5. The funds or other entities listed as Components in Schedule I (other than the Seller itself) are not independent legal entities with the power to enter into contracts.

Dated: Pricing Date

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

By: _____
Authorized Officer

ACKNOWLEDGEMENT OF SELLER'S COUNSEL

The undersigned, counsel to the Seller hereby acknowledges and confirms that the statements in paragraphs 1 and 5 of this certificate are legally correct.

By: _____
Seller's Counsel

SCHEDULE I

COMPONENTS OF PROPOSITION 1A RECEIVABLE

Names of Components
Bay Area Air Quality Management District

Schedule I

Component Certificate of Bay Area Air Quality Management District

RESOLUTION NO. _____

**BOARD OF DIRECTORS
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Bay Area Air Quality Management District, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Directors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Bay Area Air Quality Management District to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Bay Area Air Quality Management District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Directors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Directors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Bay Area Air Quality Management District, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

Attest:

Clerk of the Board

Approved as to form :

SELLER'S COUNSEL

By _____

Dated: _____

APPENDIX A

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Authorized Officers: Jack P. Broadbent, Executive Officer/Air Pollution Control Officer

Jeffrey McKay, Deputy Air Pollution Control Officer

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 26, 2009

Re: Reductions in Services and Supplies Expenditures and in Goods
Movement Workload

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION:

In response to recent budget challenges, staff has reduced Services and Supplies expenditures. These reductions occurred in the prior fiscal year and will continue into the current fiscal year. Staff will provide the Committee an overview of the reductions in Services and Supplies expenditures.

Goods Movement grant funding will be less than was budgeted for the current fiscal year. The reduction in funding impacts the current fiscal year budget by reducing the allocation of funds from grants to cover personnel costs. Staff will discuss the impact of reduced Goods Movement funding on staffing levels and workloads.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey M. McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 26, 2009

Re: Greenhouse Gas Reduction Grant Program Funding

RECOMMENDED ACTION:

Consider recommending that the Board of Directors authorize the creation of a Carbon Offset Fund Program Number 311, funded by the ConocoPhillips settlement in the amount of \$4,443,025, and adjust the Air Districts' FY 2009/10 Strategic Incentives Division budget accordingly.

BACKGROUND

The Attorney General of California (AG) entered a Settlement Agreement dated September 10, 2007, with ConocoPhillips Company to resolve a dispute regarding the environmental impact of greenhouse gas emissions (primarily carbon dioxide) from the Clean Fuels Expansion Project at the company's refinery in Rodeo, California. Subsequently, the AG and the Air District entered into a Memorandum of Understanding (MOU) delineating the Air District's authority to administer a greenhouse gas emission reduction grant program using funds from the Settlement Agreement.

DISCUSSION

Pursuant to the MOU, the Air District established a Carbon Offset Account with approximately \$4 million from the Settlement Agreement. Projects funded under the MOU must achieve verifiable, quantifiable reductions in greenhouse gas emissions. The Air District must give priority to projects in areas nearest the ConocoPhillips refinery in Rodeo and shall consider any substantial co-benefits of a project through reduced emission of criteria pollutants or toxic air contaminants. The Air District is currently seeking proposals for energy efficiency and renewable energy projects in non-residential public, government buildings located in Rodeo, Crockett, Hercules, Pinole, and areas between these locations. Available funds will be allocated to projects beginning with the highest ranking, most cost-effective, projects.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Staff's recommendation would result in a net increase to the District's Strategic Incentives Division FY 09/10 budget in the amount of \$4,443,025. This funding will be used to provide grants and staff administrative costs.

Respectfully submitted,



R Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick

Reviewed by: Jean Roggenkamp

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: October 29, 2009

Re: Report of the Personnel Committee Meeting of November 4, 2009

RECOMMENDED ACTION

Approve the Committee recommendation of re-appointments and appointments to the Air District's Advisory Council. The appointments will be effective January 1, 2010 and end December 31, 2011.

BACKGROUND

The Personnel Committee will meet on November 4, 2009 to conduct interviews of candidates to fill expired terms of office and to consider the appointment of new members and re-appointment of incumbent members to the Air District's Advisory Council.

Based on the Committee's review of candidates' background and responses to interview questions, the Personnel Committee may recommend approval of two (2) candidates for appointment to replace the following members who are not seeking re-appointment:

Emily Drennen	Conservation Organization
Karen Licavoli-Farnkopf	Conservation Organization

The Personnel Committee may recommend approval of the following five (5) members for re-appointment:

Ken Blonski, Secretary	Regional Park District
Jeffrey Bramlett, Vice Chair	Park & Recreation
Harold Brazil, Chair	Mass Public Transportation
Kraig Kurucz	Industry
Kendal Oku	Organized Labor

Attached is the staff report submitted to the Personnel Committee for the November 4, 2009 meeting.

Chairperson Brown will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS:

None.

Respectfully submitted,



 Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper

Reviewed by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Harold Brown and
Members of the Personnel Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 29, 2009

Re: Conduct Interviews and Consider Recommending Board of Directors'
Approval of Candidates and Incumbents for Appointment and Re-Appointment
to the Air District's Advisory Council

RECOMMENDED ACTION:

Conduct interviews and consider recommending Board of Directors' approval of candidates and incumbents for appointment and re-appointment to the Air District's Advisory Council.

BACKGROUND:

Pursuant to Section 40261 of the California Health and Safety Code the District is required to maintain an Advisory Council consisting of 20 members. Further, section 40262 requires that the member categories consist of at least three representatives of public health agencies; at least four representatives of private organizations active in conservation or protection of the environment within the bay district; at least one representative of colleges or universities in the state; and at least one representative of each of the following groups within the bay district: regional park district, park and recreation commissions or equivalent agencies of any city, public mass transportation system, agriculture, industry, community planning, transportation, registered professional engineers, general contractors, architects, and organized labor. To the extent that suitable persons cannot be found for each of the specified categories, council members may be appointed from the general public. The new terms would expire on December 31, 2011.

DISCUSSION:

The terms of office for the following categories will expire on December 31, 2009: regional park district, park and recreation, mass public transit, conservation organization (2), industry, and organized labor. Of the seven positions with terms expiring, five incumbents have expressed an interest in re-appointment. After extensive recruitment and outreach efforts, a total of 13 non-incumbents applied.

The Human Resources Office and Executive Office have screened each candidate's experience and education relative to the position for which the candidate applied and has selected three (3) candidates with the most relevant experience to interview with the Personnel Committee under the category of conservation organization. It is recommended that the Committee re-appoint the five incumbents under the categories of regional park district, park and recreation, mass public transit, industry and organized labor.

Interviews of the three non-incumbent candidates will take place on Wednesday, November 4, 2009 and will begin at 9:00 a.m. The length of each interview will be approximately fifteen minutes. The application materials of the three candidates are included for your review. Incumbent candidates (those seeking re-appointment) will not be scheduled for an interview, but information on their attendance and leadership roles is included for your review.

Respectfully submitted,



R Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi