

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

Board of Directors' Regular Meeting
May 20, 2009

APPROVED MINUTES

CALL TO ORDER: Chairperson Pamela Torliatt called the meeting to order at 9:47 a.m.

Roll Call: Chairperson Pamela Torliatt, Vice Chairperson Brad Wagenknecht, Secretary Tom Bates and Directors Harold Brown, Chris Daly, Susan Garner, John Gioia, Carole Groom, Scott Haggerty, Carol Klatt, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, Michael Shimansky, James Spring, Ken Yeager and Shirlee Zane

Absent: Directors Dan Dunnigan, Jennifer Hosterman, Yoriko Kishimoto and Gayle B. Uilkema

PLEDGE OF ALLEGIANCE: Henry Hilken led the Pledge of Allegiance.

Public Comments: Richard Sinkoff, Port of Oakland, provided the following update on the Port of Oakland and requested additional time to provide comments on the Oakland Truck Survey:

- The \$5 million funding agreement is ready for execution;
- The Port is funding an additional \$154,000 in truck retrofits;
- Port staff is staffing the Port Outreach Center from 10AM to 2PM daily;
- The Comprehensive Truck Management Plan will go to the Port Commission on June 2nd for authorization of \$9 million and the potential for an additional \$3 million.

CONSENT CALENDAR (Items 1-4):

1. Approval of Minutes of May 6, 2009;
2. Communications;
3. Quarterly Report of Division Activities;
4. Consideration of Recommendation for Contractor for Public Opinion Research Services.

Director Shimansky requested removal of Item 4.

Board Action: Director Wagenknecht made a motion to approve Consent Calendar Items 1, 2 and 3; seconded by Director Groom; carried unanimously without opposition.

4. Consideration of Recommendation for Contractor for Public Opinion Research Services.

Director Shimansky questioned and confirmed that the item had not been heard by the Public Outreach Committee because of scheduling conflicts and timeliness of its approval.

Board Action: Director Shimansky made a motion to approve Consent Calendar Item 4; Vice Chairperson Wagenknecht seconded the motion; carried unanimously without opposition.

COMMITTEE REPORTS AND RECOMMENDATIONS:

Report 6. Public Outreach Committee Meeting
May 7, 2009
Report given by Chairperson M. Ross

April 2, 2009 Committee minutes approved.

Discussion/Actions:

The Committee received an update on the 2009 Summer Spare the Air Every Day Campaign and the campaign's inclusion of advertising, media, Smoking Vehicle Program, Employer Program and additional outreach. The focus of the campaign is to target and reduce the number of single passenger vehicles on roadways, with an emphasis on carpooling and transit.

The Committee then received an update of the Employer Program Spring/Summer which will feature four educational air quality workshops for employers, materials which can be converted to downloadable and email-friendly files, and a step-by-step guide for employers to start or enhance their Spare the Air workplace program.

The Committee then received an overview of the Air District website redesign, discussion was held regarding the redesign process and direction was provided to staff. The next meeting of the Public Outreach Committee is at the call of the Chair.

Board Action: Director Ross made a motion to approve the report of the Public Outreach Committee; Director Shimansky seconded the motion; carried unanimously without opposition.

Report 7. Executive Committee Meeting
May 18, 2009
Report given by Vice Chairperson B. Wagenknecht

March 16, 2009 Committee minutes approved.

Discussion/Actions:

The Committee received the Hearing Board Quarterly Report for the period January 2009 through March 2009. The Committee considered the Air District's Strategic Vision, the purpose, process, and revised Mission Statement. The Committee recommended an amendment to the Core Value statement to "include partner agencies" and recommends Board of Directors' approval of the Air District Strategic Vision, as amended.

The Committee then received an update on the Air District's response to Advisory Council recommendations presented to the Board of Directors at its April 15, 2009 meeting. The Committee reviewed specific actions underway in response to Advisory Council recommendations relating to 1) reducing health impacts from air pollution; 2) public outreach and community collaboration; and 3) legislation, regulation and policy. The Committee also discussed regulations to reduce emissions at

all airports, requested Richmond also be included in the presentation references made to idling trucks which are included under the CARB statewide MOU, and recommended that the presentation be given to the Advisory Council at a future meeting.

The Committee then considered recommending Board of Directors' approval of the Community Grant Program Guidelines. The Committee reviewed the program guidelines and provided revisions to staff including expanding Education and Outreach section to include youth-based programs as well as K-12. Changes made to the proposal scoring section include recommendations by the Committee as well as revisions by staff to maintain consistency across all three grant criteria areas. The revisions are outlined in the memorandum at your places. The Committee recommends Board of Directors' approval of the revised Community Grant Program Guidelines. The Committee then considered recommendations regarding Interim officers and directors on the Air District's Foundation and discussed options of the Foundation. The Committee recommends Board of Directors' approval of Interim Officers and Directors on the Air District's Foundation, to include the Executive Officer/APCO, CFO and former members of the Board of Directors. A copy of the Foundation's Bylaws is at your places.

The Committee considered amending the Administrative Code to revise the current one-year term of office for Board Officers. The Committee recommends that the Board of Directors amend the Air District's Administrative Code Division 1, Section 2.1: Officers of the Board – to extend the term of office to a two-year term effective December of 2011. The next meeting of the Committee is at the call of the Chair.

Chair Torliatt requested the Board bifurcate the motion of the Committee's recommendations, and to agendaize revision of the current one-year term of office for Board officers for discussion at an upcoming Executive Committee meeting.

Board Action: Director Wagenknecht made a motion that the Board of Directors approve the report and recommendations of the Executive Committee, with the exception of the Administrative Code amendment to revise the current one-year term of office for Board officers; seconded by Director Haggerty; unanimously approved without objection.

Board Action: Director Spring made a motion to agendaize the Administrative Code Amendment to revise the current one-year term of office for Board officers to an upcoming Executive Committee meeting; seconded by Director Gioia; unanimously approved without objection.

PUBLIC HEARING:

Final Public Hearing to Consider Adoption of Proposed Fee Amendments to Air District Regulation 3: Fees, and Approval of a Notice of Exemption from CEQA - Brian Bateman, Director of Engineering, gave an outline of the presentation, a summary of proposed fee amendments as:

- Increase overall fee revenue by 9.3% from revenue projected for the current fiscal year;
- Provide an additional \$2.6 million in revenue which is needed to balance the budget;
- It would target the fee schedules with the most significant cost recovery gaps for the largest fee increases;
- Most fee schedules would increase by 3, 6, 9, 12 or 15%;
- Refinery flares would incur a 50% increase;

- No increases for several fee schedules.

Additional Fee amendment:

- New Indirect Source Review (ISR) fee Schedule
 - ISR is part of the Bay Area Clean Air Communities Initiative
 - Application filing fee
 - Application evaluation fee
 - Offsite emission reduction fee
 - Fees would not be effective until ISR Rule adoption

Impacts on Small Businesses:

- Annual permit renewal fees for most small businesses would increase by \$15 to \$80
- Annual permit renewal fees for most gas stations would increase by \$100 to \$300
- For reference, SCAQMD permit fees for small businesses are 40% higher than BAAQMD fees, on average

Rule Development Process

- Initial draft fee regulation amendments issued-January 29, 2009
- Public workshop – February 23, 2009
- Revised Proposals Issued – March 18 and 24, 2009
- Budget and Finance Committee Briefings – February 25 and March 30, 2009
- Public Hearings and Board of Directors’ consideration for adoption – April 15 and May 20, 2009

Recommendations: Adopt Resolution of proposed amendments to District’s Fee regulation with an effective date of July 1, 2009, and approve the filing of a CEQA notice of exemption.

Boardmember Discussion/Comments:

Yeager: Questioned and confirmed that the proposal for the ISR is a template for policies and regulations regarding proposed new development in the Bay Area and mitigations for air quality impacts. The structure of the ISR will need to be reviewed, and if adopted, changes to the fee regulation will occur. A working group is in place with stakeholders such as planning directors and city managers, the District will meet this year and next, a thorough public process is anticipated prior to bringing it back to the Board. The initiative comes from January’s Board Retreat through the Bay Area Clean Communities Initiative, the Bay Area’s version will be unique and specific to the region, and the process will be complex.

Kniss: Confirmed with Mr. Broadbent that ISR fees would not be imposed until the regulation has had a thorough public process. The action is an attempt to let the public know that the Air District is serious about reducing emissions and VMT and will include it within the fee regulation structure, which was similarly done with the greenhouse gas emission fee process.

Garner: Supported the fee increases but questioned disparities of refinery flare fee increases and other increases. Mr. Bateman explained that the Board adopted the refinery flares rule which takes significant time and staff resources in its enforcement. The overall process is viewed as continual improvement, and as processes are refined, staff will look for innovations and better performance year after year.

Chairperson Torliatt opened the public hearing. There were no public comments, and the public hearing was closed.

Board Action: Director Brown made a motion to adopt the resolution of proposed amendments to District's Fee regulation with an effective date of July 1, 2009, and approve the filing of a CEQA notice of exemption; Vice Chairperson Wagenknecht seconded the motion; which carried by the following roll call vote: 17-1-4 (Spering voted no; Dunnigan, Hosterman, Kishimoto and Uilkema absent).

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 10:20 a.m.

Public Employee Performance Evaluations (government Code Section 54957 and 54957.6)

Pursuant to Government Code Section 54957 and 54957.6, the Board of Directors met in closed session to conduct performance evaluations of the Executive Officer/APCO and District Counsel.

OPEN SESSION

The Board of Directors reconvened in Open Session at 12:45 p.m.; there was no reportable action taken in Closed Session.

OTHER BUSINESS:

Report of Executive Officer/APCO: None

Chairperson's Report: None

Board Member Comments: None

Time and Place of Next Meeting: Budget Hearing Immediately Following Regular Meeting -
Wednesday, June 3, 2009 - 939 Ellis Street, San Francisco, CA
94109

Adjournment: Meeting adjourned at 12:46 p.m.

Lisa Harper
Clerk of the Boards