



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING
SEPTEMBER 15, 2010

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

WEBCASTED

WEDNESDAY
SEPTEMBER 15, 2010
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, Brad Wagenknecht
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)

PROCLAMATION(S)/AWARDS

The Board of Directors will recognize Henry Gardner for his service as the Executive Director of the Association of Bay Area Governments.

CONSENT CALENDAR (ITEMS 1 – 2)

1. Minutes of September 1, 2010

Staff/Phone (415) 749-

L. Harper/5073
lharp@baaqmd.gov

2. Communications

J. Broadbent/5052
jbroadbent@baaqmd.gov

Information only.

PUBLIC HEARING(S)

3. Public Hearing to Consider Adoption of the 2010 Clean Air Plan (CAP) and Certification of a Final Environmental Impact Report (FEIR) on the CAP

H. Hilken/4642
hhilken@baaqmd.gov

The Board of Directors will hear testimony on and consider adoption of the 2010 Clean Air Plan and certification of the Final Environmental Impact Report. The Clean Air Plan will update the Bay Area 2005 Ozone Strategy, provide a multi-pollutant control strategy to reduce ozone, particulate matter (PM), air toxics, and greenhouse gases, and establish emission control measures to be adopted or implemented in the 2010-2012 timeframe.

OTHER BUSINESS

4. Report of the Executive Officer/APCO
5. Chairperson's Report
6. Time and Place of Next Meeting – 9:45 A.M. Wednesday, October 6, 2010 – 939 Ellis Street, San Francisco, CA 94109
7. 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**

SEPTEMBER 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Joint Policy Committee Special Meeting	Friday	10	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	15	9:45 a.m.	Board Room
Joint Policy Committee Special Meeting – RESCHEDULED TO SEPTEMBER 10, 2010	Friday	17	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607
Board of Directors Strategic Facilities Planning Ad Hoc Committee <i>(At the Call of the Chair)</i> – RESCHEDULED TO SEPTEMBER 23, 2010 AT 11:00 A.M.	Tuesday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Strategic Facilities Planning Ad Hoc Committee <i>(At the Call of the Chair)</i> - RESCHEDULED TO OCTOBER 1, 2010 AT 1:00 P.M.	Thursday	23	11:00 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Monday	27	9:30 a.m.	Board Room
Board of Directors Maritime Sources & Ports Committee <i>(At the Call of the Chair)</i>	Wednesday	29	9:30 a.m.	4 th Floor Conf. Room

OCTOBER 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Strategic Facilities Planning Ad Hoc Committee <i>(At the Call of the Chair)</i>	Friday	1	1:00 p.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Monday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
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 Public Outreach Committee <i>(At the Call of the Chair)</i>	Monday	25	9:30 a.m.	4 th Floor Conf. 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

NOVEMBER 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	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	10	9:00 a.m.	Board Room
Joint Policy Committee Special Meeting	Friday	12	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	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

HL – 9/8/10 (2:16 p.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 7, 2010

Re: Board of Directors Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors Regular Meeting of September 1, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of September 1, 2010.

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
September 1, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 9:49 a.m.

Roll Call: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; and Directors Harold Brown, Chris Daly, Dan Dunnigan, Susan Garner, Carole Groom, Scott Haggerty, David Hudson, Jennifer Hosterman, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, James Spring, Pamela Torliatt, Ken Yeager, and Shirlee Zane

Absent: Directors Ash Kalra, Carol Klatt and Gayle B. Uilkema

PLEDGE OF ALLEGIANCE: Chairperson Wagenknecht led the Pledge of Allegiance.

Public Comments:

There were no public comments.

BOARD MEMBER COMMENTS

There were no Board Member comments.

CONSENT CALENDAR (Items 1-5):

1. **Minutes of August 4, 2010 Regular Meeting;**
2. **Communications;**
3. **District Personnel on Out-of-State Business Travel;**
4. **Request to Issue Additional Credit Card for the Information Technology (IT) Division;**
5. **Set a Public Hearing for September 15, 2010 to Consider Adoption of the 2010 Clean Air Plan (CAP) and Certification of a Final Environmental Impact Report (FEIR) on the CAP**

Board Action: Director Torliatt made a motion to approve Consent Calendar Items 1 through 5; Director Hudson seconded the motion; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

6. Report of the Executive Committee Meeting of August 5, 2010

Chair: B. Wagenknecht

The Executive Committee met on Thursday, August 5, 2010 and approved the minutes of May 24, 2010.

The Committee received the Quarterly Report of the Hearing Board for the period of April 2010 through June 2010 and briefly reviewed Accusations filed by the District for gas dispensing facilities' non-compliance of the Phase II Enhanced Vapor Recovery (EVR) requirement.

The Committee received an update on the Production System, discussed current technology for permitting and inspections, reviewed streamlining operations and improvements, and technology transfer and education of staff to support the system. Committee members suggested a presentation be made to the Board of Directors and asked staff to research proprietary-related issues and intellectual property protection for the system.

The Committee then received an update regarding the strategic facilities planning process. Interviews were held for the Phase II portion of the project with the primary objective of exploring alternative locations and a real estate strategy that best fits the needs of the District, MTC, and ABAG. Eight proposals were received, panel interviews were held, and CBRE was chosen for the contract award in an amount not to exceed \$65,000 for services. CBRE representatives provided a brief presentation, and Pat Jones of ABAG and Teri Green of MTC briefly commented on their respective Board's exploration of headquarters consolidation.

The Committee then received an update about video conferencing and webcasting capabilities. Two remote video conference locations have been confirmed; one in Santa Rosa at Santa Rosa Junior College and another in San Jose at the County of Santa Clara Building. An East Bay location is yet to be determined. The Committee reviewed benefits associated with webcasting, including increased public access to Committee meetings, convenience, and related licensing and software costs, and was provided a video demonstration from the two remote locations. The Committee unanimously supported making an upfront installation and equipment investment of approximately \$80,000 for video conferencing and webcasting. The September 15, 2010 Board of Directors meeting is scheduled to be webcast.

The next meeting of the Committee is at the Call of the Chair.

Motion: Chairperson Wagenknecht made a motion to approve the report of the Executive Committee; Director Bates seconded the motion; unanimously approved without objection.

Discussion:

Director Groom voiced concern over the cost of video conferencing and webcasting meetings.

Mr. McKay responded that the District is utilizing contractors for webcasting as opposed to a permanently installed system. The price of webcasting each meeting is currently \$5,000.

Director Torliatt clarified that the Executive Committee has recommended the District invest in a permanent solution by spending funds on necessary equipment and software, which is expected to cost less than utilizing contractors for each meeting.

Directors discussed the ability for the public to view live and recorded streaming video of webcast meetings, noted cities and counties currently have the technology,

Director Brown cited the significant budget reductions of California agencies, believes the District has been fiscally smart and conservative in its expenditures and reserves, and believed the funds could be used elsewhere.

Directors questioned the differences between video conferencing capabilities and webcasting (sometimes referred to as video streaming), and staff explained differences between the two systems, described equipment, software, costs, and noted they were two separate issues.

Director Groom suggested the matter be deferred until such time more information can be provided, and Vice Chairperson Bates explained what he believed to be a small investment that provides the District the capacity to webcast meetings. He reiterated that the Executive Committee discussed video conferencing and webcasting benefits, licensing, software costs and was provided with a demonstration. The Committee unanimously supported making an upfront installation and equipment investment and to continue discussions.

Director Zane suggested more information be provided in the staff report to clarify each of the systems. She supported an RFP being conducted and confirmed that \$80,000 was an estimated cost.

Director Torliatt noted that the report talks about video conferencing which the Board is not addressing at this time. She clarified that the Board Meeting of September 15, 2010 is proposed to be webcast and, thereafter, the Executive Committee will review costs and details.

Substitute Motion: Vice Chairperson Bates made a substitute motion to authorize \$5,000 in order to webcast the Board Meeting of September 15, 2010 and refer the issue of the cost of video conferencing and webcasting back to the Executive Committee; Director Hosterman seconded the motion.

Director Brown confirmed the webcasting would cost \$5,000 for the Board meeting on September 15, 2010.

Board Action: Vice Chairperson Bates made a substitute motion to authorize \$5,000 in order to webcast the Board Meeting of September 15, 2010 and refer the issue of cost of video conferencing and webcasting back to the Executive Committee; Director Hosterman seconded the motion; approved by the following roll call vote (18-1-3-0):

Ayes: Bates, Daly, Dunnigan, Garner, Gioia, Groom, Haggerty, Hosterman, Hudson, Kniss, Mar, Miley, Ross, Sperring, Torliatt, Yeager, Zane and Wagenknecht
Noes: Brown
Absent: Kalra, Klatt, Uilkema
Abstain: None

7. Report of the Personnel Committee Meeting of August 25, 2010

Chair: H. Brown

The Personnel Committee met on Wednesday, August 25, 2010 and approved the minutes of December 16, 2009 and March 8, 2010.

The Committee adjourned to Closed Session to conduct a performance evaluation of the District Counsel, pursuant to Government Code Section 54957 and 54957.6.

The Committee reconvened in Open Session, and the Chair announced that no reportable action had been taken in Closed Session.

The next meeting of the Personnel Committee is at the call of the Chair.

Board Action: Director Brown made a motion to approve the report of the Personnel Committee; Director Ross seconded the motion; unanimously approved without objection.

PRESENTATION

8. Production System Update

Enterprise Software Development Manager, Jaime Williams, gave an overview of the project and goals, stating that the District is currently a paper-based operation, with computer systems from the 1970's and 1990's, with multiple data repositories and limited computer assistance. The District contracted with Dr. Scott Johnson to conduct an analysis and redesign of core business processes and supporting information systems for the Engineering Services and Compliance and Enforcement Divisions. Three main project goals were identified: 1) Improve staff efficiency; 2) Improve consistency for regulated community; and, 3) Enhance customer experience.

Mr. Williams discussed project metrics involving customer self service for permits issued and renewed, turnaround time for permits and field compliance tasks. The District wanted to do a proof of concept for technologies and selected registration programs for equipment where regulations are in place, and he provided examples of these.

He then provided a demonstration for mobile refinishing operation, a demonstration for a customer applying for a permit, an internal computer screen that an engineering manager would use to review the permit application, presented a dispatch map to determine where staff are in the field, a complaint activity log, and facility inspection scheduling.

He reviewed the project timeline, stating that work had begun in 2006 and is three-quarters complete.

Chairperson Wagenknecht noted that the \$5.6 million investment will revolutionize what can be done at the District.

Directors discussed efficiencies and system back-up provisions.

Director Sperring requested the new production system include an area where applicants can comment or provide feedback on their experience using the software.

Director Hosterman questioned costs for the District system versus comparative systems in the City of Pleasanton. She confirmed that the system represents complex engineering knowledge spanning over 50 years which provides for superior efficiency and that the project is on time and on budget.

Vice Chairperson Bates noted the groundbreaking work of the District, stating that no other air district has achieved this. He added that the Executive Committee held discussion about intellectual property protection, and staff will be returning with details.

Director Zane clarified with Mr. McKay that the \$5.6 million is the original authorization from 2006 and the Reserve authorization has already been allocated from Reserves in prior years. Expenditures range at approximately \$1.5 million each year to date. Director Zane also clarified that the processes of building a new system is daunting and this was one reason why other air districts have not made similar attempts. She then reviewed the District's use of in-house customization of the programs.

Director Kniss questioned the systems in place in case of system failure and intellectual property protection. Mr. McKay discussed duplication systems and provisions for real time back-up. Regarding intellectual property, staff thinks what has been produced is of value to this District and other air districts, as well as other public agencies. The best model for the Air District to maximize the benefit to the public is still being investigated.

Director Garner thinks it is exciting we can be a leader in terms of technology and paper reduction, discussed review of staff efficiencies which make up the expenditure of \$5.6 million, and asked that staff report back on efficiency gains and any re-deployment of staff after implementation of the new system.

Director Hosterman referred to capabilities for future software abilities, and confirmed that the District will be able to "go live" with its original goals and future opportunities should exist in the future to expand on the system's scope depending upon technology and decisions made by the Board.

9. Update on the 2010 Clean Air Plan

Principal Planner, Dave Burch, gave the update of the Clean Air Plan (CAP), discussed the purpose and goals of the plan to revise the State ozone plan (2005 Ozone Strategy), arrive at a control strategy and develop a multi-pollutant plan, with the three key goals of improving air quality, protecting public health, and protecting the climate.

Mr. Burch reviewed the issues raised by Board Members at the August 4, 2010 meeting, as:
The desire to receive more information on the health burden analysis methodology, the control measure evaluation process, respond to Communities for a Better Environment (CBE) suggestions, and further review the issue of transport.

He presented a chart of key findings of the health burden past versus present, which shows dramatic reductions, and clarified with Director Zane that the basis used depends upon monitoring data available, and goes back to 1980 for ozone and 1990 for air toxics and PM.

Director Haggerty questioned whether all emergency room visits under the category for asthma includes all emergency room visits related to air quality visits. Mr. Burch replied it did and that data is

compiled by the State Department of Health, and Director Haggerty requested that staff provide confirmation that statistics include Valley Care Hospital in Livermore.

Mr. Burch continued his presentation, stating that the numbers relating to health outcome are fairly straight forward; a cause and effect relationship. Injuries are clear cut, but illness is not nearly as straight forward. When staff tries to get the effects of air quality on public health, all factors must be considered. Public health experts perform epidemiological studies of large population groups. Mr. Burch reviewed regional versus local assessment, control measure evaluation based on Health and Safety Code criteria, the control measure evaluation process, and outcomes of control measures review by category and number of measures.

Mr. Burch stated staff met at length with CBE and colleagues to discuss their suggestions, followed up with telephone calls and emails and vetted issues, which he briefly outlined in his presentation.

Regarding the issue of transport, the District has collaborated with partner agencies to research the transport issue. Transport will be reduced through regulations, multi-district grants on equipment, and measures in the 2010 CAP.

Revisions to the 2010 CAP in response to public comments include:

- Many minor revisions to strengthen and clarify control measure descriptions
- Broader scope for cumulative risk tracking system
- Highlight need to reduce population exposure
- Emphasis on engaging with impacted communities as we implement CAP control measures.

Mr. Burch reported that a new Further Study Measure (FSM) is being proposed. He said there is merit in adopting a fee on stationary sources of GHGs. Staff will conduct further analysis of issues and concerns, and will work with stakeholders. Staff believes such a fee can build on the existing GHG cost-recovery fee, provide incentives to reduce GHG emissions, provide funding for projects to reduce GHGs, be revenue-neutral, make additional progress toward GHG reduction targets, and provide additional co-benefits in reducing other pollutants.

Mr. Burch noted next steps will include a Board of Directors hearing on September 15, 2010 to consider adoption of the 2010 CAP, certification of the FEIR. Staff will then implement the CAP control strategy, develop proposed rules, and further analyze FSM's.

Director Hosterman, referring to slide #5; Past versus Present Data, requested that staff further break down chart information by specifically identifying pollutants using the 1980 and 1990 basis figures, which staff suggested could be identified in the upper right hand legend.

Director Zane confirmed that CBE is a grass roots organization and located in the Bay Area and other parts of California and regularly weighs in on issues of refinery expansion. She confirmed that BACT is an acronym for Best Available Control Technology and asked that staff incorporate a legend for all acronyms. She then referred to Slide #16, and requested further review of the new FSM being "revenue neutral", suggesting that fees received should be put back into communities as grants to reduce GHGs.

Mr. Broadbent noted that the new Further Study Measure (FSM) is a relatively new part of the plan update. Staff is planning to have a FSM to expand what we do in charging a fee for GHGs and it is something staff wants to study, propose, and request that the Board and Committees discuss.

Vice Chairperson Bates commented that he is glad to see the District doing this and cited opportunities for a broad-based working group and information and outreach.

Chairperson Wagenknecht summarized, stating that on August 5, 2010, the Board had its first presentation and heard from speakers and groups. The next meeting is scheduled for September 15, 2010 for the Board to consider adoption of the CAP and certification of the Final Environmental Impact Report (FEIR).

OTHER BUSINESS

10. Report of the Executive Officer/APCO:

Mr. Broadbent reported that today is the third Spare the Air Day this year, and high ozone concentrations are expected throughout outlying Bay Area regions.

11. Chairperson's Report:

On behalf of himself and Directors attending the CAPCOA Climate Change Forum (Secretary Gioia and Director Hosterman), the Chair noted that the District served as coordinator of the conference, held August 30-31, 2010 in San Francisco's Marriott Marquis. There were exceptional speakers and interesting presentations, scientists and air professionals from around the state, over 500 attendees, and he acknowledged the efforts of District staff responsible for planning and hosting the event.

12. Time and Place of Next Meeting: Regular Meeting - Wednesday, September 15, 2010, 9:45 a.m., Board Room, 939 Ellis Street, San Francisco, CA 94109

13. Adjournment: The Board of Directors meeting adjourned at 11:33 p.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 7, 2010

Re: Board Communications Received from September 1 through September 14, 2010

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from September 1, 2010 through September 14, 2010, if any, will be at each Board Member's place at the September 15, 2010 Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 7, 2010

Re: Public Hearing to Consider Adoption of Proposed Bay Area 2010 Clean Air
Plan and Certification of Final Environmental Impact Report

RECOMMENDED ACTION

Adopt the proposed *Bay Area 2010 Clean Air Plan (CAP)* and certify the *Final Environmental Impact Report*.

BACKGROUND

The San Francisco Bay Area is a nonattainment area for the State one-hour and eight-hour ozone standards. The California Clean Air Act, as codified in the Health & Safety Code, requires regions that do not meet State ozone standards to prepare plans to attain the standards and to update these plans every three years. State ozone plans must provide a control strategy that includes “all feasible measures” to reduce emissions of ozone precursors in order to attain the standards as expeditiously as practicable and to reduce transport of ozone and ozone precursors to neighboring air basins.

The first Bay Area plan for the State ozone standard was the 1991 Clean Air Plan. Subsequently, the Clean Air Plan was updated and revised in 1994, 1997, 2000, and 2005. Each of these State ozone plan updates proposed additional measures to reduce emissions from a wide range of sources, including industrial and commercial facilities, motor vehicles, and area sources.

Ozone conditions in the Bay Area have improved significantly over the years. Ozone levels – as measured by peak concentrations and the number of days over the State one-hour ozone standard – have declined substantially as a result of aggressive programs by the District, the Air Resources Board, the Metropolitan Transportation Commission (MTC) and other regional, State and federal partners. This represents great progress in improving public health conditions for Bay Area residents. However, there is still a need for continued improvement to meet the State ozone standards. Accordingly, the 2010 Clean Air Plan describes how the Bay Area will fulfill Health & Safety Code planning requirements for the State ozone standards and reduce transport of ozone and ozone precursors through the proposed control strategy.

In response to state and federal requirements and guidelines, air quality planning to date has been performed on a pollutant by pollutant basis, with an emphasis on ozone planning. However, in recent 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.

In recent years, while continuing its efforts to attain State and national ozone standards, the District has also been developing regulations, policies, and programs to address issues relating to protecting impacted communities from the most harmful pollutants, reducing wood smoke and other sources of fine particulate matter (PM2.5), and protecting the climate.

DISCUSSION

New Directions in Air Quality Planning: The 2010 CAP breaks new ground in the District’s approach to air quality planning. The plan takes a comprehensive approach by 1) addressing a wide range of pollutants, and 2) focusing on outcomes; namely, protecting public health and protecting the climate.

Although there are no requirements to do so at this time, the District has chosen to pursue a multi-pollutant approach in preparing the 2010 CAP. The 2010 CAP addresses ozone, particulate matter, air toxics, and greenhouse gases (GHGs) via an integrated control strategy that identifies co-benefits (or disbenefits) of the control measures across these various pollutants. The CAP builds on and integrates key District programs, including the Community Air Risk Evaluation (CARE) program and the Clean Air Communities Initiative to protect impacted communities, the wood smoke program to reduce fine PM, and the District’s climate protection program.

Protecting Public Health: The 2010 CAP emphasizes the importance of protecting public health, both at the regional scale and in impacted communities. The emphasis on health protection is woven into the plan in many ways, including:

- Developing the Multi-Pollutant Evaluation Method to analyze and compare the health effects of the pollutants addressed in the CAP;
- Establishing numerical performance objectives for reducing population exposure to PM2.5 and diesel PM;
- Performing a region-wide health impacts analysis;
- Considering the importance of reducing population exposure to harmful air pollutants in developing the CAP control measures;
- Creating a new category of Land Use & Local Impact Measures that focus on reducing emissions from new land uses and local exposures in the most impacted communities; and
- Prioritizing the implementation of control measures that will protect health in the most impacted communities.

Protecting the Climate: The 2010 CAP also highlights the need to protect the climate and reduce emissions of greenhouse gases. The CAP addresses climate protection by:

- Explaining that air quality and climate change are closely related, and that higher temperatures are expected to exacerbate air quality problems;
- Highlighting the air quality and climate co-benefits of many control measures, such as measures to reduce motor vehicle use or improve energy efficiency;
- Incorporating the State of California GHG reduction targets in the CAP performance objectives;
- Including the estimated social benefit of GHG emissions reductions in the Multi-Pollutant Evaluation Method;
- Considering the potential reduction (or increase) of GHG emissions, and their estimated monetary value, in evaluating the benefits of CAP control measures; and
- Creating a new category of Energy and Climate Measures that highlight the need to promote energy efficiency and renewable energy, and to mitigate the impacts of higher temperatures, such as urban heat island mitigation and planting shade trees.

Public Process to Develop CAP: To prepare the 2010 CAP, staff engaged in an extensive public process and conducted 18 public workshops throughout the region over the past two years. The CAP incorporates input from a wide range of stakeholders, including government agencies, business groups, and environmental and community organizations. Staff also cooperated with MTC and ABAG in preparing the CAP, and sought input from neighboring air districts and the Air Resources Board. Staff released a draft control strategy for public comment in August 2009, and a public review draft of the full Clean Air Plan in March 2010. Staff held three public workshops in April to receive input on the draft CAP, the Draft Environmental Impact Report (DEIR) on the CAP, and a draft Socio-Economic Analysis.

Staff has prepared responses to all verbal and written comments submitted throughout the CAP process and posted these on the District website. Staff issued a document on August 3 summarizing the written comments on the draft CAP and staff responses submitted by the April 26, 2010 written comment deadline. In addition, staff has prepared a document (see Attachment D) which summarizes written comments submitted since April 26. In sum, staff reached out extensively to solicit public input on the CAP. The public input has been carefully considered, and many comments have been addressed and incorporated in the CAP.

Review of Potential Control Measures: Staff performed a rigorous evaluation of potential control measures to ensure that all feasible measures are included in the proposed control strategy, based upon criteria defined in the California Health and Safety Code. Staff reviewed control measures contained in air quality plans adopted by other California air districts in recent years, as well as air quality plans from metropolitan areas outside of California. Suggestions for potential control measure were also solicited from Air District staff, stakeholder groups, other air districts, and members of the public. Staff analyzed a total of 844 potential measures, many of which have been included in the proposed CAP control strategy. Appendix F in the CAP provides a summary of the outcome of the control measure review process. A more detailed table showing the outcome each potential control measure reviewed is provided on the CAP web page on the District website.

CAP Control Strategy: Based on the input received throughout the CAP process, staff has developed a multi-pollutant control strategy that serves as the heart of the plan. The proposed CAP control strategy includes 55 control measures in five categories: Stationary Sources Measures, Mobile Source Measures, Transportation Control Measures, Land Use and Local

Impacts Measures, and Energy and Climate Measures. In addition, the CAP identifies 18 further study measures (FSMs). The FSMs are not a formal part of the CAP control study, but are proposed for further evaluation.

Socio-Economic Impacts: The District contracted with a consulting firm to prepare a Socio-Economic Analysis of the proposed CAP. Key findings of this analysis are as follows:

- The CAP control strategy as a whole will provide a net economic benefit to the Bay Area. This benefit is based upon a combination of 1) reduced health care costs and longer life span, and 2) investment in transportation projects that are included in the Transportation Control Measures in the CAP.
- Compliance costs related to new or amended regulations on stationary sources of emissions will not impose a significant burden on any regulated industry.
- CAP control measures will not impose significant costs or unfunded mandates on local government agencies.

All stationary source measures proposed for adoption will follow the District's normal rule development process, which includes more detailed socio-economic analysis and review of this analysis by the public and the Board of Directors.

Environmental Review: The 2010 CAP has been analyzed for potential environmental impacts pursuant to the California Environmental Quality Act (CEQA). An Initial Study was issued in August 2009. The Draft Environmental Impact Report was issued on March 12, 2010, and the District provided the required 45-day period for public review and comment on the DEIR. The overall findings are that the potential environmental impacts from CAP control measures are minimal. However, potential significant and unavoidable impacts were identified with some control measures associated with localized Air Quality and Hydrology/Water Quality. The control measures that encourage or recommend high density infill development could result in localized carbon monoxide hotspots if local intersections are severely congested, and some control measures could result in increased water demand due to add on control equipment such as wet gas scrubbers at stationary sources. The potential environmental impacts and recommended mitigation measures to lessen the severity of some impacts are summarized in Attachment E, the Final Environmental Impact Report, and Attachment F, the Statement of Findings, Statement of Overriding Considerations, and Mitigation Monitoring Plan.

Recent Activity: At the August 4 Board of Directors meeting, staff presented an overview of the 2010 CAP as an informational item. During the course of discussion, Board members requested that staff follow up on several items, as follows: 1) provide additional explanation regarding the methodology used in the CAP health burden analysis, 2) provide additional detail regarding the control measure evaluation process, 3) review and report back on the suggestions submitted by Communities for a Better Environment (CBE) in its April 26, 2010 comment letter, and 4) explain how the CAP addresses the issue of transport of pollutants. Subsequent to the August 4 Board meeting, staff met with representatives of CBE, as well as several other environmental and community groups, to discuss their suggestions regarding CAP control measures. In response to these discussions, staff made a number of revisions to control measure descriptions.

Staff made another informational presentation at the September 1 Board of Directors meeting to report back to the Board on the issues raised at the August 4 Board meeting, and to provide an update on recent revisions to the CAP, including the addition of a further study measure to

evaluate expansion of the GHG fee on stationary sources. At the September 1 Board meeting, Supervisor Haggerty asked staff to determine whether the asthma emergency room data provided in the Powerpoint presentation includes data for the Valley Care Medical Center in Livermore. Staff has confirmed that the data used in the health burden analysis, provided by the Office of Statewide Health Planning and Development, does include asthma emergency room visits at Valley Care Medical Center.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Resources to develop the 2010 Clean Air Plan have been included in the FY 2009/2010 and 2010/2011 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Burch
Reviewed by: Henry Hilken

Attachments:

Attachment A: Summary of Revisions to Draft Clean Air Plan

Attachment B: Proposed Final Bay Area 2010 Clean Air Plan (Volumes I and II)

Attachment C: Public Review Written Comments & District Responses

Attachment D: Written Comments on Draft 2010 CAP & District Responses: Comments Submitted After 4/26/10

Attachment E: Final Program Environmental Impact Report (including Responses to Comments on Draft EIR)

Attachment F: Statement of Findings, Statement of Overriding Considerations, and Mitigation Monitoring Plan

Attachment G: Clean Air Plan 2010: Socio-Economic Analysis