

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

Board of Directors' Regular Meeting
March 17, 2010

APPROVED MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; Directors Harold Brown, Chris Daly, Susan Garner, Carole Groom, David Hudson, Jennifer Hosterman, Ash Kalra, Carol Klatt, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, James Spering, Pamela Torliatt, Gayle B. Uilkema, Ken Yeager and Shirlee Zane

Absent: Directors Dan Dunnigan and Scott Haggerty

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

Public Comments:

There were no public comments.

Board Member Comments:

Director Hosterman noted that she would need to be excused just after 11:00 a.m.

Director Uilkema thanked staff for their presence at the *Cool Roof* project event at Las Juntas Elementary School, held on March 16, 2010. She reported that the project is a cooperative partnership between Contra Costa County, the Martinez Unified School District and the Air District, funded with settlement dollars and was highly successful.

CONSENT CALENDAR (Items 1-6):

1. Minutes of February 17, 2010
2. Communications
3. District Personnel on Out-of-State Business Travel
4. Referral of Proposed Budget for Fiscal Year Ending 2011 to the Budget and Finance Committee
5. Notice of Proposed Amendments to the Air District's Administrative Code, Division I Operating Policies and Procedures of the Board of Directors, Section 6: Board of Directors, Committees - Establishing a Maritime Sources and Ports Committee
6. Consideration of Authorization for Execution of Purchase Order in Excess of \$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations

Board Action: Director Sperring made a motion to approve Consent Calendar Items 1 through 6; Director Hosterman seconded the motion; carried unanimously without opposition.

COMMITTEE REPORTS AND RECOMMENDATIONS:

7. **Report of the Executive Committee Meeting of February 22, 2010**
Chairperson Wagenknecht

The Executive Committee met on Monday, February 22, 2010 and approved the minutes of November 19, 2009.

The Committee received the Quarterly Report of the Hearing Board for the period of October through December 2009.

The Committee received a Joint Policy Committee progress report from Ted Droettboom, who discussed challenges in implementing AB 32 and SB 375 objectives. The Committee discussed the need for continued commitment and leadership.

The Committee received an update on outreach regarding proposed revisions to the District's California Environmental Quality Act (CEQA) Guidelines and Thresholds of Significance. Staff reviewed the development of District resources supporting the CEQA guidelines under risks and hazards thresholds and the GHG threshold. Workshops for local government planners have been scheduled in all 9 counties and staff discussed next steps which include continued meetings and presentations to regional agency staff, computer modeling training, and development of Community Risk Reduction Plans (CRRP's).

The Committee then received an overview on the Community Air Risk Evaluation (CARE) Program and its goals, identification of impacted communities, the method to draw boundaries surrounding impacted areas, and staff's work on regional air monitoring. Due to time constraints, the Committee deferred update of the 2010 Clean Air Plan and the Strategic Facility Planning Process to the next Executive Committee meeting.

The Committee then adjourned to Closed Session regarding Conference with District negotiators and the District Employee's Association, Inc. The Committee convened in Open Session and no reportable action was taken.

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

Board Action: Chairperson Wagenknecht made a motion to approve the report of the Executive Committee; Director Garner seconded the motion; carried unanimously without objection.

8. **Report of the Mobile Source Committee Meeting of February 25, 2010**
Vice Chairperson Groom

The Mobile Source Committee met on Thursday, February 25, 2010 and approved the minutes of the January 28, 2010 meeting.

The Committee received an overview of the total Year 11 Carl Moyer Program (CMP) which included a request to recommend an additional 7 projects with grant awards over \$100,000, for a total of 23 engines, with \$1,809,803 in awards, and over 136 tons of lifetime emission reductions. The Committee then reviewed outreach to the agricultural sector, which included multiple presentations to Farm Bureaus and local agricultural organizations, and which to date has resulted in 36 projects which replaced 77 agricultural engines.

The Committee recommends Board of Directors' approval of the 7 Carl Moyer Program Year 11 projects with proposed grant awards over \$100,000 listed on Attachment 1 and authorization for the Executive Officer/APCO to enter into agreements for these recommended projects.

The Committee then received an overview of the Air District's participation in Year 12 of the Carl Moyer Program (CMP). It discussed the project solicitation process and project approval, a proposed \$1.5 million Mobile Source Incentive Fund (MSIF) allocation to agricultural assistance projects, and \$6.5 million in MSIF funds to be allocated as match for eligible projects evaluated during the CMP Year 12 funding cycle.

The Committee recommends Board of Directors' approval of a resolution to authorize the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) relating to the receipt of Carl Moyer Program funds for fiscal year 2009-2010 (Program Year 12), to allocate \$1.5 million in Mobile Source Incentive Funds to the Agricultural Assistance Program for the upcoming funding cycle, and \$6.5 million in Mobile Source Incentive Funds to match projects eligible for funding under the Carl Moyer Program.

The Committee then received an overview of the Transportation Fund for Clean Air (TFCA) County Program Manager Audit Report conducted by Maze and Associates. This audit covered all projects completed as of June 30, 2008. The audit identified positive results, with two minor exceptions involving project reporting and maximum allowable administrative costs which have been already corrected through revised internal controls.

The Committee recommends the Board of Directors receive and file the results of the TFCA Audit Report #11, an audit of the TFCA County Program Manager Fund, including the auditor's findings and recommendations to improve the administration and fiscal management of the TFCA program.

The Committee then received an overview and considered accepting up to \$17.5 million from Year 1 of the California Goods Movement Bond Program for on-road trucks. This included a review of funding allocations and delays in State bond sales which have affected the availability of grant and administrative fees. The Committee also discussed interstate and local trucking operations.

At the Committee meeting, the Committee voted to recommend that the Board accept this funding and authorize the Executive Officer/APCO to execute all contracts and contingencies to expend it pending an endorsement by the Budget and Finance Committee of a transfer of up to \$200,000 from reserves to successfully administer the program. Subsequent to the Mobile Source Committee meeting, ARB has provided \$250,000 in I-Bond administrative funding, and this transfer of reserves is no longer needed.

The next meeting of the Mobile Source Committee is scheduled for Thursday, March 25, 2010.

Board Action: Director Groom made a motion to approve the report and recommendations of the Mobile Source Committee; Director Uilkema seconded the motion; carried unanimously without objection.

9. **Report of the Climate Protection Committee Meeting of March 3, 2010**
Chairperson Torliatt

The Climate Protection Committee met on Wednesday, March 3, 2010 and approved the Climate Protection Committee minutes of December 11, 2009.

The Committee received an update of the Transportation 2035 Climate Initiatives Grant funding assigned in the Regional Transportation Plan (RTP) to reduce GHGs and criteria pollutants. The Committee discussed the District's worked with MTC on the overall structure of the program. A three-part competitive solicitation is proposed for funding the following programs:

- \$2 million for Safe Routes to Schools;
 - \$3 million for youth education grants; and
 - \$31 million for an Innovative Grants Program focusing on transportation measures.
- Grants are expected to be awarded by MTC in September.

The Committee then received a status report on the implementation of greenhouse gas regulations for stationary sources. The Committee discussed AB 32 GHG reduction measures underway and those to be initiated by CARB, reviewed implementation responsibilities, issues relating to third party verifiers, estimates of GHG reductions, affected facilities, and EPA's tailoring rule. The Committee also discussed the potential for doubling of Title V and PSD permits under the tailoring rule and the effects on District resources to the budget and suggested the matter be referred to the Legislative Committee.

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

Board Action: Chairperson Torliatt made a motion to approve the report of the Climate Protection Committee; Director Bates seconded the motion; carried unanimously without objection.

10. **Report of the Stationary Source Committee Meeting of March 5, 2010**
Chairperson Uilkema

The Committee met on Friday, March 5, 2010 and approved the minutes of November 16, 2009.

The Committee received a status report on the proposed amendments to Regulation 11, Rule 16: Perchloroethylene (Perc) and Synthetic Solvent Dry Cleaning Operations and reviewed the regulatory history, phase-out schedule and trends in air concentrations of Perc dry cleaning operations. By January 1, 2023 all Perc machines will be prohibited. The Committee discussed and considered four options for an accelerated Perc phase-out, socio-economic impacts, phase-out timelines to 2023, and the number of machines affected under each option.

The Committee discussed life expectancies of machines, feedback received at workshops, staff's recommendation for Option D, and public comment from dry cleaners requesting the Committee maintain the State's current requirements.

The Committee gave staff direction to pursue Option D in developing its rule amendments to retain the 15-year shutdown provision, but to advance the date for final Perc phase-out to January 1, 2020, and to develop a plan to assist the two affected Perc dry cleaners (three machines).

The Committee then received a status report on power plant facilities, reviewed California's peak demand for electrical power, source of electric power and renewable energy resources. The Committee discussed the permitting process for power plants and the California Energy Commission's (CECs) responsibility for licensing thermal power plants 50 megawatts and larger and discussed the six (6) proposed combined and simple cycle large Bay Area power plants and reviewed their location and output. They include:

Russell City Energy Center – Hayward
Marsh Landing Generating Station – Unincorporated Antioch
Willow Pass Generating Station - Pittsburg
Oakley Generating Station - Oakley
Mariposa Energy Project – Northeastern Alameda County
Los Esteros Critical Energy Facility – San Jose

The next meeting of the Committee is scheduled for Monday, April 12, 2010 at 9:30 a.m.

Board Action: Chairperson Uilkema made a motion to approve the report of the Stationary Source Committee; Director Garner seconded the motion; carried unanimously without objection.

11. **Report of the Personnel Committee Meeting of March 8, 2010**
Chairperson Brown

The Personnel Committee met on Monday, March 8, 2010 and due to a lack of a quorum, the Committee deferred approval of the minutes of December 16, 2009 to the next Personnel Committee meeting.

The Committee then considered recommending Board of Directors' approval to re-appoint the Regular and Alternate Hearing Board Member positions under the *Medical Member* and *Engineer Member* categories. The Committee consensus was for the Board of Directors to re-appoint Thomas M. Dailey, M.D., Medical Member, and Janet Weiss, M.D., Alternate Member, to three-year terms of office, effective April 15, 2010 through April 14, 2013; and re-appoint Christian Colline, P.D., Engineer Member, and Gilbert G. Bendix, P.E, Alternate Member, to three-year terms of office, effective March 7, 2010 through March 6, 2013.

The Committee then held interviews of candidates to fill unexpired terms of office for two Advisory Council Members under the *Public Health Agency* and the *Community Planning* categories.

The Committee consensus was for the Board of Directors to appoint Alexandra Desautels to the Advisory Council, under the *Public Health* category, to an unexpired term of office, effective immediately through December 31, 2011; and appoint Michael Sandler to the Advisory Council, under the *Community Planning* category, to an unexpired term of office, effective immediately through December 31, 2011.

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

Board Action: Chairperson Brown made a motion to approve the report and supported actions of the Personnel Committee; Director Gioia seconded the motion; carried unanimously without objection.

12. **Report of the Public Outreach Committee Meeting of March 15, 2010**
Chairperson Ross

The Public Outreach Committee met on Monday, March 15, 2010 and approved the minutes of October 15, 2009 and November 13, 2009.

The Committee received a presentation summarizing the 2009-2010 Winter Spare the Air season and discussed telephone survey results which shows a 26% reduction in wood burning, 67% program awareness, and 71% support for the wood smoke rule. The Committee reviewed public notification, outreach, advertising, and social media used to promote the campaign. A Winter Spare the Air public outreach video was shown and will also be presented this morning under Item #13.

The Committee received a presentation on the Breathmobile Asthma Clinic on Wheels, which provides asthma screening, diagnosis, treatment and education, reviewed the approval process for clinics to operate in communities, discussed the District's sponsorship with Children's Hospital, Kaiser Permanente, Alameda County and the Asthma and the Allergy Foundation of America, and requested an overview of asthma and asthma statistics be scheduled for a future Committee meeting.

The Committee then received an update on the Bayview Hunters Point School Air Filtration RFP. Community dialogue meetings were held in July and August of 2009. Three areas were recommended for expenditure of Lennar settlement monies: 1) air filtration in schools; 2) a more robust public education campaign; and 3) a health study. The Committee reviewed the RFP process, evaluation and final recommendation timeline, and asked that indoor air quality be discussed at a future Committee meeting.

The Committee then considered contract extensions for advertising, media/public relations, public opinion research, and resource teams totaling \$2,275,000 and reviewed contract funding sources, proposed reductions and increases to contracts, and evaluation and grading processes. The Committee requested staff to return with additional information on the breakdown of contract amounts compared to last year, and any changes to scope of work.

The next meeting of the Public Outreach Committee is scheduled for Monday, March 29, 2010.

Board Action: Chairperson Ross made a motion to approve the report of the Public outreach Committee; Director Torliatt seconded the motion; carried unanimously without objection.

PRESENTATION:

13. **Overview of Winter Spare the Air Season**
A. Summary of the 2009/2010 Particulate Matter Season:

Deputy APCO, Jean Roggenkamp, introduced the new Director of Technical Services, Eric Stevenson, and the Board of Directors welcomed and congratulated him.

Mr. Stevenson presented a summary of the 2009/2010 particulate matter season and PM_{2.5} exceedances from years 2000 through 2010, showing there were 9 exceedances of the standard. The season runs November 1st to February 28th and shows downward trends. He presented winter readings by station location, maximum 24-hour and days over the national standard and described rainfall used as a metric in meteorology; noting that there are less exceedances with more rain during the year.

Mr. Stevenson then presented a comparison of the Bay Area and other districts in the state. Information over the last two seasons shows the District's maximum concentrations as the lowest among the group of the air districts of San Diego, Sacramento, San Joaquin, and South Coast.

He concluded by presenting the Winter 2009/2010 PM_{2.5} season, indicating that 7 Spare the Air Alerts were called this season, with 9 days over the standard. Evidence shows that if an Alert was called, the population responded, burned less which did not enable further exceedances.

Director Comments/Questions:

Director Torliatt confirmed that the new standard had been in effect since December 2006.

Director Gioia stated that the woodsmoke rule was adopted July 2008 and he questioned when the voluntary program began. Mr. Broadbent replied that the District had a Spare the Air Winter Program dating back to the mid 1990's. Given added efforts and lowering of standards, this prompted staff to recommend adoption of the woodsmoke program.

Director Gioia suggested overlaying a graph starting from 1995 showing the days over the standard with various actions taken prior to adoption of the rule, which would show changes, and decreases in days over the standard.

Director Garner referred to the 11 air monitoring stations and confirmed a station location on Jackson Street in downtown San Jose in a CARE community.

B. Overview of the 2009/2010 Wood Smoke Program

Director of Enforcement, Kelly Wee, gave an overview of the wood smoke program, which shows evidence of reduced wood burning and benefits to air quality. Much of the work will continue in the areas of modeling and data analysis, forecasting, outreach and enforcement. Mr. Wee provided a definition of Particulate Matter (PM), presented a PM pyramid of health effects, an example of an ambient PM_{2.5} monitoring station, and percentages by source of peak winter PM_{2.5} identifying wood smoke as the largest contributor. He reviewed highlights of the wood smoke rule adopted by the Board on July 9, 2008 and discussed program highlights relating to curtailments, campaign, warning letters, Notice of Violations (NOV's), focused inspection. He briefly reviewed 2009/2010 public outreach discussed at the Public Outreach Committee meeting on March 15, 2010 where the following survey results show an increased awareness about the need to reduce wood burning:

- 71% support the no-burn policy/regulation
- 74% are aware of check before you burn
- 26% households reduced their wood burning
- 69% adults understand there are negative health effects of wood smoke
- 50% reduction in number of people burning

Mr. Wee reviewed a comparison of wood smoke enforcement from 2008/09 to 2009/10 season, warning letters sent by County, and a comparison of PM_{2.5} 24-hour average levels of December 25, 2006 versus 2009. In going forward, staff will continue focus on public health impacts of woodsmoke, continue Wintertime Spare the Air advertising and outreach campaign, continue to analyze monitoring data and refine models on PM_{2.5}, maintain enforcement presence to deter violations, and provide clean air in the winter.

Director Comments/Questions:

Directors discussed the relationship between school absences and increased exposure to PM_{2.5}, supported the need to continue partnerships, messaging and outreach with schools, discussed survey results showing awareness is working through increased outreach, real time readings, the cost for additional air monitoring stations, and suggested that additional incentives be provided for wood chipping.

Ms. Fasano displayed a video showing the extent and diversity of Winter Spare the Air public outreach and education.

Public Comments:

Patricia Wesselberg, Board Member, Families for Clean Air, commended the Board and District staff for calling mandatory curtailments on Thanksgiving and Christmas, supported additional enforcement, media and public outreach to change behaviors, and asked that the public be made aware that burning is hazardous to health throughout the year and not just during the winter season.

MEMORANDUM OF UNDERSTANDING:

14. **Proposed Amendments to the Current Memorandum of Understanding between the Bay Area Air Quality Management District and Bay Area Air Quality Management District Employees' Association**

Mr. Broadbent reported that the Memorandum of Understanding (MOU) between the District and the Employee's Association (EA) will expire on June 30, 2010. He highlighted the timeline of negotiations, proposed changes, and cost savings leading up to what is reflected as a cooperative negotiating session between the two parties.

Public Comment:

Steven Chin, EA President, thanked the negotiating team and agreed that the proposed contract represents a fair and equitable result for both parties. He said members acknowledged affected revenues, economic uncertainties, and overwhelmingly voted to approve the proposed amendments, and he thanked the Board for their support.

Director Zane confirmed with Mr. Broadbent that the cost savings includes consideration of COLA increases. Mr. Broadbent discussed a reduction in overall OPEB liability which is currently at \$45 million. The new provision would create a two-tier system, resulting in a longer vesting time for future employees.

Director Zane cited the percentages of reductions in travel, training and overtime and questioned whether the MOU addresses the reductions in writing. Mr. Broadbent explained that reductions are represented in the proposed Budget, which will be presented to the Budget and Finance Committee meeting on March 29, 2010.

Vice Chairperson Bates congratulated negotiators and the EA for understanding the current economic situation. He believes the contract recognizes economic times, keeps salary increases at a minimum, includes a two-tier system which will reduce the District's liability for funding future pension and employment benefits, and requires that employees pick up a portion of CalPERS costs.

Vice Chairperson Bates made a motion to approve the proposed amendments to the MOU; Director Daly seconded the motion. Directors thanked staff and the EA and confirmed that employee evaluations are conducted annually.

Board Action: Vice Chairperson Bates made a motion to approve the Current Memorandum of Understanding between the Bay Area Air Quality Management District and Bay Area Air Quality Management District Employees' Association; Director Daly seconded the motion; carried unanimously without objection.

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 11:20 a.m.

14. **Significant Exposure to Litigation**

Pursuant to Government Code Section 54956.9(b), a need exists to meet in closed session to discuss two potential litigation matters against the District.

OPEN SESSION:

The Board of Directors reconvened the Regular Board Meeting at 11:46 a.m. District Counsel Brian Bunger stated there was no reportable action taken in Closed Session.

OTHER BUSINESS:

15. **Report of the Executive Officer/APCO**

Mr. Broadbent gave an update on the Port Truck Emissions Reduction Program, cited benefits from surrounding impacted communities, and discussed supplemental contracts issued for retrofits and replacements, noting that the California Air Resources Board extended the compliance period to April 30, 2010.

He reported that all trucks in 2012/2013 will have to be 2007 or newer. An update on emissions reductions from the program will be presented at an upcoming Mobile Source Committee meeting and then to the full Board.

16. **Chairperson's Report**

Chairperson Wagenknecht gave the following report:

- A vacancy exists on the Stationary Source Committee;
 - The A&WMA Conference will be held in Calgary from June 22-25, 2010;
 - The June Board meeting will be held at the San Jose City Hall where the agenda will include the CEQA Guidelines. The September Board meeting will be held in the Pleasanton area where the agenda will include Community Risk Reduction Plans and the Clean Air Plan.
17. **Time and Place of Next Meeting: Regular Meeting** - Wednesday, April 7, 2010, 9:30 a.m., 939 Ellis Street, San Francisco, CA 94109.
- 18 **Adjournment:** The Board of Directors Meeting adjourned at 11:51 a.m.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards