

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

Board of Directors Regular Meeting
August 4, 2010

APPROVED MINUTES

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

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

Absent: Director Dan Dunnigan, Scott Haggerty, Ash Kalra, Nate Miley, James Sperring, and Shirlee Zane

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

Public Comments:

Jill Ratner, Rose Foundation, *New Voices Are Rising* Project, introduced 15 students from high schools throughout Oakland who have participated in their Summer Advocacy Institute and studied global climate change, environmental justice and air quality issues.

Program Coordinator, Maesha Williams, introduced students who gave a PowerPoint presentation and individually spoke about climate change, environmental justice, health disparities, proximity to diesel pollutants, rates of asthma, refineries and air quality, AC Transit bus fares, service, conditions, and barriers to using transit, chemicals and toxics created from refineries, and Bayview's Eco-Center, which serves as a model for water and energy efficiencies and technologies.

Chairperson Wagenknecht and Directors thanked students for their presentation and suggested that students also consider making similar presentations to AC Transit, MTC, and others.

The following speakers provided public comment regarding Grissom Mortuary in San Lorenzo. They opposed the facility's proximity to homes and schools, questioned proper District noticing, permitting, water studies and CEQA review, and requested the District take a position on Alameda County's ordinance relating to proximities of the facility to homes and schools. They also requested the District rescind its permit which they said violates the County's ordinance, cited 17 toxins and discussed pollution from the facility.

- Rachael Steller, Greenaction
- Doris Marciel, San Lorenzo Community Action
- Wafaa Aborashed, BAEHC and Healthy San Lorenzo Community Action
- Kathy Bossley, San Lorenzo Community Action
- Lois Moser, San Lorenzo Community Action

- Rosina Roibal, BAEHC
- Bradley Angel, Green Action and Environmental Justice Air Quality Coalition

Vanessa Logan, Mothers Committee of Bayview Hunters Point, asked to speed up processes towards cleaner air.

Vinetta Logan, Mothers Committee of Bayview Hunters Point, asked that the District clean up the air faster for Bayview Hunters Point, Richmond, Oakland and other communities, and cited on-going illnesses.

Leaois Martin, Bayview Hunters Point Mothers and Fathers Committee and BAEHC, asked that the District accept and take serious all of their proposals, cited several odors daily, and said they care about their children and their health.

Vendell White, Bayview Hunters Point Mothers Committee, questioned when something will be done about the raw sewage situation and voiced asthma issues.

Chairperson Wagenknecht discussed the possibility of agendizing the mortuary issue on an upcoming Stationary Source Committee meeting. Mr. Broadbent replied that the topic of the September 27, 2010 meeting is an update on Bayview Hunters Point. However, an update could be added as time permits. Regarding the Alameda County ordinance being reviewed by the Board of Supervisors, he said the District does not take positions on ordinances.

Director Hosterman questioned and confirmed with Mr. Broadbent that the District issued the authority to construct permit for the facility over a year ago. Subsequent to this, the County discovered that an ordinance is in effect which prohibits crematories to be cited within so many feet of a residence. The County is reviewing the ordinance and it will not be close to starting construction prior to September 27. Therefore, he suggested that an update would be appropriate.

Director Brown questioned if the District had any authority to stop construction of the facility. District Counsel, Brian Bunker, responded that the County serves as lead agency which has not yet approved the project and must issue a use permit, as well as other permits, prior to the facility being constructed. Mr. Broadbent suggested that both Bayview Hunters Point and the Grissom Mortuary items be agendized for the September 27, 2010 Stationary Source Committee meeting.

Director Daly questioned whether staff could send a letter to clarify that the District takes no position on the ordinance. Mr. Broadbent agreed to further clarify the situation with staff.

BOARD MEMBER COMMENTS

Vice Chair Bates announced his planned absence at the August 18, 2010 Board meeting.

PROCLAMATION(S)/AWARDS

Nicolas Torres, Special Agent in Charge, Criminal Investigation Division, San Francisco Region IX Office, introduced Amy Adair, Senior Special Agent who led the investigation into Valero, which is now called Shore Terminals in Contra Costa County. He said in 2006, Agent Adair and District Enforcement staff initiated a criminal investigation into the facility that recently resulted in a significant fine and conviction of the company and associated individuals.

Amy Adair highlighted that, as settlement negotiations proceeded, an environmental compliance plan was developed as a condition of the company's probation as well as oversight of the plan. She said that part of the criminal penalty was a community service payment, which will be used to fund projects to address health impacts associated with air pollution in Contra Costa County.

Director Uilkema questioned and confirmed that the case was a federal prosecution, specific projects have not been developed to date, but monies must be spent for specific goals as stated in the settlement document, which is overseen by the U.S. District Court. She requested a copy of the settlement agreement be provided to herself and the APCO.

Mr. Torres said the matter is resolved and the court oversees compliance and follow-through with the settlement and fines. He recognized the following District staff instrumental in the investigation, and the Board of Directors congratulated them:

- Bill Guy, Assistant Counsel
- Linda Carpenter, Air Quality Inspector
- Chuck McClure, Supervising Air Quality Engineer
- Marco Hernandez, Air Quality Engineer
- Ken Kunaniec, Air Quality Engineering Manager
- Thu Bui, Air Quality Engineer
- Ron Pilkington, Supervising Air Quality Inspector

CONSENT CALENDAR (Items 1-7):

- 1. Minutes of June 16, 2010 Regular Meeting;**
- 2. Communications;**
- 3. District Personnel on Out-of-State Business Travel;**
- 4. Quarterly Report of Air Resources Board Representative – Honorable Ken Yeager**
- 5. Quarterly Report of Executive Office and Division Activities;**
- 6. Consider Authorization of Contract to Complete Updated Cost Recovery Study;**
- 7. Consider Authorization of Contract for Computer Workstations**

Board Action: Director Brown made a motion to approve Consent Calendar Items 1 through 7; Director Hosterman seconded the motion; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

- 8. Report of the Mobile Source Committee Meeting of June 30, 2010**
Vice Chair: C. Groom

The Mobile Source Committee met on Wednesday, June 30, 2010 and approved the minutes of May 27, 2010.

The Committee discussed and considered recommending Board of Director's approval of one Carl Moyer Program Year 12 project and one Transportation Fund for Clean Air FY 09/10 project with proposed grant awards over \$100,000. The Carl Moyer project involves the replacement of off-road construction equipment and the TFCA project would provide funds for an advanced electric vehicle battery switch station. Based on its review, the Committee recommends the Board of Directors

approve funding for these projects and that the Executive Officer/APCO be authorized to enter into agreements to execute them.

The Committee then received an informational update on the Strategic Incentives Division's new Database System. This update included a demonstration of the new system and a description of the benefits it provides to the Air District. Those benefits include: the ability for grantees to apply online for funding, the ability to manage projects without paper files, automatic calculation of project cost-effectiveness, automatic generation of inspection forms and contract documents; and the ability to track project and payment information in one central location.

The Committee then discussed and considered recommending Board of Director's approval of the allocation of up to \$5 million in Transportation Fund for Clean Air funds, (\$2.5 million from FY 10/11 and \$2.5 million from FY 11/12), to support a regional electric vehicle (EV) charging infrastructure deployment program. The Committee discussed infrastructure monetization, location, use scenarios and technologies, and provided direction to staff on program composition. Based on this discussion, the Committee is recommending the Board of Directors allocate \$5 million to EV charging deployment over the next two fiscal years.

The Committee also discussed and considered the result of an RFP process to select a consultant to review and modernize Transportation Fund for Clean Air Regional Fund Program files. The Committee reviewed the need for this expenditure based on past grant program audits, the results of the RFP process and made suggestions regarding the RFP process itself. Based on this discussion the Committee is requesting the Board of Directors approve the Executive Officer to enter into a contract with Armanino McKenna, LLP, for an amount not to exceed \$200,000 for this program review.

The next meeting of the Mobile Source Committee will be scheduled at the Call of the Chair.

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

9. Report of the Public Outreach Committee Meeting of July 21, 2010

Chair: M. Ross

The Public Outreach Committee met on Wednesday, July 21, 2010 and approved the minutes of June 9, 2010.

The Committee received an update on the 2010 Spare the Air Every Day Campaign which is targeted to young adults between the ages of 17-35. A new database has been developed for Spare the Air alerts, via Text to Win sign-ups, as well as posters and postcards. Those signing up on sparetheairnation.org for text alerts have the chance to win a Live Nation VIP concert experience and also download a free song. Responses have been positive; there has been good feedback about the commercial, with over 5 million impressions on Facebook, 135 text-ins, and 738 views on www.Sparetheairnation.org. Staff is providing media training, has developed a contingency plan with communication tips, key messages and potential questions and answers for those providing outreach. Staff will continue to monitor responses throughout the campaign and provide an update in September.

The Committee received an update on the Bayview Hunters Point Request for Proposal (RFP). Community dialogue meetings were held, and community members asked for funds to be spent in three areas; 1) air filtration in schools; 2) a public education campaign; and, 3) a health study. A total of six schools were identified in the process; however, staff learned that one school was being decommissioned and removed from the project.

Committee members discussed system requirements, asked that consideration be given for remaining settlement funds to be used for energy reduction projects geared to offset energy costs, and recommended Board of Directors' approval of IQAir to conduct a School Air Filtration project for amount not to exceed \$300,000.

The next meeting of the Public Outreach Committee will be scheduled at the Call of the Chair.

Board Action: Director Ross made a motion to approve the report and recommendation of the Public Outreach Committee; Director Uilkema seconded the motion; unanimously approved without objection.

10. Report of the Stationary Source Committee Meeting of July 23, 2010

Chair: G. Uilkema

The Committee met on Friday, July 23, 2010 and approved the minutes of May 13, 2010.

The Committee received an update on the Lehigh Southwest Cement Plant, plant operations, Title V Permit renewal status, and reviewed rule development activities affecting the plant, which included:

- EPA National Emission Standards for hazardous air pollutants;
- The Districts 2010 Clean Air Plan Stationary Source Measure 9;
- CARB truck and bus and off-road diesel regulations; and
- CARB's Greenhouse Gas Cap-and-Trade Rule

Public comment was received from speakers voicing concerns about emissions of mercury and health risks from the plant, Notice of Violations issued, and public comment from Lehigh Southwest Cement Plant representatives regarding more stringent and additional control equipment and their work in reducing mercury emissions by 25%.

The Committee received an update on compliance, new emission controls and monitors, updated TAC emissions inventory and Health Risk Assessment, and discussed three new air monitoring sites and the Quarry Reclamation Plan Amendment.

The Committee then received a report on additional information on progress of refinery flare minimization and reviewed achievements in reductions since the rule's adoption. The Committee also discussed specific refinery flaring trends, prevention, minimization and continuous improvement. Public comment was received from speakers regarding mercury emissions and a request for more stringent monitor calibration.

The Committee then received an update on the District's proposed rule for cement kilns, and reviewed cement plants' manufacturing processes, applicable federal, state and District regulations, and possible emissions reductions. The Committee discussed the rule development process which will include

stakeholder consultation, draft rule and a workshop in the Cupertino area, socioeconomic and environmental analyses, and a public hearing on the final proposal.

The next meeting of the Committee is scheduled for Monday, September 27, 2010 at 9:30 a.m.

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

Director Uilkema thanked Mr. McKay and Mr. Bateman for their thoroughness on the meeting topic and professionalism with the tone of the meeting.

PRESENTATION

11. Overview of the 2010 Clean Air Plan

Mr. Broadbent introduced the report, stating staff has been working on the Clean Air Plan update and the plan represents comprehensive update efforts. He said the plan is a blueprint and framework for regulatory activities moving forward. All rules considered through the Stationary Source Committee and Board of Directors ultimately comes from this plan. It is the first of its kind in the sense staff took a multi-pollutant approach in terms of achieving federal and state standards that puts all pollutants under one umbrella.

David Burch, Principal Planner, gave a presentation on the 2010 Clean Air Plan, stating that a good public process is needed for the success of any plan. He said staff has conducted significant outreach over the last two years, conducted a total of 18 workshops in 7 cycles, solicited public comment which was folded into the plan, collaborated with stakeholders and regional agency partners, issued a Draft Control Strategy one year ago and held workshops on those, and in March, staff issued the Draft Clean Air Plan and Draft EIR. Additional workshops were then held, the plan was refined based upon input received, and a socio-economic analysis was prepared. The overall input on the plan's multi-pollutant focus has been positive.

Mr. Burch explained that the purpose of the plan is to update the State ozone plan. Two key requirements are that a control strategy needs to be proposed that includes all feasible control measures and reduces transport of ozone and its precursors to neighboring air basins. He said the plan is a state and not federal plan, and staff saw this as a good opportunity to develop a multi-pollutant approach to address ozone, ROG and NOx precursors, particulate matter (both direct emissions and precursors), key air toxics; and key greenhouse gases. He noted three key goals of the plan include improving air quality, protecting public health, and protecting the climate.

Mr. Burch said that what is different with this multi-pollutant plan is that it addresses multiple pollutants in a single strategy and also looks at the outcomes in terms of public health and protecting the climate. He said staff also thought it beneficial to develop a multi-pollutant evaluation method which enables staff to evaluate control measures on a multi-pollutant level, look at co-benefits, analyze any potential trade-off's, see what this means in terms of health and climate outcomes in the plan, and to be able to express benefits in monetary terms to the region.

From key findings that compare Bay Area health burden from air pollution past versus present, emissions, concentrations and exposure to ozone has been reduced significantly. Health effects related to pollution have been reduced significantly, which includes premature mortality, cancer risk and others. Life expectancy in the region has increased by about 5 years over the last decade. He stated that improvement in air quality has contributed to six months of live span, or 10% of the overall

improvement. Altogether, health benefits are worth multiple billions of dollars a year to the region, but, at the same time air pollutants still have negative health impacts, and PM2.5 is the most hazardous.

Mr. Burch displayed a chart of 7 key health outcomes related to air pollutions, which include mortality, cancer onset, respiratory hospital admissions, cardiovascular hospital admissions, chronic bronchitis, nonfatal heart attacks, and asthma emergency room visits. The number of cases is reflective on the chart's bars. The data goes back as far as the District had reliable data; 1980 for ozone and 1990 for PM and other toxics. The chart shows quite a bit of improvement, however, the largest contributors are diesel PM2.5 and other manmade types of PM2.5.

Mr. Burch discussed policy implications, stating there is a need to focus on reducing PM2.5 emissions and population exposure from all sources, and that there may also be health impacts related to PM exposure even outside of the winter peak season. As staff was developing the strategy, they built upon programs developed in recent years such as CARE and climate program, made use of all tools and resources, identified strategies to provide the greatest health and climate protection benefits, enhanced traditional types of control measures, developed new measures to address climate, toxics, and focused on measures relating to land use and energy. And, based on the analysis, measures which would reduce emissions and exposures related to PM2.5 are most health protective.

Mr. Burch stated that the control strategy is comprehensive and includes 55 control measures divided into five categories, which he briefly described:

- 18 Stationary sources measures
- 10 Mobile sources measures
- 17 Transportation control measures
- 6 Land use and local impact measures
- 4 Energy and climate measures

He said the CAP also includes 17 further study measures. Staff is also aware of the need to integrate CAP efforts with the Sustainable Community Strategy (SCS). The plans will reinforce and complement one another. Staff will also work with local governments and utilize Community Risk Reduction Plans (CRRPs) in protecting impacted communities. Mr. Burch reviewed CAP benefits, as:

- CAP measures will avoid an estimated 85 premature deaths per year;
- Reduce the number cases of bronchitis, asthma emergency room visits, cardiovascular hospital admissions
- Reduce 15,000 metric tons of GHS/day
- Estimated dollar value of CAP benefits: \$770 million/year
- Reductions in PM2.5 and diesel PM account for 80% of estimated dollar benefit of CAP

Socio-economic analysis was performed by consultants, and key findings reveal that control measures will result in costs and benefits. The CAP control strategy as a whole will provide net economic benefit to the Bay Area through improved health and investment in transportation projects. Stationary source measures compliance costs will not impose a significant burden on any regulated industry, and CAP measures will not impose significant costs or unfunded mandates on local government.

In summary, Mr. Burch said staff believes the 2010 CAP breaks new ground in air quality planning. It integrates air toxics and GHGs with criteria pollutants. It protects public health, and the analysis of health risk highlights the need to reduce PM 2.5 from all sources.

Mr. Burch described next steps as:

1. Release proposed final CAP, final EIR and Final Socio-Economic Analysis by August 31, 2010
2. Propose adoption by the Board of Directors at a public hearing on September 15, 2010.

Public Comment:

Greg Karras, Communities for a Better Environment (CBE), stated that air pollution has a worse health impact than thought, and environmental groups believe a more accurate indicator of all pollutants is a cumulative impact analysis. Staff estimates there are thousands of pollution-related deaths in the Bay Area every year and proposed measures do not do enough to prevent this pollution. While additional measures may be hard, they are feasible, and CBE proposes some of them to reduce more pollution and protect health. He requested the Board add all feasible measures to the proposal.

Director Ross cited the District's work as a vanguard effort, and discussed the Bay Area's health care costs and impacts from pollutants, which equals 20% of California's \$25 billion costs and suggested education and outreach be conveyed to the public regarding such impacts.

Director Gioia suggested that cumulative numbers, or the dollar value of health effects, be included in Appendix A. He questioned what is the basis used was for premature death, and Mr. Burch said it is based on risk factors from epidemiological studies developed by the U.S. EPA. However, staff believes this is a conservative analysis. Staff tries to rely on existing methodologies and there are fairly large, uncertain ranges, and staff's analysis assumes there are health effects even below attaining the current state and federal standards. If those standards were used as the basis, the outcomes would be significantly lower. Director Gioia suggested a breakdown of this analysis by region to better identify disparities.

Director Torliatt questioned when the Board would be provided with an opportunity to discuss this information, and discuss whether there are feasible or infeasible measures. Mr. Burch discussed staff's in depth analysis of control measures early on in the process, and the information is contained on the District's website. Staff continues to receive public input through written comments. He discussed the accounting for the exercise as far as what is feasible and what is not, and noted that 55 control measures recommended in the plan have multiple implementation actions.

Director Torliatt questioned how cumulative impact and reduction of premature death is looked at in the graph, and Mr. Burch said premature mortality is its own outcome. There could be health effects that could result in premature mortality, but most are chronic conditions that may impact someone's quality of life, but may not result in mortality. He agreed each has a dollar value associated with it, with the highest number assigned to premature mortality. Director Torliatt noted when the District is approving air quality regulation, it is for the entire Bay Area, and she asked that the associated costs be better communicated to the public.

Vice Chair Bates discussed a recent Berkeley longevity study which found people live 5 years longer due to several factors which included non-smoking, eating good foods and exercise. He suggested identifying the top 20 strategies, and Mr. Broadbent replied that some suggestions were incorporated in further study measures in the plan as listed on page 2.

Vice Chair Bates questioned how the District was doing with the wood burning regulation and compliance. Mr. Broadbent noted an overview would be provided to the Board in October just prior to the season kick-off in November.

Director Mar requested if Mr. Karras could provide what feasible measures CBE and other groups are looking at and provide those prior to the September 15, 2010 Board meeting for discussion purposes.

Mr. Karras agreed to provide the letter which identifies five feasible measures, as follows:

1. Adopt a measure to reduce cumulative impacts of methane emissions from multiple sources.
2. Adopt a measure to reduce fossil fuel combustion by 20% at oil refineries by 2020 through improved efficiency.
3. Adopt a measure to require *and* fund a 20% reduction in fossil fuel combustion by mobile and power generation sources by 2020.
4. Adopt a measure to require fuel substitution analysis and implementation.
5. Adopt a measure to require all “grandfathered” and “non-new source review” sources at each facility where BAAQMD permits air pollutant emissions to apply the best available emission control technology (BACT/BARCT) upon permit review.

Director Uilkema discussed her attendance to the National Association of County Officers in Reno, Nevada. She learned that many disparities relate to the transport issue, and she suggested targeting in the Clean Air Plan what can be done legislatively or cooperatively with other areas to temper air quality impacts in the Bay Area.

Director Garner questioned how staff was correlating specific health events to a toxin on the mortality chart. Mr. Burch explained that staff relies on epidemiology studies conducted over the years to analyze health impacts related to mortality and different pollutants. Staff looks at how concentrations have changed and apply those to arrive at estimates. Director Garner said she was concerned that representations are being made that may not be accurate, such as respiratory hospital admissions or asthma. She thinks it is great we believe we are reducing risk to certain health effects based on air quality, but she cautioned staff to show such fine detail in terms of attributing specific toxins with an outcome.

Secretary Gioia noted that annual health and social costs have declined from \$50 billion to \$24 billion a year as shown in the Appendix, and it states that the numbers are estimates only and should not be seen as precise values. The issues that get to rates of asthma issues are different from hospitalization asthma. Therefore, to the extent the numbers show a decrease, he suggested more detail in getting to the numbers and separating the disparities by region.

Mr. Broadbent concluded by stating that as staff delves further into rule making, comments will be addressed, and staff will restate key points and focus on PM in terms of regulatory efforts.

OTHER BUSINESS

12. Report of the Executive Officer/APCO:

Mr. Broadbent presented 2009 versus 2010 ozone seasons, stating it has been a cool summer and the District has not violated national or state standards.

He reported that the District has been involved in organizing the CAPCO Climate Forum, *Continuing the Legacy of Climate Leadership*, which is being held at the Marriott in San Francisco on August 30 and 31. There will be a number of key speakers and sponsors, and local, state and federal efforts will be presented.

He then introduced the new Finance Manager, David Glasser.

13. Chairperson's Report:

Chairperson Wagenknecht recognized Director Daly for his guidance and leadership as the Budget and Finance Committee Chairperson over the last four years. He has built a great deal of trust from staff and Directors, and he voiced appreciation for his efforts. Director Daly said it has been a team effort of the Committee and a great staff. He noted he will be leaving the Board in January and the Chair has asked Carole Groom to take over as Chair of the Budget and Finance Committee.

Chairperson Wagenknecht and Directors Ross and Hudson reported out on their attendance to the Air and Waste Management Conference held in Calgary June 22-25, 2010 and provided highlights on sessions.

Chairperson Wagenknecht announced cancellation of the August 18, 2010 Board Meeting.

14. Time and Place of Next Meeting: Regular Meeting - Wednesday, September 1, 2010, 9:45 a.m., Board Room, 939 Ellis Street, San Francisco, CA 94109

15. Adjournment: The Board of Directors meeting adjourned at 12:13 p.m.

/s/ Lisa Harper

Lisa Harper
Clerk of the Boards