

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

Board of Directors Regular Meeting
September 1, 2010

APPROVED 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.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards