



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
REGULAR MEETING  
JUNE 1, 2011

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7<sup>th</sup> 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.

## Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

**Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3** For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. The remainder of the speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

**Public Comment on Agenda Items** After the initial public comment on non-agenda matters, the public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Up to ten (10) speakers may speak for three minutes on each item on the Agenda. If there are more than ten persons interested in speaking on an item on the agenda, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. Speakers are permitted to yield their time to one other speaker; however no one speaker shall have more than six minutes. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

# BOARD OF DIRECTORS REGULAR MEETING A G E N D A

WEDNESDAY  
JUNE 1, 2011  
9:45 A.M.

BOARD ROOM  
7TH FLOOR

## CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance

Chairperson, Tom Bates  
Clerk of the Boards

## PUBLIC COMMENT ON NON-AGENDA MATTERS

### **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

## CONSENT CALENDAR (ITEMS 1 – 4)

Staff/Phone (415) 749-

1. Minutes of May 18, 2011

K. Krow/5073  
[kkrow@baaqmd.gov](mailto:kkrow@baaqmd.gov)

2. Board Communications Received from May 18, 2011 through May 31, 2011

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*A list of communications directed to the Board of Directors received by the Air District from May 18, 2011 through May 31, 2011 if any, will be at each Board Member's place.*

3. District Personnel on Out-of-State Business Travel

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memoranda lists District personnel who traveled on out-of-state business.*

4. Notice of Proposed Amendments to the Air District's Administrative Code Division II Fiscal Policies and Procedures – Section 4 Purchasing Procedures: 4.3 Contract Limitations

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*At its next regularly scheduled meeting, the Board of Directors will consider proposed amendments to the Air District's Administrative Code, Division II Fiscal Policies and Procedures – Section 4 Purchasing Procedures: 4.3 Contract Limitations.*

## **COMMITTEE REPORTS AND RECOMMENDATIONS**

5. Report of the **Budget and Finance Committee** Meeting of May 25, 2011

CHAIR: C. GROOM

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee may recommend Board of Directors' approval to authorize the Executive Officer/APCO to execute agreements for FYE 2012 Permitting and Inspection System enhancement projects.*

6. Report of the **Executive Committee** Meeting of May 26, 2011

CHAIR: T. BATES

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee may recommend Board of Directors approval to authorize the Executive Officer/APCO to initiate contracts and issue purchase orders for not more than \$150,000, to acquire webcasting services and supplies for the Air District.*

## **PRESENTATION**

7. Legal Framework for the Air District – How Do We Clean the Air?

B. Bunger/4920

[bbunger@baaqmd.gov](mailto:bbunger@baaqmd.gov)

*The Board of Directors will discuss the legal framework in which the Air District operates and the legal authorities granted and obligations imposed by that framework.*

8. Presentation on the Air District's Proposed Budget for FYE 2012

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Board of Directors will discuss the Air District's Proposed Budget for FYE 2012. A Final Public Hearing is scheduled for June 15, 2011 to Consider Adoption of the Proposed Budget for FYE 2012.*

## **CLOSED SESSION**

9. **CONFERENCE WITH LABOR NEGOTIATORS** (Government Code § 54957.6(a))

Agency Negotiators:

Jack P. Broadbent, Executive Officer/APCO

Jack M. Colbourn, Director of Administrative Services

Employee Organization:

Bay Area Air Quality Management District Employee's Association, Inc.

## **OPEN SESSION**

## **PUBLIC COMMENT ON NON-AGENDA MATTERS**

### **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed three minutes each to address the Board on non-agenda matters.*

## **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)*

## **OTHER BUSINESS**

10. Report of the Executive Officer/APCO
11. Chairperson's Report
12. Time and Place of Next Meeting – 9:45 A.M. Wednesday, June 15, 2011 – 939 Ellis Street, San Francisco, CA 94109
13. Adjournment

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109**

**(415) 749-5130**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
**[www.baaqmd.gov](http://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](http://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**

**JUNE 2011**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	2	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Public Outreach Committee</b> <i>(At the Call of the Chair)</i>	Monday	6	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Advisory Council Meeting</b>	Wednesday	8	9:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i> - RESCHEDULED TO JUNE 2, 2011	Thursday	23	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	30	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

**JULY 2011**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(At the Call of the Chair)</i>	Thursday	7	9:30 a.m.	Board Room
<b>Advisory Council Meeting</b>	Wednesday	13	9:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

## AUGUST 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
<b>Advisory Council Meeting</b>	Wednesday	10	9:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	25	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

HL – 5/26/11 (9:26 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 23, 2011

Re: Board of Directors Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Board of Directors Regular Meeting of May 18, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of May 18, 2011.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Kris Perez Krow  
Reviewed by: Rex Sanders

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, CA 94109

Board of Directors Regular Meeting  
Wednesday, May 18, 2011  
9:45 a.m.

## **DRAFT MINUTES**

**CALL TO ORDER:** Chairperson Tom Bates called the Regular Meeting to order at 9:48 a.m.

**Pledge of Allegiance:** Chairperson Bates led the Pledge of Allegiance.

### **Roll Call:**

**Present:** Chairperson Tom Bates; Vice Chair John Gioia; and Directors Susan Gorin, Scott Haggerty, Jennifer Hosterman, David Hudson, Carol Klatt, Nate Miley, Johanna Partin, Mark Ross, James Spering, Gayle B. Uilkema, Brad Wagenknecht and Shirlee Zane. Directors John Avalos, Eric Mar and Liz Kniss arrived after the roll call was taken.

**Absent:** Secretary Ash Kalra; and Directors Harold Brown, Susan Garner, Carole Groom, and Ken Yeager.

**PUBLIC COMMENT ON NON-AGENDA MATTERS:** Chairperson Bates opened the public comment period and with no one coming forward to speak, he closed the public comment period at 9:49 a.m.

### **CLOSED SESSION:**

#### **1. Existing Litigation (*Government Code Section 54956.9(a)*)**

Pursuant to government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case(s):

- a) California Building Industry Association v. Bay Area AQMD, San Francisco Superior Court, Case No. RG 10548693

Chair Bates adjourned the meeting to closed session and cleared the Board room at 9:50 a.m.

Chair Bates reconvened the meeting at 10:25 a.m. and stated that there was no reportable action taken during the closed session.

### **CONSENT CALENDAR (Items 2-6):**

2. Minutes of the May 4, 2011 Regular Meeting.
3. Board Communications Received from May 4, 2011 through May 17, 2011.
4. Quarterly Report of Executive Office and Division Activities.

5. Consider Approval of Hiring Recommendation at Step E of Salary Range 124 for the Air Quality Instrument Specialist I Position.
6. Consider Establishing a new Job Classification of Air Quality Intern.

**Board Action:** Director Wagenknecht made a motion to approve Consent Calendar Items 2 through 6; Director Kniss seconded the motion; which carried unanimously without objection.

## **COMMITTEE REPORTS AND RECOMMENDATIONS**

### **7. Report of the Stationary Source Committee Meeting of May 5, 2011**

**Chair: Gayle B. Uilkema**

Director Uilkema reported that the Stationary Source Committee met on Thursday, May 5, 2011 and approved the minutes of March 3, 2011.

The Committee heard a presentation on the US EPA's Greenhouse Gas (GHG) Tailoring Rule. The Clean Air Act contains permit requirements for facilities that are "major sources" of regulated air pollutants and defines a "major source" as a facility that has the potential to emit any regulated air pollutant of more than 100 tons per year or 250 tons per year for facilities subject to the Prevention of Significant Deterioration (PSD) permit requirements. There was a need to tailor this rule as many small facilities would be required to be regulated based on their emissions of GHGs, such as schools, hospitals, restaurants and small farms.

Staff also gave the Committee an update on six new power plants in the Bay Area; three are in Contra Costa County, two in Alameda County, and one is in Santa Clara County. The Committee discussed renewable energy sources, energy consumption trends, and the effect of new rules on the power plants. The Committee also received a presentation on the Forward Looking Infra-Red Camera, a camera that can detect and record air pollution that is not visible to the human eye. Staff showed videos demonstrating the camera's technology and explained opportunities to use the camera in education and enforcement. The Committee recommended that a presentation of the Forward Looking Infra-red Camera be given to the full Board of Directors at a future meeting.

The next meeting of the Stationary Source Committee is on Thursday July 7, 2011 at 9:30 a.m.

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

### **8. Report of the Climate Protection Committee Meeting of May 16, 2011**

**Chair: Jennifer Hosterman**

Director Hosterman reported that the Climate Protection Committee met on Monday, May 16, 2011 and approved meeting minutes from November 29, 2010 and March 7, 2011.

The Committee heard a presentation on the US EPA's Greenhouse Gas Tailoring Rule. This was the same presentation given to the Stationary Source Committee as reported by Director Uilkema. The Committee also received a report of the decision in the Association of Irrigated Residents, et al versus the California Air Resources Board (CARB). The ruling prevents CARB from implementing

its AB32, Global Warming Solutions Act, “scoping plan” because CARB failed to follow CEQA requirements and did not consider alternatives to the proposed cap and trade approach.

The Committee then received recommendations from the Advisory Council for meeting the 2050 Greenhouse Gas Emissions Target. The Advisory Council made fifteen recommendations that were discussed by the Committee.

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

**Board Action:** Director Hosterman made a motion to approve the report of the Climate Protection Committee; Director Wagenknecht seconded the motion; which carried unanimously without objection.

## **PRESENTATION**

### **9. Update on the Implementation of the Air District’s California Environmental Quality Act (CEQA) Guidelines.**

Director of Planning and Research, Henry Hilken, presented the staff report. The CEQA thresholds were approved by the Board in June 2010. At that time the Board directed staff to report back in one year. The Board directed staff to track the implementation and determine if air quality standards alone are triggering Environmental Impact Reports (EIRs); to work with local governments, the building industry and stakeholders; to coordinate with regional agency partners on CEQA, SB375, and Sustainable Communities Strategy (SCS); to facilitate development of Community Risk Reduction Plans (CRRPs); and to develop standardized mitigation measures.

Mr. Hilken stated that staff was very closely tracking how the guidelines have been implemented. There has been ongoing communication with local planners and officials, developers, affordable housing and infill development advocates. Staff has responded to over 400 phone calls. Training sessions were given to local planners; attendance and feedback have been positive.

Staff conducted customized CEQA analysis training for jurisdictions. Public workshops were held in February and March of 2011 in Oakland, Mountain View and Santa Rosa. There were over 150 attendees, representing over 30 local governments. The thresholds and tools are being widely used.

Staff has been very active on updating the screening tools and keeping them as specific as possible. Many projects can be evaluated at the screening level.

Screening tools for State Highways include values for all links along every state highway; local traffic volumes, truck percentages, and meteorology; updated information that reflects reductions based on CARB diesel rules (2014) and values for 1<sup>st</sup> and 2<sup>nd</sup> floor receptors. This has been formatted in a Google Earth application.

Screening tools available for Surface Street determinations include County specific meteorology and truck percentages and they also reflect reductions based on CARB diesel rules (2014).

Permitted Stationary Sources have updated screening tools including health risk assessment values where available and site-specific modeling parameters and recommended default values.

Both the Modeling Guidance and CEQA Guidelines now offer more user friendly instructions for using the updated screening tools; and they acknowledge the incorporation of risk reduction measures.

Mitigation measures are being imbedded into the screening tools. Values for ground floor and upper level occupancy, for example, are now seen up front.

A local government survey with 10 questions was emailed to all jurisdictions. Staff received 73 responses, representing 46 different local governments. None of the survey results identified projects where air quality alone was evaluated in a Draft Environmental Impact Report. All survey respondents said that they are using some of the Air District's CEQA tools. A majority of the respondents believe the CEQA Guidelines and thresholds provide legal certainty and useful mitigation measures; and they requested more training and updated tools. It appears that the thresholds alone have not resulted in a project needing an EIR. These are difficult technical analyses and this information should help local planners.

Staff is working very closely with local planning staff, and developers. We are finding that local jurisdictions are using these documents and the detail of the air quality evaluations is improving. They are making significantly better assessments. Staff is reviewing proposed projects including infill, transit oriented developments (TOD) and affordable housing. Comment letters have been issued on Air District letterhead to support good projects and features. We have reviewed over 400 CEQA documents, provided assistance for climate action plans, and have done refined analyses when requested. We get many requests for help on individual projects.

Mr. Hilken showed three examples of projects where Air District staff has assisted the local planners with the review process. A condo/mixed use project in San Francisco, a proposed senior housing project in El Cerrito, and a mixed use project in Oakland. Staff had meetings with the developers on two of the projects, wrote a letter of support for one project, and raised concerns about the air quality analysis for one project. There are projects that raise concerns and that is why the guidelines are needed.

There have been 23 Climate Action Plans (CAPs) adopted in the Bay Area. 18 are in progress now. The Air District has reviewed and issued comment letters for 5 CAPs. The Air District provides support to local governments in the way of \$3 Million dollars in climate protection grants and technical assistance. The breadth and technical rigor of CAPs are improving. Staff is noticing that CAPs have consistent AB32 targets, that the GHG inventories include more emission sources, that there is more quantification of specific mitigation measures, that more mandatory measures are being included, that environmental reviews are being done, and that the CAPs are integrating with general plans.

Staff has collaborated with regional agencies in a number of ways. The Air District convened an Air Quality/Priority Development Area (PDA) workgroup with the Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and the San Francisco Bay Conservation and Development Commission (BCDC). Staff has encouraged and assisted the regional agencies in addressing air quality impacts in Station Area Plans, and gave a presentation to local planners at a Station Area Planning workshop. Eventually we want to have a master area EIR of air quality for Station Area Plans (SAPs). Staff is participating in the development of SCS and a Regional Transportation Plan. We have been discussing regional programs with the Bay Area Planning Directors Association (BAPDA) and we will be participating at the BAPDA Symposium in June 2011.

The SAP analysis process starts with computer mapping, and identifying sources and roadways. Potential impacts are assessed and risk reduction measures are identified. Staff has discussions and meetings with local and regional planners about projects, with the goal to streamline future CEQA review for individual projects.

Mr. Hilken used the Union City BART Station area as an example. The Board viewed a map that identified areas around the station and showed locations of stationary sources, and specific setback boundaries. In this way, local planners can identify sources that are above the threshold and work to identify mitigation measures upfront.

There are two pilot CRRP projects in San Francisco and San Jose. Air District Staff gave an update to the Executive Committee in April. There is an ongoing dialogue with San Francisco and San Jose, and this includes meetings or conference calls on a weekly basis.

In San Francisco, we are collaborating with staff to identify city-wide targets for CRRP; we have reached consensus on our modeling approach; and we are developing an approach for integrating filtration as mitigation measure into the modeling. In San Jose, the Air District is collaborating with staff in identifying risk reduction strategies; preparing a local emissions inventory and initiating air quality modeling; and participated in two public workshops.

This information is spreading out to other cities and they are incorporating it into their planning. We expect these pilot projects to inform other communities. In a short time there has been increased awareness of integrating air quality into local planning processes. Several jurisdictions are committing to CRRPs in their General Plans – City of Santa Clara, Redwood City, and San Pablo.

Our goal is to minimize impacts. Local planning staff likes worksheets and check lists, and to know upfront what mitigation measures would be. We hope to provide worksheets and/or checklists to streamline their processes.

The Air District staff has been working on simplifying the process for analyzing and mitigating risk and hazard impacts. We want to standardize mitigation measures, such as indoor air quality filters and ventilation; building heights and air intakes; truck routes and idling limits; and setbacks and land use design strategies

Recent comments from the public have expressed the following opinions:

- New screening tools not significantly improved; should undergo peer review equivalent to rule development
  - Freeway and surface street impacts at least 50% lower than previous
  - New tools based on extensive technical analyses
- Recommend best management practices threshold for construction
  - Staff conducting survey of Bay Area construction activity to refine construction impact calculator and recommended mitigations
- Develop regional plan to identify/mitigate impacts to new receptors
  - Plan-based approach is encouraged; city or specific plan level is appropriate geographic scope
- Acknowledge lower GHGs of infill projects, exempt infill from GHG thresholds
  - Guidelines encourage consideration of efficiencies of infill development
  - District does not have authority to exempt projects from CEQA

Staff is in agreement that developing a regional map that identifies risks and hazards at a regional level is better than a project by project. One blanket regional map would not work. By law, we cannot exempt projects from GHG thresholds.

The next steps are to continue and expand every element of this program. It is ongoing, and staff will continue to refine the tools and mitigation measures. We will continue to provide technical assistance

to local planners and developers. Staff will work toward completion of the pilot CRRPs in San Francisco and San Jose, and initiate CRRPs in other Community Air Risk Evaluation (CARE) communities. We will complete the community development guidelines and provide guidance on mitigation measures. We plan on continuing our collaboration with local planners on air quality analysis of station area plans, to support and review draft climate action plans, and to ensure CEQA guidelines are consistent with SB 375, and SCS. Staff can come back in one year to give the Board an update.

**Public Comments:** Chair Bates opened the public comment period.

Mr. Evan Reeves, Policy Director of the Center for Creative Land Recycling, stated his concerns about infill and TOD projects that had a high initial failure rate. Mr. Reeves gave a handout to the Board. He felt that the false failures are a result of an inconsistency in the thresholds. He said he was appreciative of the work of the Air District staff and there has been a minimizing of the incidents of false failure, but it was not significant. He requested that the Air District set aside the thresholds and conduct a full scientific peer review and socioeconomic analysis, in order to enable a full discussion.

Mr. Mark Babsin, a principal at Emerald Fund, stated he works mostly on urban infill projects, and is familiar with them. Recently, he was told during a pre-application meeting with planners, that he would need an EIR for a project, based on air quality thresholds alone. This meant an additional year and he was unable to come to an agreement with the owner, because of the anticipated delay in doing an EIR.

Tim Colen, Executive Director of the San Francisco Housing Action Coalition, a fiscal project of the Greenbelt Alliance, stated that the continued high failure rate has him concerned. Many sites are failing. There is competition for affordable housing funding, and infill and TOD sites that appear to have health risks will not receive funds readily. This makes getting approval difficult, and increases time and money. Mr. Colen felt that if not corrected that these issues would be detrimental to infill, TOD and affordable housing.

Andy Katz, representing Breathe California, stated he felt most infill projects are proceeding without the need for further CEQA process. The CRRPs and SAPs in San Francisco and San Jose will provide an adequate process to support development. Looking at sites in regard to public health is important. He stated that it is important to have mitigation and a public health view of projects. Mr. Katz supports the Air District to develop further streamlining tools. He is committed to be involved in dialogues that continue to help the Bay Area build a better region while protecting public health.

Vu Bang Nguyen, Land Use Program Coordinator from Urban Habitat, requested that the Board consider the thresholds in conjunction with the SCS. He is concerned with how CEQA is enforced, and how affordable housing projects can get held up. He said he would like to see more coordination between the Air District, MTC and ABAG, to create quality, walk-able, transit-oriented communities.

Deputy Air Pollution Control Officer, Jean Roggenkamp, responded that it is important to balance infill development projects and public health effects, and we have the tools for cities and counties to do that. We will be bringing forward some additional guidelines and tools, such as the community development guidelines and the standardized mitigation measures list. Staff will come back to the Board with an annual update on this.

**Board Member Comments:**

Chair Bates agreed that this would come back for an annual review.

Director Spering stated that he was concerned about annual review. He would like to have a workshop, so that the Board can be more involved. He requested that staff schedule a workshop when it is appropriate with sensitivity to the lawsuit, and thinks that the goal for everyone is Healthy Infill Projects (HIP).

Chair Bates asked staff to consider scheduling a workshop at an appropriate time.

Director Partin asked staff to respond to the handout from Mr. Reeve's, to have a clear understanding of what this is showing.

District Counsel Brian Bunger stated that this specific issue is one of the centerpieces of the lawsuit. On a general level what the handout was showing, is that this project would require environmental analysis. It didn't go through the initial screening and will need additional work.

Director Haggerty supported what Director Spering said, and would like quarterly reviews. He understood the sensitivity of the lawsuit, however, felt that the speakers comments were dismissed, and their issues not addressed. Coming back a year later was not acceptable to him.

Director Bates responded that the lawsuit has limited what we can discuss, and if the party withdraws their lawsuit, there can be a dialogue.

Director Gioia thinks that a parallel discussion of the policy, sensitive to lawsuit, makes sense. CRRPs were always our best approach. How do we move that process forward? Where are things in regard to the delayed implementation of the thresholds?

Mr. Broadbent noted that the risk and hazard thresholds for the new receptors were delayed to provide more time for people to get used to them and rely on them. The effective date was May 1, 2011 and now is fully in effect. This is information that is provided to help people develop their own CEQA assessment. We want to provide the best information out there.

Director Gioia inquired about the expected completion dates for the CRRPs for San Jose and San Francisco?

Ms. Roggenkamp answered that drafts are expected to be out this summer and that staff is working with the cities to help speed things along.

Director Haggerty stated that Alameda County is being sued regarding issues related to Community Action Plans. He also said his earlier comment regarding a quarterly review process was not taken seriously.

Mr. Broadbent stated that staff would bring this back to the Board toward the end of the year. It will be good timing because the SCS is under development with the coordination of MTC and ABAG, and the Community Development Guidelines will be released. More tools are becoming available, and there will be more to discuss at that time.

Director Hosterman thanked the speakers for sharing their thoughts and positions. She noted that all the Board Members return to their home jurisdictions and continue to try to achieve higher density

affordable housing in their agencies, while cleaning the air and creating opportunities for healthier communities.

**Board Member Action:** None, informational item for discussion only.

## **PUBLIC HEARING**

### **10. Public Hearing to Consider Adoption of Proposed Regulation 11, Rule 17: Limited Use Stationary Compression Ignition (Diesel) Engines in Agricultural Use; and Certification of a CEQA Environmental Impact Report (EIR)**

Senior Air Quality Engineer, Guy Gimlen, presented the staff report. Mr. Gimlen gave some background information to the Board about the California Air Resources Board's (CARBs) Airborne Toxic Control Measure (ACTM) for stationary diesel engines. This is one of 14 ACTMs addressing diesel particulate. The measure was adopted in 2004, amended in 2006 to include agricultural engines, reduces exposure to toxic diesel particulate, and is applicable statewide.

It is the Air District's responsibility to enforce the ATCM. The Air District is allowed to adopt a local rule to enforce the ATCM, providing the local rule is at least as stringent as the ATCM.

The ATCM for stationary diesel engines starts with requiring engine registration. Agricultural wind machines and agricultural emergency generators are exempt from registration and low-use agricultural engines were not fully considered during development of the ATCM.

Older, dirtier diesel engines (installed before 1996) are known as Tier 0 engines, because they don't meet any emissions standards. Newer engines (Tier 1, 2, 3 & 4) are progressively cleaner.

The ATCM requires that Tier 0 engines that are greater than 100 horsepower be replaced by January 1, 2011; and 50 – 100 horsepower engines be replaced by January 1, 2012; including many infrequently-used engines.

The proposed rule addresses infrequently used engines. The agricultural diesel engine registration has resulted in

- 279 registered engines as of August, 2010
- 335 registered as of February 1, 2011
- 395 registered as of May 1, 2011

Staff is involved with continuing outreach to increase registration. Registration has revealed that agricultural diesel engines range from new to over 50 years old, that 20% operate less than 20 hours per year, that 37% operate more than 20 hours but less than 100 hours per year and that those infrequently used engines are primarily utilized for irrigation and frost protection.

60 agricultural engines have already been replaced with the Air District's Strategic Incentive funding and now comply with the ATCM.

Regulation 11, Rule 17 would provide compliance flexibility for low-use engines and applies to diesel engines over 50 HP. The proposed rule will exempt engines that are used less than 20 hours per year.

The proposed rule also provides an Alternative Compliance Plan (ACP) that defers replacement of engines used an average of less than 100 hours per year until 2020 and to 2025 for existing Tier 2 engines. The proposed rule allows for 100 additional hours of use during an "Extreme Frost Season."

This proposal increases recovery of an engine's useful life and mirrors an equivalent rule in Northern Sonoma County.

The proposed rule achieves 30 – 60% greater criteria pollutant reductions than ATCM after 2020; and achieves 50 - 60% greater toxic (diesel PM) reductions than ATCM after 2020.

During the interim period of 2011 – 2020 some emission reductions will be delayed. The foregone emission reductions estimates are extremely conservative. NOx: up to 17 – 26 tons per year (tpy) this exceeds CEQA significance threshold of 10 tpy. NOx emissions will be mitigated by funding NOx reduction projects to offset actual foregone emission reductions. All impacts on cancer risk, non-cancer acute and chronic health risk, and PM<sub>2.5</sub> ground level concentrations are less.

The ATCM did not consider impact on low-use engines and CARB's economic analysis was based on operating engines for 1000 hours per year. The purpose of this proposed rule is to address exempt engines that are used less than 20 hours per year.

The Alternate Compliance Plan (ACP) is optional. The ACP allows farmers to recovery additional life from their engines, but owners and operators can choose the best option for their situation.

Assuming the proposed rule is deemed equivalent to the ATCM, deadline for taking advantage of the Air District's incentive funds will extend to 2020.

There will be a one-time ACP application fee of \$129. The socioeconomic analysis finds no significant adverse impact and no effect on small business or jobs. Staff has contacted agricultural officials in all 9 counties; the farm bureaus for all counties (except San Francisco); and several trade associations including grape growers, poultry farmers and dairymen.

Staff has presented information at 3 farm bureau meetings, 4 county agricultural continuing education classes, the Suisun Valley Grape Growers Association, and the Napa Viticulture Fair.

Nine workshops were held in 8 counties, with over 100 attendees. Some comments from the workshops were:

- Request for 3 year averaging of operational hours to accommodate variable weather – included
- Request for firewater pump testing and emergency use to be excluded from hours limit – is accommodated in the current ATCM
- Request for exemptions in remote locations – inconsistent with Air District-wide rules and concern for toxics

There was no public comment given on the following documents: EIR Notice of Preparation / Initial Study, Draft EIR, proposed rule, socioeconomic analysis or the staff report.

Staff recommends that the Board certify the CEQA EIR for the proposed rule, and adopt the proposed Mitigation Monitoring Plan; and adopt the proposed Regulation 11, Hazardous Pollutants, Rule 17: Limited Use Stationary compression Ignition (Diesel) Engines in Agricultural Use.

**Public Comments:** Chair Bates opened the public hearing.

Ms. Sandy Elles, from the Napa County Farm Bureau, appeared before the Board and stated her support of the proposed rule and her appreciation for staff's approach to improving air quality while understanding the financial concerns of farmers.

**Board Member Comments:**

Director Gorin appreciates the speaker coming to the meeting and was glad to hear there is support for the rule.

Director Zane asked if there were any letters of support received from the Sonoma County Farm Bureau and if there was a grant program available for farmers.

Mr. Gimlen noted that staff had been working closely with all the farm bureaus.

Mr. Roggenkamp said that there is an agriculture assistance program available and grant funds will continue to be available.

Director Wagenknecht thought that staff had been very thorough in their outreach and it was nice to see a speaker supporting the rule.

**Board Member Action:** Director Gorin moved to certify the CEQA EIR for the proposed rule, and adopt the proposed Mitigation Monitoring Plan; and adopt the proposed Regulation 11, Hazardous Pollutants, Rule 17: Limited Use Stationary compression Ignition (Diesel) Engines in Agricultural Use. The motion was seconded by Director Zane, and carried unanimously without objection.

**PRESENTATION**

**11. Overview of Strategic Facilities Planning for a Joint Regional Agency Co-Location Facility**

Mr. Broadbent presented the staff report. He stated that additional information would be given in the closed session immediately following this presentation. The project objective was to identify viable real estate options for the relocation of the Air District in the City of Oakland and City and County of San Francisco. The critical Air District issues are the age of the current building, the inefficient layout and the high estimated renovation/ relocation cost over the next 10 years. MTC and ABAG have lack of growth in their current facilities.

The Air District, MTC, and ABAG have been working jointly to explore alternative headquarter solutions. In December 2010, the Air District Board of Directors, MTC, and ABAG Commissioners received Phase II Study Findings and unanimously approved moving forward with identifying specific market options in Oakland and San Francisco. In December 2010, the group issued a joint Request for Proposal (RFP) for real estate transactional advisory services.

CBRE was selected in January 2011 to provide real estate brokerage services for the acquisition of an office building/space for a regional government facility. In March 2011, CBRE issued an RFP for the Acquisition of Real Property, with an April 2011 deadline for receiving proposals. 11 proposals were received showing 12 options - 3 locations in San Francisco, 8 locations in Oakland and 1 in Dublin. 3 options in Oakland and one in Dublin were outside of the established criteria and not evaluated. CBRE will review the following short-list of properties for consideration and authorization to proceed with real estate property negotiations with all five of the proposed properties resulting in a non-binding letter of intent in closed session.

The potential addresses are:

- a) **1945 Broadway St, Oakland CA:** Sears Development Company, to be developed with Phelps Development and SUDA (Owner)
- b) **1221 Broadway St, Oakland CA:** The Clorox Company (Owner)
- c) **1100 Broadway St, Oakland CA:** SKS Investments, LLC (Owner)
- d) **875 Stevenson St, San Francisco CA:** Shorenstein Realty Services, LP (Owner)
- e) **390 Main St, San Francisco, CA:** Angelo, Gordon & Co., L.P. Amerimar Enterprises, Inc. and Barnes RHPO Partners, LLC (Joint Venture)

CBRE will present the terms and conditions for the recommended final option for review and approval by each of the three agencies in July.

### **CLOSED SESSION**

12. **Conference with Real Property Negotiator** – *(Government Code Section 54956.8) Pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss a potential acquisition and/or lease with option to purchase of real property.*

Chair Bates adjourned the meeting into a closed session at 11:45 a.m.

### **OPEN SESSION**

Chair Bates reconvened the meeting at 11:58 a.m. and stated that no reportable action was taken in the closed session meeting.

### **PUBLIC COMMENT ON NON-AGENDA MATTERS**

No one from the public addressed the Board at this time.

### **OTHER BUSINESS**

13. Report of the Executive Officer/APCO – Mr. Broadbent announced that there will be an APL press event at the Port of Oakland on May 27, 2011.
14. Chairperson's Report – Chair Bates announced that the Mobile Source Committee meetings on May 26 and June 23 have been cancelled; and an Executive Committee meeting has been scheduled for May 26, 2011. He asked that Board members try to remain flexible during the summer months and be available for meetings.
15. Time and Place of Next Meeting – 9:45 A.M. Wednesday, June 1, 2011 – 939 Ellis Street, San Francisco, CA 94109.
16. Adjournment – Chair Bates adjourned the meeting at 12:00 p.m.

Kris Perez Krow  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 23, 2011

Re: Board Communications Received from May 18, 2011 through May 31, 2011

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

A list of communications directed to the Board of Directors received by the Air District from May 18, 2011 through May 31, 2011 if any, will be at each Board Member's place at the June 1, 2011 Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Vanessa Johnson  
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 23, 2011

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the following District personnel have traveled on out-of-state business.

The out-of-state business travel summarized below covers the period May 1, 2011 through May 31, 2011. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

Eric Stevenson, NACCA Air Monitoring Steering Committee Meeting, Burlington, VT, May 8, 2011 through May 11, 2011.

Eric Stevenson, NACCA Board and Spring Membership Meeting, Chicago, IL, May 21, 2011 through May 25, 2011.

Henry Hilken, NACCA Spring Membership Meeting, Chicago, IL, May 20, 2011 through May, 25, 2011.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Glasser  
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 24, 2011

Re: Notice of Proposed Amendments to the Air District's Administrative Code Division  
II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract  
Limitations

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RECOMMENDED ACTION:

This item is to provide notice of Proposed Amendments to the Air District's Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations.

BACKGROUND AND DISCUSSION

In accordance with provisions of the Administrative Code governing amendments to the Code, notice is hereby given at the Board of Directors regular meeting of June 1, 2011 that the Board of Directors will consider at its next regular meeting, amendments to the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations.

Current Air District practice does not bring payments for recurring routine business costs such as utilities, licences, office supplies and the like, before the Board, except as part of the Air District budget. The proposed amendment provides policy direction to list such payments over \$70,000 in each quarterly financial report. The goal is to increase the information flow to the Board, to maintain committee efficiency, and to clarify policy.

This noticing action starts the process of amending the Air District's Administrative Code to incorporate the proposed amendments.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment: Proposed Amendments to Division II Fiscal Policies and Procedures - Section 4  
Purchasing Procedures: 4.3 Contract Limitations

## **PROPOSED ADMINISTRATIVE CODE AMENDMENTS**

Proposed Amendment to Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations as follows:

### **4.3 CONTRACT LIMITATIONS.**

The APCO or designee shall execute, on behalf of the Bay Area Air Quality Management District, contracts for purchase of supplies and materials and services costing not more than seventy thousand dollars (\$70,000). Contracts for more than seventy thousand dollars (\$70,000) shall be signed by either the Chairperson of the Board of Directors, or the APCO after being directed to execute such a contract by resolution of the Board of Directors.

**For efficiency, recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than seventy thousand dollars (\$70,000) shall be presented in the quarterly Financial Report.**

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 19, 2011

Re: Report of the Budget & Finance Committee Meeting of May 25, 2011

RECOMMENDED ACTION:

The Committee may recommend Board of Directors' approval of the following:

- 1) Authorization of the Executive Officer/APCO to execute agreements for FYE 2012 Permitting and Inspection System enhancement projects.

BACKGROUND

The Budget & Finance Committee will meet on Wednesday, May 25, 2011. The Committee will receive the following reports and updates:

- A) Update on Fiscal Year Ending (FYE) 2011 Budget
- B) Permitting and Inspection Enhancement Funding
- C) Purchasing Procedures: Contract Limitations
- D) Development of a Cost Recovery Policy

Attached are the staff reports presented in the Budget and Finance Committee packet.

Chairperson Carole Groom will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) No budget impact.
- B) This recommendation authorizes expenditures from the Capital Expenditure Detail of the District FYE 2012 budget, contingent upon Board of Directors approval of the FYE 2012 budget.
- C) No budget impact.
- D) No budget impact.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Submitted by: Kris Perez Krow

Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 20, 2011

Re: Update on Fiscal Year Ending (FYE) 2011 Budget

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Staff will review the Air District's response to fiscal challenges.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No budget impact.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 14, 2011

Re: Permitting and Inspection Enhancement Funding

RECOMMENDED ACTION

Consider recommending that the Board of Directors authorize the Executive Officer/APCO to execute agreements for Fiscal Year Ending (FYE) 2012 Permitting and Inspection System enhancement projects as itemized in the Capital Expenditure Detail of the proposed FYE 2012 budget not to exceed \$700,000, contingent on final approval of the FYE 2012 budget.

DISCUSSION

Timing for Engineering and Enforcement System enhancement projects requires current consideration of work to be carried out in the first months of the upcoming fiscal year. All of the work under consideration is from the itemized Capital Expenditure Detail in Table X of the proposed FYE 2012 budget.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This recommendation authorizes expenditures from the Capital Expenditure Detail of the District FYE 2012 budget, contingent upon Board of Directors approval of the FYE 2012 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 20, 2011

Re: Purchasing Procedures: Contract Limitations

RECOMMENDED ACTION

Staff will recommend a proposed amendment to the Air District's Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations.

BACKGROUND AND DISCUSSION

This item is to inform the committee of staff's plan to provide notice of a proposed amendment to the Air District's Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations. Current Air District practice does not bring payments for recurring routine business costs such as utilities, licenses, office supplies and the like, before the Board, except as part of the Air District budget. The proposed amendment provides policy direction to list such payments over \$70,000 in each quarterly financial report. The goal is to increase the information flow to the Board, to maintain committee efficiency, and to clarify policy.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment: Proposed Amendments to Division II Fiscal Policies and Procedures - Section 4  
Purchasing Procedures: 4.3 Contract Limitations

## **PROPOSED ADMINISTRATIVE CODE AMENDMENTS**

Proposed Amendment to Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations as follows:

### **4.3 CONTRACT LIMITATIONS.**

The APCO or designee shall execute, on behalf of the Bay Area Air Quality Management District, contracts for purchase of supplies and materials and services costing not more than seventy thousand dollars (\$70,000). Contracts for more than seventy thousand dollars (\$70,000) shall be signed by either the Chairperson of the Board of Directors, or the APCO after being directed to execute such a contract by resolution of the Board of Directors.

*For efficiency, recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than seventy thousand dollars (\$70,000) shall be presented in the quarterly Financial Report.*

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 16, 2011

Re: Development of a Cost Recovery Policy

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Air District has the authority to collect fees in order to recover the reasonable costs of activities involved in regulating stationary sources of air pollution. It is therefore important that analyses be conducted from time-to-time to determine if assessed fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the costs of related regulatory program activities.

In March 2011, the Air District's contractor, Matrix Consulting Group, completed an updated Cost Recovery and Containment Study. The Study concluded that fees collected by the Air District are well below the point of full cost recovery (e.g., for Fiscal Year Ending (FYE) 2010, fees recovered 62% of program costs). The consultant recommended that the Air District's Board of Directors "adopt a formalized, District-wide cost recovery policy for the fee services included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources."

The Air District has also received input from industry groups that adoption of a cost recovery policy would provide greater certainty amongst fee payers regarding the long-term expectations regarding future amendments to fees that may be considered for adoption.

DISCUSSION

Staff believes that a cost recovery policy should be developed as a follow-up to the recently completed Cost Recovery and Containment Study. At the Budget and Finance Committee meeting on May 25, 2011, staff will discuss plans to initiate a process in FYE 2012 to develop a cost recovery policy in consideration of input from fee payers and other stakeholders.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian Bateman  
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 19, 2011

Re: Report of the Executive Committee Meeting of May 26, 2011

RECOMMENDED ACTION:

The Committee may recommend Board of Directors' approval to authorize the Executive Officer/APCO to initiate contracts and issue purchase orders for not more than \$150,000, to acquire webcasting services and supplies for the Air District.

BACKGROUND

The Executive Committee will meet on Thursday, May 26, 2011. The Committee will receive the following reports and updates:

- A) Joint Policy Committee Update
- B) Video Conference Demonstration
- C) Webcasting Update
- D) Closed Session - Conference With Labor Negotiators

Attached are the staff reports presented in the Executive Committee packet of May 26, 2011. Chairperson Brad Wagenknecht will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) None; informational item.
- B) None; informational item.

C) None; informational item.

D) Chairperson will report if action was taken during the closed session.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Kris Perez Krow

Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Tom Bates and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 16, 2011

Re: Joint Policy Committee Update

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

At the May 26, 2011 meeting of the Executive Committee, Bruce Riordan will provide an update on the activities of the Joint Policy Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Vanessa Johnson  
Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Tom Bates and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 17, 2011

Re: Video Conference Demonstration

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Staff will demonstrate video conferencing from the Fourth Floor Conference Room to two remote locations. Video conferencing allows remote locations to interact with each other via both audio and video communication.

DISCUSSION

Air District staff located two suitable locations for video conferencing Committee meetings. They are:

North Bay: Santa Rosa Junior College  
South Bay: County of Santa Clara Building (San Jose)

The Air District has successfully tested the capabilities in each location and found no further investment is required.

Staff is still researching a suitable location in the East Bay for video conferencing Committee meetings.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Video conferencing costs for room rental and technical support are approximately \$500 per meeting based on the current site selections. Funds to cover these costs will come from Program 121-Board of Directors in the Fiscal Year Ending (FYE) 2011 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Satnam Hundel  
Reviewed by: Jack M. Colbourn

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Tom Bates and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 17, 2011

Re: Webcasting Update

RECOMMENDED ACTION

Recommend Board of Directors' approval of proposed Option C below.

BACKGROUND

At the Board's direction to improve access to Air District Meetings, staff has explored webcasting technology. Webcasting technology enables individuals to view public meetings remotely over the internet in real time. In addition, these meetings are recorded and may be reviewed at any time. However, webcasting is a non-interactive broadcast communication that does not allow audience participation.

DISCUSSION

Previously, the Air District webcasted three Board of Directors meetings: June 16, 2010, September 15, 2010, and May 18, 2011. The webcast process included using the services of two third-party vendors to record the meetings and to distribute the video stream. Grancius, the vendor used to distribute the video stream, has approximately 60% of the market share for streaming and archiving webcast meetings in the government sector. Grancius preferred partner for creating the video stream remotely is GovTV. GovTV, the vendor used to record the meetings, has created a proprietary solution that integrates with the Grancius business model and technology. GovTV services are provided to the Air District as managed services from installation to offsite production of the Board meeting without the use of any Air District staff resources.

After defining the Air District's requirements based on the Boardroom layout, GovTV is proposing a six camera solution.

In the event of a facility move, the cameras and other equipment would transfer to the new facility.

## PROPOSED OPTIONS AND THEIR COSTS

A: Standard cameras: \$69,000 upfront investment plus \$20,400 annually.

B: Professional cameras: \$99,000 upfront investment plus \$24,000 annually.

C: High Definition (HD) cameras: \$156,000 upfront investment plus \$24,000 annually.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

Between \$89,400 to \$180,000, depending on the approved option.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Satnam Hundel  
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 23, 2011

Re: The Legal Framework for the Air District – How Do We Clean The Air?

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

Chairperson Bates requested that staff provide a number of informational presentations throughout the year describing various operations and duties of the Air District. This will be the second presentation in this series, providing a foundation for future discussions.

DISCUSSION

Staff will discuss the legal framework in which the Air District operates and the legal authorities granted and obligations imposed by that framework.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bunger

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Tom Bates and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 24, 2011

Re: Presentation on the Air District's Proposed Budget for FYE 2012

RECOMMENDED ACTION:

Air District staff will present an overview of the FYE 2012 Proposed Budget to the Board of Directors for review and comment only.

SUMMARY

The Executive Officer/APCO will present the FYE 2012 Proposed Budget to the Board of Directors for review and comment only. On May 18, 2011 the Board of Directors held the first of two required public hearings on the proposed budget for public review and comment. In accordance with California Health and Safety Code Section 40131, final action will be taken at the conclusion of the second public hearing scheduled for June 15, 2011.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on current year budget. The proposed consolidated budget for FYE 2012 is \$131,745,806.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Glasser  
Reviewed by: Jack M. Colbourn