

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

Board of Directors Regular Meeting  
March 2, 2011

## **APPROVED MINUTES**

**CALL TO ORDER:** Chairperson Tom Bates called the regular meeting to order at 9:45 a.m. without an initial quorum.

**PLEDGE OF ALLEGIANCE:** Chairperson Bates led the Pledge of Allegiance.

Roll Call: Chairperson Tom Bates; and Directors Carole Groom, Scott Haggerty, Jennifer Hosterman, David Hudson, Carol Klatt, Nate Miley, Johanna Partin, Mark Ross, Gayle B. Uilkema, and Ken Yeager

Absent: Vice Chairperson John Gioia, Secretary Ash Kalra, Harold Brown, Susan Garner, Susan Gorin, Liz Kniss, Eric Mar, James Spring, Brad Wagenknecht and Shirlee Zane

Chairperson Bates requested items be taken out of order until a quorum was established.

### **OTHER BUSINESS**

#### **8. Report of the Executive Officer/APCO:**

Executive Officer/APCO Jack Broadbent reported that staff is making progress in relocation efforts. He said the MTC Commission has approved an award of a real estate broker contract for transactional services to CB Richard Ellis at their January 26, 2011 meeting. Staff has met with the broker and they plan to issue an RFP to building owners to develop a list of viable alternatives for all agencies to consider. When this work moves ahead, staff will report to the joint Committee of the different boards and discuss viable options. He said it looks like there are viable options in both San Francisco and Oakland.

Mr. Broadbent said that yesterday marked the close of the Winter Spare the Air season, which has proven to be a relatively clean year. There was 1 exceedance and 4 Winter Spare the Air nights called. Staff will review the wood smoke curtailment program, and a full report on the Winter Spare the Air program will be presented to the Board at an April Board meeting.

#### **9. Chairperson's Report:**

Chairperson Bates welcomed two new Board Members; Johanna Partin, Senior Policy Advisor for Mayor Edwin Lee in the City and County of San Francisco, and Susan Gorin, Councilmember with the City of Santa Rosa. Chairperson Bates noted that Ms. Gorin was due to arrive at the meeting

shortly. He also announced that San Francisco Supervisor John Avalos is expected to join the Board of Directors on April 6, 2011.

Chairperson Bates requested Board Member interest in attending the Air and Waste Management Conference, scheduled June 21 to June 24, 2011 in Orlando, Florida.

**Noted Present:**

Chairperson Bates recognized the establishment of a quorum with the arrival of Secretary Ash Kalra, and thereafter, Directors Eric Mar, Susan Garner, Liz Kniss, and Susan Gorin also arrived.

**PRESENTATION:**

**7. Advisory Council Report on the October 13, 2010 Meeting on California's 2050 GHG Emission Reduction Target of 80% below 1990 Levels – Strategies and Technologies for the Transportation Sector**

Deputy APCO Jean Roggenkamp introduced Advisory Council Chairperson Ken Blonski and the Advisory Council report will be presented by members Jennifer Bard and Dr. John Holtzclaw which will focus on Advisory Council recommendations for strategies and technologies to reduce emissions in the transportation sector.

Ms. Bard and Dr. Holtzclaw gave a presentation on strategies and technologies for the transportation sector to reduce GHG emissions by 80% below 1990 levels by 2050. They indicated that the Advisory Council received presentations from:

- Stuart Cohen, co-founder and Executive Director of TransForm
- Jeff Tumlin, Principal for Nelson\Nygaard Consulting Associates
- Simon Mui, Scientist, Clean Vehicles and Fuels, National Resources Defense Council

The Advisory Council developed 15 recommendations, as follows:

1. Work with MTC and ABAG to condition transportation and development investments and grants upon implementation of parking reform. The Air District should also include parking reform policies in development of an indirect source rule.

They presented an example of a parking lot, which reveals that the cost of individual parking spaces equals \$20,000 per space.

2. Work with MTC to analyze induced demand impacts from MTC's HOT Lane network expansion (study being done by MTC consultant Parsons Brinkerhoff). Modeling does not currently, but should, include a range of impacts of induced demand or increased housing at suburban fringe. The Air District should recommend that net revenues from HOT lanes be used for expanded non-highway transit and transit choices, rather than expansion of the highway system.

They presented a map showing areas in the region that have the highest cost of transportation of up to \$16,000 annually per family. The lowest costs were identified in the urban core at about \$6,000 annually, as reported by TransForm's report, *Windfall for All*.

3. Work with MTC to consider adoption of a quantification tool that evaluates a broad range of public health impacts and benefits from transportation and land use policies and decisions. The Air District should also encourage MTC to conduct a performance-based analysis of transportation projects to ensure investments are cost effective.

They presented a chart from a webinar from the American Public Health Association on Transportation and Health Impacts, showing a direct correlation between increase in vehicle miles traveled and the increase in obesity rates. Transportation related impacts cost hundreds of billions of dollars relating to vehicle accidents, air pollution, and physical inactivity.

4. Through the Air District's role in the Joint Policy Committee, encourage MTC to evaluate all transportation projects, including projects in previous Regional Transportation Plans (RTP), for impacts on VMT and potential to induce growth. The Air District should encourage MTC to only include SCS/ RTP projects that do not increase personal VMT and do not induce sprawl.

They presented a map showing the most expensive areas to live in also have the highest carbon emissions. It shows that by living in a transit-oriented area, transportation cost and carbon emissions are lowest.

5. Develop a social marketing campaign to increase walking, cycling, and transit, based on latest research of proven strategies that affect behavior change, including comparison-with-neighbor policies.

They indicated many utilities send out energy savings tips and comparisons of usage within a few blocks of households. A start-up in Silicon Valley, called Innovations, allows one to compare their utility bills with neighbors of similar household size.

6. Seek state legislation requiring CMAs to expand their mission statement from primarily "congestion management" to include a major emphasis on reducing GHG and to enable a focus on: health; increasing mode share of walking, cycling, and transit; and on reducing VMT, rather than managing congestion.
7. Develop a toolkit for planners, local agencies, and CMAs for land use and transportation policies that have the greatest public health, air quality, and GHG reduction benefits.

Next, an example of a development was shown with local conveniences spread out, necessitating more driving time and congestion. More cluster development will enable people to shop, go to school, work and recreate with much less driving, less turns, reduced parking, land area, arterial turning movements and trips, and less vehicle miles traveled.

8. Promote the use of cool paving materials, such as high albedo materials, for future outdoor surfaces, such as parking lots, median barriers, and roadway improvements to reduce urban heat island effects and to save energy.
9. Use MTC's SB 375 implementation planning funds for local community planning processes.

Director Ross confirmed with Ms. Bard that “high albedo” refers to light colored materials.

Planned Development Areas (PDAs) are key to affordable housing, reducing GHGs, lowering the cost of transportation and creating healthier communities.

10. Build upon SB 535 (Yee) to support development of a strong statewide ZEV mandate and incentives to help the state reach aggressive GHG reduction goals.
11. Continue to work with other agencies in regional efforts to fund and accelerate EV charging infrastructure and streamline residential charging station installation and permitting, including incentives to promote solar EV charging installations. In addition, work with cities, counties, and utility districts to assist property owners in funding charging stations through Property Assessed Clean Energy (PACE) bonds, pursuant to SB 1340 (Kehoe)

They voiced the need to promoting investment and accelerating public and private EV charging infrastructure region-wide, as well as electric vehicle technologies.

12. Promote expansion of congestion toll pricing to all other regional bridges. Revenues raised should be used to improve public transit service in those corridors.
13. Develop and promote policies and programs, including securing necessary legislative authority, to achieve significant reductions in employer-related vehicle miles traveled, including employer transportation demand management plans.
14. Support establishment of a VMT fee or gasoline tax in the Bay Area to achieve GHG, criteria pollutant, and air toxics reductions goals.
15. The Air District should continue to implement the relevant Transportation Control Measures and Leadership Platform in the 2010 Clean Air Plan.

They presented an example of land use changes in downtown San Leandro which lead to walking accessibility and easy access to employment, shopping, housing, all without the need for vehicle transportation.

#### Board Member Discussion/Comments:

Director Miley referred to Recommendation #6 and said he, Directors Hosterman and Haggerty are members of the Alameda County Transportation Commission and in their review of funding Safe Routes to Schools, best practices called out by TransForm identify the need to fund crossing guards to promote children walking and bicycling to and from school. However, MTC does not provide specific funding for crossing guards, and he suggested that MTC’s requirements which impede the ability to promote these types of activities need to be removed.

Director Partin questioned and clarified that the slides presented which show high transportation costs and similar areas with high carbon emissions is taken from a presentation by Dr. Stuart Cohen’s ABAG 2009 and CNT 2009 studies. Dr. Holtzclaw pointed out that data MTC has reproduced the same study data located on their website which is 3 years old and which shows very similar results.

Chairperson Bates questioned the cost effectiveness, availability, and permeability of cool paving materials. Ms. Roggenkamp noted cool paving measures are included and will be addressed in the Clean Air Plan.

Chairperson Bates thanked the Advisory Council for their work in developing recommendations and the Final Report. Mr. Broadbent reported that the Advisory Council heard presentations in October and have formed their recommendations. Staff has begun to work on a number of recommendations, such as toolkits and award of contracts for public and residential electric vehicle (EV) charging stations, as well as future efforts for legislative proposals.

Chairperson Bates suggested referring the Final Report of the Advisory Council to the Climate Protection Committee for action steps to be taken in moving forward. Director Haggerty asked that the Final Report also be presented to the Joint Policy Committee (JPC).

### **OATH OF OFFICE/SWEARING IN OF NEW BOARD MEMBERS:**

The Clerk of the Boards administered the Oaths of Office to new Board Members Susan Gorin of the City of Santa Rosa in Sonoma County and Johanna Partin of the City and County of San Francisco.

**PUBLIC COMMENTS:** None

### **CONSENT CALENDAR (Items 1-4):**

- 1. Minutes of February 2, 2011 Regular Meeting;**
- 2. Communications;**
- 3. District Personnel on Out-of-State Business Travel;**
- 4. Quarterly Report of Executive Office and Division Activities**

**Board Action:** Director Uilkema made a motion to approve Consent Calendar Items 1, 2, 3, and 4; Director Hosterman seconded the motion; unanimously approved without objection.

### **COMMITTEE REPORTS AND RECOMMENDATIONS**

- 5. Report of the Maritime Sources & Ports Committee Meeting of February 24, 2011**  
Chair: N. Miley

The Maritime Sources & Ports Committee met on Thursday, February 24, 2011 and approved the minutes of September 29, 2010.

The Committee received an update on the California Air Resources Board (CARB) drayage truck rule requirements and regulatory amendments. Three (3) amendments were adopted by CARB which require more trucks to be subject to the drayage rule. The fourth amendment to delay Phase 2 of the rule was rejected by CARB. Phase 2 requires that any truck serving the Port of Oakland must be a 2007 model year vehicle by January 1, 2014.

The Committee reviewed associated grant funding impacts and the District's work with CARB to allocate I-Bond and other grant funding to help truckers with early compliance. The District is also discussing next steps with the Port of Oakland.

The Committee then received an update on CARB's shore-power rule requirements, progress of the Port of Oakland shore-power plans, incentive funding requirements and nonperformance penalties, and the current open Goods Movement Bond solicitation for Bay Area Ports.

The Committee then received an update of the Mobile Source Enforcement Program which began in the fall of 2009. Mr. James Ryden, CARB Enforcement Division Chief, spoke in support of the District's mobile source enforcement program and how it complements CARB's own efforts. This program is implemented through a Memorandum of Understanding with CARB for joint mobile source regulation enforcement at the Port of Oakland. The Committee reviewed joint inspection and enforcement activities and adherence to CARB's drayage truck regulation, truck idling regulations, ship and harbor craft regulations, portable equipment, Transportation Refrigeration Units, off-road diesel equipment, and trains and locomotives. The Committee requested the Mobile Source Enforcement Program be included in a Board Workshop.

Chairperson Miley added that the Mobile Source Enforcement Program was especially well received by CARB's Enforcement Division Chief, James Ryden, who commended staff for development of the program and cited the District's progressive work and leadership.

The next meeting is at the Call of the Chair.

Chairperson Bates thanked Director Miley and the District for their leadership and recognized the significant progress made with the Port of Oakland.

**Board Action:** Director Miley made a motion to approve the report of the Maritime Sources & Ports Committee; Director Haggerty seconded the motion; which carried unanimously without objection.

## **6. Report of the Budget & Finance Committee Meeting of February 24, 2011**

Chair: C. Groom

The Budget and Finance Committee met on February 24, 2011 and approved the minutes of January 26, 2011.

The Committee received the Air District Financial Audit Report for Fiscal Year 2009/10, reviewed financial statements which were found to be in conformity with accounting principles, discussed results of internal control over financial reporting, and compliance with major federal programs. Auditors made no recommendations this year and updated the Committee on two prior year recommendations which included: 1) implementation of Governmental Accounting Standards Board (GASB) 54 to provide more easily understood fund balance classifications and categories; and 2) for the District to perform a review of the receivable balances and include an annual analysis of their aging and potential collectability.

The Committee then considered recommending Board of Directors' authorization to award a contract for security services. The District conducted an RFP for security, and upon review and evaluation of proposals as well as interviews, the Committee recommends that the Board of Directors authorize the Executive Officer/APCO to enter into contract with Cypress Private Security for the Lobby Security in an amount not to exceed \$171,151, for a term of twelve months, with the option of extending the contract for two additional years.

The Committee then received an Air District financial overview, including a discussion of strategies employed during FYE 2011 budget cycle to address financial challenges and implications for the coming FYE 2012 budget process.

The Committee reviewed a distribution of District vacancies by division, position, and percentages, and discussed increased efficiencies and cross training of staff to address critical position vacancies. The Committee was presented with potential saving opportunities in the services and supplies budgets and examples of program reductions, and reviewed probable targeted program reductions which staff will continue to further refine and address in the FYE 2012 budget planning process.

The next meeting of the Budget and Finance Committee is at the Call of the Chair.

Deputy APCO Jeffrey McKay said Chairperson Groom requested a presentation be made to the Board on financial challenges the District is facing, which include reduction in new permitting activity, reduction in County revenue, the use of \$2 million in reserves, and reserves nearing the lower limit of Board guidance. In January 2009, projections assumed future 10% fee increases and staff has taken a pro-active, balanced multi-faceted, multi-year response by leaving vacancies unfilled, reducing expenditures and fees, all of which compounds the cost recovery effect.

Mr. McKay presented revenues compared to budget, stating property taxes are ahead of the budget at \$200,000; grant revenue is CARB-dependent; permit fees are expected to decrease by \$1,100,000; and penalties are expected to decrease by \$100,000, for a total of \$1 million balance.

He then presented a vacancy distribution chart, showing that about 1 in every 10 positions is vacant. The Committee discussed the need to maintain and fill certain positions to meet the District's regulatory obligations. Staff is also looking to cut back on the Services and Supplies budget, consider where efficiencies can occur, and said probable targeted reductions include Spare the Air, youth outreach, event sponsorship, climate protection, and air quality planning.

Regarding reserves, assumptions used for projections include continuing to leave vacancies unfilled, services and supplies to remain at reduced values, property taxes to remain unchanged, and 5.5% fee increases versus 10% increases. Given these assumptions, the reserve will remain over 15%, with replenished reserves coming in 2014. However, with no increased cost recovery after 2011, reserves would drop significantly and incrementally down to \$2 million at the end of 2014. In summary, Mr. McKay said staff sees a need to maintain vacancies, reduce Services and Supplies and capital further, and increase fees.

Mr. Broadbent said staff recognizes that the District is not immune from the economic crisis, has been aggressive with its programs, but is getting lean. He said 85% of District costs comprise of salaries and benefits. In addition to keeping vacancies unfilled, steps are being taken to cross-train field staff for enforcement and air quality monitoring. The Employee Association contract is being opened, and important decisions will need to be made to minimize the drawdown of reserves.

Chairperson Bates thanked Chairperson Groom for her leadership and said she has proposed three future meeting dates to continue these discussions. He asked that Committee members confirm their availability with staff.

Director Hosterman discussed the District's backfilling of positions, asking employees to do more with less, while additionally asking for salary or benefit cuts, all of which have caused painful service reductions in her local agency. Chairperson Groom cited the District's approach and cooperative work towards a fair and balanced approach and said the Budget and Finance Committee's agreement is to proceed with sensitivity and caution.

Director Garner referred to the vacancy distribution chart and voiced concern with the number of vacancies in Enforcement and the District's need to secure penalty revenue. She suggested staff shift resources to address this. She had questions regarding lobby security, and Mr. Broadbent said staff had briefed the Board at its last meeting in Closed Session regarding security concerns relating to a contractual employee who is no longer in place. Regarding vacancies, Mr. Broadbent said certain divisions are affected by retiring employees more than others, and staff needs to determine how best to address and meet statutory requirements as a result. Cross-training of employees is in response to this, as well as opening up recruitments to move staff around the organization. Ms. Roggenkamp added that this is an opportunity to improve efficiencies through use of technology, as well.

Directory Miley confirmed that the Executive Committee will be briefed on the proposed contract negotiations and what is being considered. He confirmed with staff that the subject and any considerations will be agendized for Closed Session for discussion by the entire Board of Directors.

**Board Action:** Director Groom made a motion to approve the report and recommendations of the Budget and Finance Committee; Director Kniss seconded the motion; which carried unanimously without objection.

### **BOARD MEMBERS' COMMENTS**

Director Uilkema questioned the District's ability to review vapor intrusion and its impacts given the onset of higher density housing and re-use of land. Mr. Broadbent agreed to schedule an overview on a future Stationary Source or other Committee meeting agenda.

Directors Kniss, on behalf of Santa Clara County Board of Supervisors, extended appreciation to Mr. Broadbent and staff for their attendance and participation in a recent meeting regarding cement plant and quarry issues.

**10. Time and Place of Next Meeting:** 9:45 a.m., Wednesday, March 16, 2011 – 939 Ellis Street, San Francisco, CA 94109.

**11. Adjournment:** The Board of Directors meeting adjourned at 10:57 a.m.

*LS/ Lisa Harper*

Lisa Harper  
Clerk of the Boards