

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

## **APPROVED MINUTES**

Summary of Board of Directors  
Executive Committee Meeting  
Wednesday, October 19, 2011  
9:30 a.m.

**1) Call to Order - Roll Call:** Vice-Chairperson John Gioia called the meeting to order at 9:38 a.m.

**Present:** Vice-Chairperson John Gioia; Committee Members Carole Groom, Jennifer Hosterman, Mark Ross, and Brad Wagenknecht. Chairperson Tom Bates; Committee Members Susan Garner, and Ash Kalra arrived after Roll Call.

**Also Present:** Board Members: Eric Mar and Gayle B. Uilkema

**Absent:** Committee Member Scott Haggerty.

**2) Public Comment Period:** None.

**3) Approval of Minutes:** Approval of minutes of July 6, 2011 deferred until the next Executive Committee meeting.

### **4) Production System Update**

Jeffrey McKay, Deputy Air Pollution Control Officer, provided an update on the Production System. Mr. McKay provided a side by side illustration to the Committee. Mr. McKay said the old way of doing business is supported by the computer system but there is still a lot of work being entered manually.

Mr. McKay said going forward the Air District will:

- Phased approach to 'go-live'
  1. Run new system concurrent with old system
  2. Run new system without old system
  3. Open up new system to external customers
- Revised Project Plan required.

Mr. McKay began his demonstration of old versus new system for concurrent running. He said there are three individuals identified with each facility and they include owners, operators, and billing contact. Mr. McKay continued the demonstration after having created a new facility and completing the application.

Mr. McKay stated there are devices that determine the distance of a facility if located near schools or residential neighborhoods. After completion of the application, the applicant will be able to see in detail the emissions from their facility. The applicant will then be able to click and see a breakdown of what the Air District is permitting in detail.

He concluded the demonstration and his presentation.

Jack Broadbent, Executive Officer/APCO, said the Air District has several source categories. Some of which include gas stations, dry cleaners, and auto body shops that the Air District currently regulate. He also stated the Air District is determining how best to move forward and it makes sense to have gas stations come online first. This is a unique industry, and is regulated by a unique set of requirements. There is dedicated staff for gas stations.

Mr. Broadbent said ultimately the Air District will take an incremental approach before going live. He said staff will bring this matter back to the Committee at a future meeting to show an online demonstration.

**Public Comments:** None.

**Committee Member Comments:**

Director Ross asked if the server is housed at the Air District. Mr. McKay said the server is located at the Air District, as well as having backup systems in Sacramento.

Chairperson Bates asked about the recent correspondence that the Board received regarding the Production System. Mr. Broadbent stated he has requested a third party conduct an assessment. Analysis is being prepared.

Director Wagenknecht asked if starting the Production System rollout with the gas stations would be a good idea. Mr. Broadbent said gas stations requirements are minimal and relatively simple.

**5) Particulate Matter (PM) Planning**

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

Mr. Bill Almon, Quarry No. Mr. Almon discussed diesel trucks being a significant source of PM 2.5.

Mr. Broadbent informed Mr. Almon that Stationary Source Committee will receive an update regarding the activities surrounding Lehigh.

Henry Hilken, Director of Planning, Rules and Research, provided a summary of planning which addressed air quality standards primarily for ozone, but also took a recent multi-pollutant approach to air quality planning. Mr. Hilken said the U.S. Environmental Protection Agency (EPA) has designated the Air District as a non-attainment area for the National PM 2.5 standards, which include planning requirements that need to be addressed. Staff is preparing a plan to complete this task.

Mr. Hilken stated emissions have been reduced and the Air District has seen significance progress. An argument could be made that the Air District could be considered an attainment area for the National PM 2.5 standards. However, it is premature to suggest re-designation for the region. Therefore, the Air District will go forward with a State Implementation Plan (SIP) for the PM 2.5 standards and prepare a strategic planning document over the long term, to lay out a long term strategy for how the Air District will continue to address fine PM, and to continue to reduce emissions and exposures over many years.

Mr. Hilken introduced David Burch, Principal Planner, who presented the presentation. Mr. Burch provided the Committee with the following:

- PM basics
- PM standards
- Bay Area attainment status
- Trends & progress
- PM2.5 State Implementation Plan (SIP) requirements & options
- PM work plan

Mr. Burch said PM is a complex pollutant. Most pollutants that the Air District regulates are made up of a single specific molecular. PM is different. PM is a catch all term that encompasses a diverse assortment of tiny particles. Those particles differ in terms of their formation, chemical properties, size, mass, toxicity and the way they behave in the atmosphere. Because of this complexity, PM poses challenges from both the technical and the policy standpoint.

PM Characteristics consist of:

- Complex pollutant: mix of liquid droplets & solids
- Wide range of sizes: PM10, PM2.5, ultra-fine:
  - smaller particles penetrate deeper into lungs
- Emitted by stationary and mobile sources, as well as natural sources
- Primary PM is emitted directly
- Secondary PM is formed in atmosphere by reactions among precursors: NO<sub>x</sub>, SO<sub>x</sub>, VOC, NH<sub>3</sub> (ammonia)
- Highest PM levels in Bay Area during winter months

Impacts of PM include:

- **Public health:** analysis indicates that PM is most harmful air pollutant to Bay Area residents
  - effects from both acute & chronic exposure
  - respiratory, cardiovascular, premature mortality
- **Climate:** different particle types may have different impacts on climate
  - Black carbon is an important climate change forcer
- **Visibility/haze:** PM is major cause of regional haze

Director Gioia asked Mr. Burch to explain the difference between PM 10 and PM 2.5. Mr. Burch stated PM 10 is 10 micron or less in diameter and PM 2.5 is about one quarter the diameter.

Mr. Burch said PM 2.5 is a subset of PM 10. Director Gioia requested category examples and Mr. Burch provided the following examples:

- PM 2.5 consists of combustion related emissions, particularly from mobile sources, cooking, and woodsmoke.
- PM 10 consists of particles that are the product of geological and natural processes from dust and construction sites, farming and road dust.

Mr. Burch continued with the presentation in terms of the health effects that include the respiratory system such as chronic bronchitis or asthma, cardiovascular impacts including heart attacks with the greatest concern of premature mortality. In addition, there are also impacts from PM terms of climate change. Mr. Burch said aerosols can scatter and help to reduce warming. However, certain components of PM such as black carbon or soot have been identified as important climate change forcing agents.

PM Sources during peak season or winter season include:

- Wood Burning – 30%
- Commercial Cooking – 3%
- On-road Motor Vehicles – 28%
- Construction & Farming Equipment – 12%
- Refining – 7%
- Trains, Aircraft, Ships – 6%
- Sea Salt – 1%
- Other – 10%

Mr. Burch discussed the current air quality standards for PM which include both National and State standards that apply to both PM 10 as well as PM 2.5. Annual average standards address the long term chronic effects, and 24 hour standards address acute health effects from PM.

Bay Area status for 24 hour PM 2.5 standard:

- In 2006 US EPA reduced 24-hr standard from 65  $\mu\text{g}/\text{m}^3$  to 35  $\mu\text{g}/\text{m}^3$
- Bay Area designated non-attainment in Dec '09 based on monitoring data for years 2006-2008
- PM 2.5 State Implementation Plan (SIP) submittal due by fall 2012
- But monitoring data for 2008-2010 shows that Bay Area met the standard during this period

Current PM Control Program:

- ARB program to reduce PM & NOx emissions from heavy-duty diesel engines
- District control program:
  - Wood smoke rule; charbroiling rule
  - Stationary source permitting
  - New rules proposed in 2010 Clean Air Plan will further reduce PM from stationary & mobile sources
  - CARE & Community Risk Reductions Plans will reduce PM in the most impacted communities
  - PM risk & hazard threshold in new CEQA guidelines

Mr. Burch said the levels have decreased in recent years. Over the past decade, there has been an average decrease in the annual average of PM 2.5 levels and in recent years in particular there has been a big drop in the 24 PM 2.5 levels.

Progress in reducing PM:

PM 2.5 levels measured in Bay Area have been decreasing

- Annual average PM2.5 level decreased 28% over past decade  
- from 14  $\mu\text{g}/\text{m}^3$  in 1999-2001 to 10  $\mu\text{g}/\text{m}^3$  in 2008-2010
- Big recent drop in 24-hr PM2.5 levels in Bay Area:  
Design value down from 36  $\mu\text{g}/\text{m}^3$  in 2007-2009 to 31  $\mu\text{g}/\text{m}^3$  in 2008-2010, well below the 35  $\mu\text{g}/\text{m}^3$  standard
- Decrease in 24-hr PM2.5 concentration due to emission reductions from PM control program
- Economic downturn & favorable winter meteorology may also have played a role

Mr. Burch said despite progress, more work is needed.

- PM still poses greatest risk to public health
- Bay Area still does not attain several PM standards
- Health impacts occur at levels below current standards
- US EPA may tighten PM standards
- Increasing concern about impacts of ultra-fine PM
- On-going research re: health & climate impacts of PM
- More work needed in both technical & policy realms to analyze PM & reduce its impacts

Mr. Broadbent said the Advisory Council is working in the areas of ultrafine PM and health effects. The Board of Directors will hear their report in December.

PM 2.5 SIP options:

- Bay Area required to prepare PM2.5 SIP submittal
- EPA guidelines provide two options for non-attainment areas that do not currently exceed 24-hr PM2.5 standard:
  - Submit redesignation request & maintenance plan, or
  - Submit "clean data finding" request & an abbreviated SIP consisting of 3 elements:
    - 1) amendments to New Source Review rule to address PM
    - 2) PM2.5 emissions inventory
    - 3) Transportation conformity budget for PM2.5 & NOx

Mr. Burch continued with the presentation, stating the proposed course of action:

- Premature to submit a redesignation request at this time
- Submit clean data finding & abbreviated SIP with the 3 required SIP elements
- Develop a comprehensive PM work plan to complement abbreviated SIP:
  - a separate non-SIP document

Director Hosterman asked why it is premature to submit a redesignation. Mr. Burch stated there is a three year window that shows we are currently in attainment. Long term trends are affected by meteorology and economic trends and result in variation from year to year.

Mr. Burch continued stating to ensure that the Air District is in compliance with the federal PM 2.5 standards, staff proposes the path of the clean data finding and preparing an abbreviated SIP.

The purpose and scope of the PM work plan will include:

- Send clear message as to importance of reducing PM
- Consider all types, sizes & sources of PM
- Summarize latest findings re: PM health & climate impacts
- Focus on reducing population exposure & health impacts
- Enhance District's technical capabilities:
  - PM monitoring, emission inventory, and modeling
- Plan will not propose a formal PM control strategy; the 2010 CAP already serves this purpose

Mr. Broadbent said the Air District may propose formal control strategy for the purpose of EPA (federal oversight) of SIP and its implications.

Lastly, Mr. Burch provided the Committee with the following schedule:

Current schedule for both abbreviated SIP and comprehensive PM work plan:

- Issue draft documents in spring 2012
- Bring to Board for adoption in July 2012
- Submit to ARB by Sept 2012

Director Wagenknecht stated with the Clean Air Plan there were 55 proposed measures, and asked whether those 55 measures will be included in the plan. Mr. Broadbent stated as part of the control strategy, the Air District reviews the information to see if updates are needed.

Mr. Hilken said the Air District currently has several rules that will be brought forth to the Board. Those rules include the Metal Melting Rule, and Cement Plant Rule which will add reductions to PM, will be presented to the Stationary Source committee. In addition, he stated that staff would provide the Executive Committee with an update at a future meeting.

## **6) Status Report on Joint Regional Governance Headquarters**

Jack Broadbent, Executive Officer/APCO, stated the Committee would receive a status update on the Joint Regional Governance Headquarters. Mr. Broadbent stated the Air District has had a desire to relocate, as the Air District headquarters continues to be in need of repair and updates. The HVAC system needs replacing, amongst other repairs.

He said approximately three years ago, at the direction of the Executive Committee, the Air District worked with the Metropolitan Transportation Commission (MTC) and others to be part of a regional governance center.

Jeffrey McKay, Deputy Air Pollution Control Officer, provided the Committee with the presentation. Director Gioia asked what are the annual future costs for moving into a new facility, compared to the Air District's annual occupancy costs, and if the Air District did not relocate, but made the necessary improvements and repairs. Director Gioia requested the analysis be provided to the Board of Directors.

Mr. McKay began by noting that on October 12, 2011 the Metropolitan Transportation Commission (MTC) and Bay Area Toll Authority (BATA) voted to proceed with the purchase of 390 Main Street in San Francisco.

He stated as part of the building acquisition, the Air District will occupy approximately 62,500 square feet, with an additional 2,500 square feet for the lab. Director Gioia expressed concerns surrounding risks relative to the Air District. Mr. Broadbent stated the risks fall under the realm of both MTC and BATA. Brian Bunger, Legal Counsel said all of the risks are on MTC and BATA on portions the Air District does not own.

After brief discussion, the Mr. McKay continued with the presentation discussing the next steps, which include:

- Complete negotiations of terms and conditions of Lease/Purchase Option Agreement and Condominium Agreement and other necessary documents consistent with Building Acquisition Principles
- Arrange Lease to Purchase financing through BATA

Mr. McKay stated that interest rates are historically low, which the Air District will need to consider over the next two of years, as it may be to the Air District's advantage to execute now and have payments begin now or wait, and risk an increase in the interest rate.

Mr. Broadbent said the Air District will have the opportunity to lease the first ten years, with an option to buy within the ten year period. Mr. Bunger said the Air District will not owe anything until the day the Air District moves in.

**Public Comments:**

Chair Bates opened the public comment period.

Mr. Bill Almon, Quarry No. Mr. Almon discussed his concern on the Air District's move.

Mr. Broadbent stated staff will prepare to update the Board of Directors on the Joint Regional Governance Headquarters at its next meeting.

**Committee Member Comments:** None.

**Committee Member Action:** None, informational only.

**CLOSED SESSION**

**7) 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):*

**California Building Industry Association v. Bay Area AQMD, Alameda County Superior Court, Case No. RG-10548693**

Chair Bates adjourned to closed session at 10:58 a.m.

**OPEN SESSION**

The meeting was reconvened at 12:11 p.m. There was no reportable action from the closed session.

**Time and Place of Next Meeting:** At the call of the Chair.

**Adjournment:** Chair Bates adjourned the meeting at 12:12 p.m.

*IS/ Vanessa Johnson*

Vanessa Johnson  
Executive Secretary II