



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
EXECUTIVE COMMITTEE MEETING

COMMITTEE MEMBERS

TOM BATES – CHAIR
ASH KALRA – SECRETARY
CAROLE GROOM
JENNIFER HOSTERMAN
BRAD WAGENKNECHT

JOHN GIOIA – VICE-CHAIR
SUSAN GARNER
SCOTT HAGGERTY
MARK ROSS

MONDAY
DECEMBER 19, 2011
9:30 AM

4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF THE MINUTES OF JULY 6, 2011 AND OCTOBER 19, 2011**
4. **JOINT POLICY COMMITTEE (JPC) UPDATE**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

The Committee will receive an update on the Joint Policy Committee (JPC) staff and current issues.
5. **QUARTERLY REPORT OF THE HEARING BOARD: APRIL-JUNE 2011 AND JULY-SEPTEMBER 2011**

T. Dailey/5073
Tom.Dailey@kp.org
6. **FINANCIAL REVIEW OF THE PRODUCTION SYSTEM**

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will receive a summary of a financial review of the Production System performed by IntelliBridge Partners.
7. **WORKPLAN AND PREPARATION FOR BOARD RETREAT**

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will discuss the Air District's initiatives and key accomplishments for 2011.

8. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, 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).

9. **TIME AND PLACE OF NEXT MEETING IS THURSDAY, JANUARY 12, 2012 AT 9:30 A.M., AT 939 ELLIS STREET, SAN FRANCISCO, CA 94109**

10. **ADJOURNMENT**

CONTACT EXECUTIVE OFFICE- 939 ELLIS STREET SAN FRANCISCO, CA 94109

**(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
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 Clerk's Office should be given at least three 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 District's offices 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 District's website (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

DECEMBER 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Wednesday	14	9:30 a.m.	Board Room
Board of Directors Special Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	14	10:30 a.m.	Board Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	22	9:30 a.m.	Board Room

JANUARY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	4	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Monday	9	9:30 a.m.	Board Room
Advisory Council Retreat <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Special Meeting/Retreat <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	City of San Pablo Maple Hall, Building #4 13831 San Pablo Avenue San Pablo, CA. 94806
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

FEBRUARY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
HL – 12/5/11 (2:40 p.m.)				P/Library/Forms/Calendar/Calendar/Moncal

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: December 6, 2011

Re: Executive Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Executive Committee meetings of July 6, 2011 and October 19, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the July 6, 2011 and October 19, 2011 Executive Committee meetings.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kris Krow/Vanessa Johnson
Reviewed by: Jennifer C. Cooper

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

DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
Wednesday, July 6, 2011
9:30 a.m.

1) Call to Order - Roll Call: Chairperson Scott Haggerty called the meeting to order at 9:35 a.m.

Present: Chairperson Tom Bates; Committee Members Scott Haggerty, Jennifer Hosterman, Mark Ross, and Brad Wagenknecht. Chairperson Scott Haggerty arrived after Roll Call.

Also Present: Board Members: Johanna Partin and Gayle B. Uilkema

Absent: Vice Chairperson John Gioia, Committee Members Susan Garner, Carole Groom and Ash Kalra.

2) Public Comment Period: Chairperson Bates opened the Public Comment Period, and seeing no speakers, he closed the Public Comment Period.

3) Approval of Minutes: Approval of minutes of May 26, 2011 deferred until quorum reached.

4) Mid-Year Update on Air District Initiatives

Jack Broadbent, Executive Officer/APCO, provided an update on the mid-year Air District Initiatives which were presented at the Board of Directors retreat in January 2011. Mr. Broadbent discussed some of the accomplishments which included an important contract with the Employees Association, the budget and the fee proposals were all adopted. Mr. Broadbent continued with upcoming initiatives which include the Production System, which is a new comprehensive system which has been in the development stages. In addition, Mr. Broadbent informed the Committee that the Stationary Source Committee would receive a Production System demonstration.

Mr. Broadbent also noted that there are a few key rules which include the Vacuum Truck Rule that will be presented to the Board during Fourth Quarter period, as the Air District has received a lot of public input on this item.

Brian Bunker, Legal Counsel, stated this rule will allow the Air District to regulate vacuum trucks that pick up waste water containing hydrocarbons.

Henry Hilken, Director of Planning, Rules and Research, stated vacuum trucks are used to clean up spills and routine operations. For example, refineries use vacuum trucks for cleaning out storage tanks. Bulk terminals and bulk plants are the main customers.

Mr. Broadbent also noted that the Metal Melting Rule relates to metal scrap facilities and foundries which are sources of emissions and sources of odors. The Air District has worked with industry groups, as well as scheduling a series of workshops for the public. Mr. Broadbent stated that another upcoming rule is the Cement Kilns rule.

Chairperson Bates asked the target dates of these items. Mr. Broadbent stated the Air District received numerous comments during the public comment period and would like to follow up with the Board at a future meeting to discuss these items.

Director Haggerty suggested the Committee be provided with an update on the items. In addition, Director Haggerty suggested the Air District find a way to monitor air quality at airports.

Mr. Broadbent continued his update and informed the Committee of the Public Engagement Plan that will be presented at an upcoming Public Outreach Committee that will develop a protocol for the District. In addition, the Air District is planning to hold a conference that provides the linkages between land use and public health on air pollution. Mr. Broadbent said that a site and date have been selected. The location is the Craneway Pavilion in Richmond, California and the date is November 30, 2011.

Mr. Broadbent also provided an update on the Leadership Development Program and an effort to centralize information records held at the Air District. Mr. Broadbent said there are some important amendments relative to the New Sources Review program (NSR) in order to incorporate Greenhouse Gases (GHG) and PM which will begin Fall 2011 and will continue into 2012.

Public Comments: None.

Committee Member Comments:

Director Haggerty asked when the computer system will be what the District needs it to be. Mr. Broadbent stated the system is expected to go live sometime in September or October 2011.

Committee Member Action: None, informational only.

3) Approval of Minutes: Director Haggerty moved to approve minutes of May 26, 2011; seconded by Director Ross; unanimously approved without objection.

CLOSED SESSION

5) Conference with Real Property Negotiator

6) Conference with District's Labor Negotiators

Chair Bates adjourned to closed session at 10:30 a.m.

OPEN SESSION

The meeting was reconvened at 11:25 a.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 11:30 a.m.

Kris Perez Krow
Clerk of the Boards

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

DRAFT 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: NOx, SOx, VOC, NH3 (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.

Draft Minutes of the October 19, 2011 Executive Committee Meeting

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

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

Vanessa Johnson
Executive Secretary II

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: December 12, 2011

Re: Joint Policy Committee Update

RECOMMENDED ACTION:

None; for information and discussion only.

BACKGROUND

The Joint Policy Committee (JPC) consists of representatives of four regional agencies and provides a forum for discussing issues of regional importance. JPC's recently approved work plan includes addressing regional economic development, energy use, and climate change. The JPC agenda for December 2, 2011 included updates on:

- Electric Vehicles (Jean Roggenkamp)
- Energy Efficiency (Bruce Riordan, JPC Climate Consultant)
- Local Renewable Power (Bruce Riordan)
- Bay Area Climate/Energy Resilience Strategy (Bruce Riordan)
- Bay Area Economic Development Strategy (Sean Randolph, Bay Area Economic Institute)
- Regional Governance (upcoming SB 878 Hearing, several studies underway)

The Joint Policy Committee (JPC) also discussed two additional issues and has referred these issues to each of the regional agencies for discussion prior to the next JPC meeting on January 20, 2012. The two issues are 1) selection of a staff advisor to JPC to replace Ted Droettboom who resigned earlier this year, and 2) JPC's role in facilitating the development of a Bay Area sea level rise strategy as part of its regional Climate Change work.

DISCUSSION

Staff Advisor. As you know, Ted Droettboom resigned from his position as the staff coordinator for the Joint Policy Committee (JPC) earlier this year. At the December 2, 2011 JPC meeting, the Executive Directors of the regional agencies recommended that

Will Travis be selected as the new coordinator and policy advisor to the JPC. As you may know, Mr. Travis recently announced his plans to retire as Executive Director of the Bay Conservation and Development Commission (BCDC) effective December 2011. This provides the opportunity for Mr. Travis to serve the JPC in this new capacity. As a matter of process, JPC members requested that the issue be discussed by each of the regional agencies before JPC takes action on this recommendation on January 20, 2012.

Bay Area Sea Level Rise Adaptation Strategy. On October 6, 2011, the Bay Conservation Development Commission (BCDC) adopted amendments to the San Francisco Bay Plan to address climate change, including provisions to address sea level rise within BCDC's regulatory jurisdiction (land within 100' of the Bay). BCDC referred the issue of facilitating a range of Bay Area stakeholders to develop a regional sea level rise adaptation strategy to the JPC. At the December 2, 2011 JPC meeting, the JPC discussed whether to accept the role of facilitating the development of a regional sea level rise adaptation strategy. JPC members directed staff to bring this recommendation back to each of the regional agencies for discussion prior to the next JPC meeting on January 20, 2012.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Staff Advisor. MTC will hold the contract with Mr. Travis. Funding for the contract would be shared by the four JPC agencies, subject to the availability of funding from each agency. The Air District will contribute an amount up to \$75,000 per year toward Mr. Travis' compensation. Funds to cover this expenditure for the current fiscal year are included in the Board approved FYE 2012 budget and will be proposed in the FYE 2013 budget.

Sea Level Rise Strategy. None. This activity would be covered by the consultant costs shared by the regional agencies for the Staff Advisor and the Climate Consultant.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

TO: Chairperson Tom Bates and Members of the Executive Committee
 FROM: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board
 DATE: November 30, 2011
 RE: Hearing Board Quarterly Report – April 2011 to June 2011 and July 2011 to September 2011

RECOMMENDED ACTION:

This report is provided for information only.

DISCUSSION:

Below is Hearing Board activity during the second quarter period, from **April 2011 to June 2011:**

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Contra Costa/Richmond	<u>Docket No. 3613</u> – CHEVRON PRODUCTS COMPANY – <i>Request for a Regular Variance from Regulation 8, Rule 5, Section 321.1 Regulation 8, Rule 5, Section 321.3.1; Regulation 8, Rule 5, Section 321.3.2; Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; and Standard Conditions 1.A and 1.B.2 of Applicant’s Major Facility Review Permit.</i>	8-5-321.1 8-5-321.3.1 & 321.3.2 2-1-307 2-6-307 Std Condtns 1.A & 1.B.2	Hearing Scheduled for April 7, 2011; Withdrawn by Applicant; Order for Dismissal Filed April 11, 2011	3/2/11 to 8/31/11	===

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Santa Clara/San Jose	Docket No. 3614 – APPEAL OF ROBERT M. SARVEY ON THE LOS ESTEROS CRITICAL ENERGY FACILITY – <i>Appeal on the Issuance of Authority to Construct for Facility ID #B3289.</i>	ATC	Pro Forma Hearing held April 21st; denied; set evidentiary hearing for May 26th; Request filed on May 9th by Appellant to abandon appeal; Dismissed	===	===
San Mateo/Redwood City	Docket No. 3615 – APCO vs. VINOD CHAND BANSAL: VINOD CHAND BANSAL, INC., Individually, and d/b/a Valero; Valero, a Gasoline Dispensing Facility at 503 Whipple Avenue, Redwood City, CA 94063, Site No. D0363 - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Accusation filed by APCO; Hearing scheduled for July 28, 2011	===	===
San Francisco/San Francisco	Docket No. 3616 – APCO vs. DOUBLE AA CORPORATION d/b/a JUNIPERO SERRA 76; BPG Pacific LLC; a Gasoline Dispensing Facility located at 1101 Junipero Serra Blvd., San Francisco, Site Nos. C9585 and D2129 - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Accusation filed by APCO June 28, 2011; Hearing scheduled for July 28, 2011	===	===
Santa Clara /Mountain View	Docket No. 3617 – California Cleaners - – <i>Request for a Variance from Regulation 11, Rule 16, Section 274 1, emissions of synthetic solvent from dry cleaning operations and related operations.</i>	11-16-274	Variance filed June 28, 2011; Hearing scheduled for August 25, 2011	July 1, 2011 to July 1, 2012	134.9076 lbs.

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Contra Costa/Martinez	<u>Docket No. 3532</u> – TESORO REFINING AND MARKET COMPANY, GOLDEN EAGLE REINERY (B2758) AND AMORCO TERMINAL (B2759) – <i>Appeal from the Major Facility Review Permit issued on December 1, 2003.</i>	Final Major Facility Review Permit	Appellant files new appeal on June 28, 2011; requests status report and further continuance; Hearing scheduled for Sept. 22, rescheduled to October 13 and again to November 10, 2011	===	===
Solano/Vallejo	<u>Docket No 3618</u> – APCO vs. PAL GAS INC., a California corporation, and d/b/a PAL GAS and CITY GAS a Gasoline Dispensing Facility, Site No. C8749; and JIT SINGH, Individually, and d/b/a PAL GAS and GAS CITY; PAL SAHOTA, a/k/a IQBAL SAHOTA, Individually - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Accusation Filed June 29, 2011	===	===
Santa Clara/San Jose	<u>Docket No. 3619</u> – Gas Recovery Systems, Inc. – <i>Request for a Variance from Regulation 9, Rule 8, Section 302.2; limiting emissions of nitrogen oxides and carbon monoxide from stationary internal combustion engines.</i>	9-8-302.2	Variance filed June 30, 2011; Hearing scheduled August 11, 2011	January 1, 2012 to December 31, 2012	144.95 lbs. NOx
Solano/Benicia	<u>Docket No. 3531</u> – Valero Refining Company (Benicia Refinery (B2626) – <i>Request to Dismiss Appeal.</i>	Final Major Facility Review Permit	Appellant files request for Dismissal of Appeal; Order for Dismissal Filed June 2, 2011	===	===

Below is Hearing Board activity during the third quarter period, from **July 2011 through September 2011:**

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
San Mateo/Redwood City	<u>Docket No. 3615</u> – APCO vs. VINOD CHAND BANSAL: VINOD CHAND BANSAL, INC., Individually, and d/b/a Valero; Valero, a Gasoline Dispensing Facility at 503 Whipple Avenue, Redwood City, CA 94063, Site No. D0363 - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Hearing held July 28, 2011; Conditional Order for Abatement Issued	===	===
San Francisco/San Francisco	<u>Docket No. 3616</u> – APCO vs. DOUBLE AA CORPORATION d/b/a JUNIPERO SERRA 76; BPG Pacific LLC; a Gasoline Dispensing Facility located at 1101 Junipero Serra Blvd., San Francisco, Site Nos. C9585 and D2129 - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Hearing held July 28, 2011; Conditional order for Abatement Issued	===	===
San Jose/Mountain View	<u>Docket No. 3617</u> – California Cleaners - – <i>Request for a Variance from Regulation 11, Rule 16, Section 274 1, emissions of synthetic solvent from dry cleaning operations and related operations.</i>	11-16-274	Hearing held for August 25, 2011; Order Granting Variance approved	July 1, 2011 to July 1, 2012	134.9076 lbs.
Solano/Vallejo	<u>Docket No 3618</u> – APCO vs. PAL GAS INC., a California corporation, and d/b/a PAL GAS and CITY GAS a Gasoline Dispensing Facility, Site No. C8749; and JIT SINGH, Individually, and d/b/a PAL GAS and GAS CITY; PAL SAHOTA, a/k/a IQBAL SAHOTA, Individually - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	July 28, 2011 Accusation withdrawn by APCO— Respondent found to be in compliance	===	===

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Santa Clara/San Jose	Docket No. 3619 – Gas Recovery Systems, Inc., 1804 Dixon Landing Road Facility – <i>Request for a Variance from Regulation 9, Rule 8, Section 302.2; limiting emissions of nitrogen oxides and carbon monoxide from stationary internal combustion engines.</i>	9-8-302.2	July 21 st HB reschedules hearing from August 11 th to September 1, 2011; Applicant filed request for withdrawal of Variance on August 11, 2011; Hearing canceled; Application withdrawn	January 1, 2012 to December 31, 2012	144.95 lbs. NOx
Alameda/San Leandro	Docket No. 3620 – APCO vs. BANSAL ENTERPRISES, INC. a California corporation, and <i>d/b/a PREMIER GASOLINE & SNACKS</i> , a Gasoline Dispensing Facility, Site No. D0060; and MAHESH AGRAWAL, Individually, and <i>d/b/a PREMIER GAS & SNACKS</i> - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Accusation filed July 15, 2011; Hearing scheduled for August 11 th and rescheduled for August 25 th . On August 22 nd , APCO requests Dismissal due to confirmation of compliance	===	===
San Mateo/Menlo Park	Docket No. 3621 – Gas Recovery Systems, Inc., Menlo Park Facility No. B1668 - <i>Request for a Variance from Regulation 9, Rule 8, Section 302.2; limiting emissions of nitrogen oxides and carbon monoxide from stationary internal combustion engines.</i>	9-8-302.2	Variance filed July 20, 2011; Hearing scheduled September 1 st , August 11 th , applicant requests withdrawal; Hearing canceled; Application withdrawn	January 1, 2012 to December 31, 2017	68.72 lbs. NOx

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Santa Clara/San Jose	<u>Docket No. 3622</u> - Gas Recovery Systems, Inc., Guada Lupe Mines Road, Facility No. B1669 - <i>Request for a Variance from Regulation 9, Rule 8, Section 302.2; limiting emissions of nitrogen oxides and carbon monoxide from stationary internal combustion engines.</i>	9-8-302.2	Variance filed July 20, 2011; Hearing scheduled September 1 st ; August 11 th , applicant requests withdrawal; Hearing canceled; Application withdrawn	January 1, 2012 to December 31, 2012	45.68 lbs. NOx
San Mateo/Pacifica	<u>Docket No. 3623</u> – APCO vs. PINAKIN PATEL <i>a/k/a</i> PETER PATEL, individually and <i>d/b/a</i> PACIFICA CHEVRON, a Gasoline Dispensing Facility, Site No. C0013; located at 100 Milagra Drive, Pacifica, CA - - <i>Accusation and Request for Order for Abatement; emissions of organic compounds from gasoline dispensing facilities.</i>	8-7-302	Accusation filed July 22, 2011; Hearing scheduled & Held August 18 th ; Conditional Order for Abatement approved Sept. 1, 2011	===	===
Contra Costa/Martinez	<u>Docket No. 3624</u> – TESORO REFINING AND MARKETING COMPANY; GOLDEN EAGLE REFINERY (B2758) AND AMORCO TERMINAL (B2759) – <i>Appeal from Major Facility Review Permit, issued June 28, 2011.</i>	MFRP	Appeal Filed July 27, 2011; Pro Forma Hearing scheduled and rescheduled for September 22, October 13 and November 10, 2011	===	===

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Santa Clara/Milpitas	<u>Docket No. 3625</u> – DKYH ENTERPRISES d/b/a FORD CLEANERS – <i>Request for a Short Term Variance from Regulation 11, Rule 16, Section 304.15; limiting emissions of synthetic solvent from dry cleaning operations and related operations.</i>	11-16-304.15	Application filed July 11 th ; Hearing scheduled for September 1 st ; August 30 th applicant requests dismissal; installing new machine; Hearing canceled & application dismissed by Chair	===	===
Napa/Napa	<u>Docket No. 3626</u> – APCO vs. KAPV INC. a California corporation, also d/b/a NAPA GAS, NAPA GAS U-HAUL, and IMOLA GAS U-HAUL, a Gasoline Dispensing Facility, Site No. C8262; MOJTABA KARIMABADI, an individual also d/b/a NAPA GAS and, NAPA GAS U-HAUL; J. GOLPAD, a/k/a JASON GOLPAD, an individual, d/b/a NAPA GAS; MELVIN K. LOUIE, Successor Trustee - <i>Accusation and Request for Order for Abatement; limiting emissions of synthetic solvent from dry cleaning operations and related operations.</i>	11-16-304.15	Accusation filed August 31, 2011; hearing scheduled for October 6, 2011.	===	===
San Francisco/San Francisco	<u>Docket No. 3627</u> – CHEVRON PRODUCTS COMPANY – <i>Request for a Short Term Variance; applicant's Major Facility Review Permit (Plant A0010, Source S-0679).</i>	8-5-304.2, 304.3, 321.3.2, and 322.5 2-6-307, Standard Conditions 1.A. and 1.B.2 of MFRP	Application filed September 6, 2011; Hearing scheduled for October 6, 2011; Applicant files Request for Dismissal on September 28 th ; Order for Dismissal	October 10, 2011 to November 8, 2011	===

COUNTY/CITY	PARTY/PROCEEDING	REGULATION(S)	STATUS	PERIOD OF VARIANCE	ESTIMATED EXCESS EMISSIONS
Contra Costa/Richmond	Docket No. 3524 – CHEVRON U.S.A., INC. – <i>Request for Dismissal of Appeal from Major Facility Review Permit.</i>	Final Major Facility Review Permit	Appellant Requests Dismissal of Appeal on September 8, 2011; Order for Dismissal	===	===
Contra Costa/Rodeo	Docket No. 3628 – CONOCOPHILLIPS COMPANY, SAN FRANCISCO REFINERY – <i>Appeal from Issuance of Final Major Facility Review Permit for Facility No. A0016, issued September 1, 2011.</i>	Final Major Facility Review Permit	Appeal filed September 29, 2011; Scheduled Pro Forma hearing for October 27, 2011	===	===
Contra Costa/Brentwood	Docket No. 3585 - PRECISION CABINETS & TRIM (B2676) - <i>Status report and update hearing regarding conditions of Order Granting a Product Variance, dated September 2, 1010; emissions of volatile organic compounds from the application of coatings; (B2676).</i>	8-32-303	Hearing held September 22, 2011 regarding compliance of conditions; Order regarding Compliance with Conditions of Variance filed Oct. 6, 2011	July 1, 2010 through April 1, 2011	Non-compliance POC emissions- 201.63 lbs. VOC emissions: 113.1 lbs. POC emissions- 88.53 lbs. Total excess emission fee: \$204.50

SECOND QUARTER NOTES (April-June 2011):

- During the second quarter of 2011 (April to June), the Hearing Board held 1 hearing and processed a total of 11 applications; 3 of which were Accusations, 2 were Appeals, 3 Variances, and 3 Requests for Withdrawals or Dismissals. The Clerk processed a total of 2 Final Orders.
- The Hearing Board officially approved its New Hearing Board Rules on June 2, 2011, which had been outdated since December 2002.

- The Hearing Board collected a total of \$2,817.00 during the second quarter of 2011.

THIRD QUARTER NOTES (July-September 2011):

- During the third quarter of 2011 (July to September), the Hearing Board held 5 hearings and processed a total of 19 applications, 3 of which were Accusations, 2 Appeals, 4 Variances, and 10 Requests for Withdrawals or Dismissals and Status/Compliance Reports. The Clerk processed a total of 7 Final Orders.
- The Hearing Board collected a total of \$2,593.84 during the third quarter of 2011.

Respectfully submitted,

Thomas M. Dailey, M.D.
Chair, Hearing Board

Prepared by: Lisa Harper

Reviewed by: Jennifer Cooper

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: December 6, 2011

Re: Financial Review of the Production System

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

Staff enlisted the service of IntelliBridge Partners to perform an independent review of the finances spent to date on the development and implementation of the Production System. The two specific objectives of the review were to determine:

- (1.) How much money was projected to be spent and were projections properly communicated to the District's Board and executive staff?
- (2.) How much money has actually been spent and was the actual financial status properly communicated to the District's Board and executive staff?

Mr. Greg Matayoshi of IntelliBridge Partners will provide an overview of his findings, and staff will discuss implementing the recommendations from the report.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Cost to perform the review came from Program 104 –Executive Office in the Fiscal Year Ending (FYE) 2011 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jennifer C. Cooper

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: December 6, 2011

Re: Workplan and Preparation for Board Retreat

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

Each year, the Board of Directors looks back at accomplishments for the past year and identifies major initiatives for the upcoming year. Staff will provide a list of the Air District initiatives and key accomplishments for 2011 and the progress of each one. Staff is developing a list of proposed initiatives for 2012 that will be discussed at the Board of Directors Special Meeting/Retreat on January 18, 2012. Many of the initiatives stem from the 2010 Clean Air Plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Resources to implement the initiatives are included in the FY 2011/12 budget and will be considered in the preparation of the FY 2012/13 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO