

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

Board of Directors Special Meeting/Retreat
January 18, 2012

APPROVED MINUTES

CALL TO ORDER – ROLL CALL:

Chairperson Tom Bates called the meeting to order at 10:02 a.m.

Present: Chairperson Tom Bates; Vice Chairperson John Gioia; Secretary Ash Kalra; and Directors Susan Garner, Susan Gorin, Carole Groom, Scott Haggerty, David E. Hudson, Mark Ross, Liz Kniss, Edwin M. Lee, Eric Mar, Nate Miley, Johanna Partin, Katie Rice, Jim Spering, Brad Wagenknecht and Ken Yeager.

Absent: Directors John Avalos, Jennifer Hosterman, Carol L. Klatt, Gayle B. Uilkema and Shirlee Zane.

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

PUBLIC COMMENTS:

Susan Goldborough, Families for Clean Air, addressed the Board regarding concerns about wood smoke pollution and the need for further regulation.

Evan Reeves, Center for Creative Land Recycling, addressed the Board regarding the Board's scheduled Closed Session relative to California Building Industry Association v. Bay Area AQMD, specifically to urge the Board to accept the judge's ruling and not seek an appeal of the same.

COMMENDATIONS/PROCLAMATIONS/AWARDS

The Board of Directors recognized Chairperson Bates for his outstanding leadership as Chairperson of the Board of Directors in 2011. Director Bates thanked and commended staff for their work and thanked the Board for the opportunity to have served as the Chairperson. Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), thanked Director Bates for his work with the District and presented a token of appreciation for his service.

NOTED PRESENT: Director Garner was noted present at 10:12 a.m.

The Board of Directors recognized Director Brown in absentia for his service, leadership and dedication to protecting air quality in the Bay Area. Mike Brown accepted the token of appreciation from the District and addressed the Board on behalf of his father Director Brown.

NOTED PRESENT: Directors Mar and Partin were noted present at 10:20 a.m.

Chairperson Gioia welcomed County of Marin Supervisor Katie Rice to the Board of Directors. Director Rice made introductory comments.

Chairperson Gioia stated that Director Uilkema will be acknowledged for her years of service and Supervisor Mary N. Piepho will be welcomed at the next meeting of the Board of Directors.

BOARD MEMBER COMMENTS: None

CONSENT CALENDAR (Items 1 – 5):

1. **Minutes of the Board of Directors Regular Meeting of December 14, 2011;**
2. **Board Communications Received from December 14, 2011, through January 17, 2012;**
3. **District Personnel on Out-of-State Business Travel;**
4. **Adoption of Proposed Amendments to the Air District's Administrative Code Division II Fiscal Policies and Procedures – Section 5.6 Receipts for Expenses; and**
5. **Quarterly Report of California Air Resources Board Representative – Honorable Ken Yeager.**

Board Action: Director Wagenknecht made a motion to approve Consent Calendar Items 1, 2, 3, 4 and 5; Director Kniss seconded the motion; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

6. **Report of the Executive Committee Meeting of December 19, 2011**
Chairperson: T. Bates

The Executive Committee met on December 19, 2011 and approved the minutes of July 6, 2011 and October 19, 2011.

The Committee received an update on the Joint Policy Committee (JPC) activities. The Committee discussed a replacement for Ted Droettboom and the JPC's role in facilitating the development of a Regional Climate Adaptation strategy. The Committee supports the recommendation of Will Travis as the new coordinator and policy advisor to the JPC.

The Committee also received the Quarterly Reports of the Hearing Board from April to June 2011 and from July to September 2011.

The Committee received a financial review of the Production System performed by IntelliBridge Partners. The Committee recommended staff provide an update at each of its future meetings.

The Committee then received a brief overview of the Air District work plan and preparation for the Board Retreat.

The Executive Committee will meet the 3rd Monday each month, with the exception of February 20, 2012, in honor of President Washington's birthday. Therefore, the next meeting of the Executive Committee is scheduled for Monday, March 19, 2012 at 9:30 a.m.

Board Action: Director Bates made a motion to approve the report and recommendations of the Executive Committee; Director Gioia seconded the motion; carried unanimously without opposition.

7. Report of the Stationary Source Committee Meeting of January 9, 2012

Vice Chairperson: J. Gioia, on behalf of Chairperson G. Uilkema

The Committee met on Monday, January 9, 2012 and, upon establishing a quorum, approved the minutes of September 29, 2011.

The Committee received a report on District's New Source Review (NSR) and Title V Permitting Programs, Amendments to Regulation 2, Rules 1, 2, 4 and 6. The Committee reviewed the current state of the programs, a summary of proposed amendments including new permit requirements for particulate matter and greenhouse gases, and discussed the collaborative work necessary with the U.S. Environmental Protection Agency and expectations regarding the public participation process. Next steps include sharing proposed amendments with the public, conducting public workshops and further public outreach, consideration of public comments, review and revision of proposed regulations, preparation of final documents, and scheduling public hearings in the summer of 2012.

The Committee received a report on proposed regulation regarding Vacuum Truck Operations, Regulation 8, Rule 53, including a summary of the use and functional parts of vacuum trucks, an overview of the rule development process and the types of industries subject to the regulations, the necessary equipment for industry to employ and the corresponding cost for said equipment. The Committee reviewed District anticipated costs and estimated emissions reductions. Next steps will be to post the final documents for public review, consider public comments and schedule public hearings in the first quarter of 2012.

The next meeting of the Committee is March 19, 2012, at 10:30 a.m.

Board Action: Chairperson Gioia made a motion to approve the report and recommendations of the Stationary Source Committee; Director Hudson seconded the motion; carried unanimously without opposition.

BOARD OF DIRECTORS RETREAT

8. Opening Comments

Chairperson Gioia related the history of and progress in air quality management in the Bay Area under the stewardship of the District. Chairperson Gioia suggested that future meetings of the Board of Directors occasionally be held offsite at various facilities that are regulated by the District, where the Board could get a first-hand impression of the work done there. Chairperson Gioia commended the implementation and continued use of the Bay Area Air Quality Management District Board of Directors List of Acronyms, and joins in Director Ross' ongoing desire to improve the accessibility of the District website. Chairperson Gioia commends and acknowledges his own and the staff of the other member of the Board.

9. State of the Air District

Mr. Broadbent began presenting the State of the Air District, by providing an air quality summary and administrative overview and detail of key policy initiatives and regional coordination efforts with regional agencies and local governments. Jeffrey McKay, Deputy APCO, finished same.

10. Upcoming Committee Assignments and Goals

Chairperson Gioia introduced the Upcoming Committee Assignments and Goals as follows and opened up the topic for discussion by the Directors:

Executive Committee:

- John Gioia, Chairperson; Ash Kalra, Vice Chairperson; Nate Miley, Secretary
- Members: Avalos, Bates, Groom, Haggerty, Ross and Wagenknecht
- Meetings: 3rd Monday of every month at 9:30 a.m.

Budget and Finance Committee:

- Carol Groom, Chairperson; Ash Kalra, Vice Chairperson
- Members: Haggerty, Hudson, Mar, Rice, Ross, Wagenknecht and Zane
- Meetings: 4th Wednesday of every month at 9:30 a.m.

Public Outreach Committee:

- Mark Ross, Chairperson; Eric Mar, Vice Chairperson
- Members: Avalos, Garner, Haggerty, Klatt, Miley and Wagenknecht
- Meetings: Thursday, February 16, 2012 at 9:30 a.m.; Thursday, June 21, 2012 at 9:30 a.m.; Thursday, October 18, 2012 at 9:30 a.m.

Legislative Committee:

- Tom Bates, Chairperson; Sue Garner, Vice Chairperson
- Members: Avalos, Haggerty, Hosterman, Hudson, Kalra, Miley and Partin
- Meetings: At the Call of the Chair

Mobile Source Committee:

- Scott Haggerty, Chairperson; Nate Miley, Vice Chairperson
- Members: Avalos, Bates, Groom, Klatt, Partin, Piepho and Wagenknecht
- Meetings: 4th Thursday of every month at 9:30 a.m.

Stationary Source Committee:

- John Avalos, Chairperson; Carole Groom, Vice Chairperson
- Members: Bates, Garner, Haggerty, Mar, Miley, Piepho and Sperling
- Meetings: 3rd Monday of every other month at 10:30 a.m.

Personnel Committee:

- Brad Wagenknecht, Chairperson; Eric Mar, Vice Chairperson
- Members: Groom, Haggerty, Hudson, Hosterman, Klatt and Kalra
- Meetings: At the Call of the Chair

Joint Policy Committee:

- Members: Bates, Kalra, Mar, Piepho and Ross
- Meetings: Set by the Joint Policy Committee

Climate Protection Committee:

- Jennifer Hosterman, Chairperson; Johanna Partin, Vice Chairperson
- Members: Garner, Gorin, Groom, Hudson, Rice, Ross and Zane
- Meetings: At the Call of the Chair

Director Haggerty spoke on behalf of the Mobile Source Committee, indicating that a regular meeting schedule had been successfully established; the Carl Moyer Memorial Air Quality Standards Attainment Program is set to expire in 2014 and work must be done to keep it moving and to see better public sector competition and sustainable leadership; continued work between the Committee and the Metropolitan Transportation Commission is necessary to achieve an effective reduction in greenhouse gases; the potential gains from a collaborative effort between the District and area school districts to reduce cold starts and encourage carpooling, perhaps in part by imposing parking permit fees at the high school level; the desire for continued funding of bike sharing programs and initializing of scooter sharing programs; and that more work is needed in conjunction with the Port of Oakland to maximize shore power, imposition of competitive container fees, and increased used of high quality fuel.

Director Ross spoke on behalf of the Public Outreach Committee, indicating that Committee outreach continues in various forms, the wood smoke program is clearly in need of fine tuning, and work on increasing the accessibility of the District website is absolutely necessary.

Director Bates spoke on behalf of the Legislative Committee and shared his sense that the Committee will take initiative in order to maintain recent gains and prevent losses in the legislature on air quality matters given the current political climate.

Director Groom spoke on behalf of the Budget and Finance Committee and shared her sense of a similar need for the Committee to take an especially conservative approach to management of the District's resources in order to protect District assets and impose an air of budgetary caution while continuing work to improve the permitting program.

Chairperson Gioia noted that the remaining Committees Chairpersons were not present and opened up the topic for general comment by the Directors.

Director Ross expressed his appreciation of the offsite meeting and tour concept suggested by Chairperson Gioia and reiterated the need for continuing the Community Air Risk Evaluation (CARE) communities program.

11. Air Quality Summary

Jean Roggenkamp, Deputy APCO, presented an Air Quality summary for the Bay Area, including an overview of those issues requiring the District's attention, such as ozone, fine particulate matter, toxic air contaminants and greenhouse gases, a summary of the potential health care consequences of same and a generalized plan for improving air quality in the future.

Board comments: Director Hudson expressed, and Chairperson Gioia later agreed with, a concern about the general public's lack of knowledge about federal standards, pollution measurements and what these things mean for them. Director Hudson went on to suggest the possible goal of one day providing to the public the information used by the District in a way similar to the meteorological forecasts, with the data provided informing the public's decisions in much the same way that a forecast for rain does. Mr. Broadbent commended this thought and suggested that various constraints, namely budgetary and the extremely technical nature of the standards may interfere with actualizing this concept but assured the Board that this would be revisited at the close of the wood burning season. Director Gorin built on previous comments by suggesting continued work on increasing public awareness and understanding of the relevant statistics, healthier and more sustainable alternatives, the potential health consequences of disregarding the information, and by diversifying the District's work to better address specific regional needs rather than applying a blanket solution for the entire region. Director Haggerty suggested that the primary cause of the air issue in West Oakland is the trucks and expressed his dissatisfaction with the limitations of the CARE program when it comes to serving people of varying economic status. Chairperson Gioia suggested that the appropriate committee, perhaps Mobile or Stationary Source, should discuss the CARE program. Secretary Miley discussed the perceived sentiments of Secretary Miley's friends, family and acquaintances towards the wood smoke regulations during the holiday season and the general lack of knowledge about the levels of air pollution inside a home that has wood burning in the fireplace. Director Rice agreed with prior statements regarding the need for improving public awareness of the District as a public health agency just as much, if not more than, an environmental one.

12. Administrative Overview

Mr. Broadbent introduced the presentation of Administrative Overview by acknowledging that the current head count of District employees is 363 with 43 vacancies, a level that is not sustainable in the long term. Mr. McKay presented a status report on the implementation of the Production System, development of a cost recovery policy and relocation of the District headquarters to 390 Main Street.

Board comments: Chairperson Gioia and Mr. McKay discussed the cost recovery gap projected to be \$12 million. Chairperson Gioia and Mr. Broadbent discussed the identification of untapped and under-tapped revenue sources and the possibility of conducting internal and external audits to better identify same. Chairperson Gioia, Director Haggerty, Mr. Broadbent and Mr. McKay discussed the planning process for the new headquarters building and the degree of the District's involvement in those discussions. Inclusion of Air District board members in the planning process was discussed. Director Spering, Mr. Broadbent, Mr. McKay and Ms. Roggenkamp, and Legal Counsel Brian Bunger discuss the history of the District's low cost recovery, the mathematics of cost recovery and fees increases, the interplay of property taxes and fee increases and that a careful review of the matter and strategy development are already underway in the Budget and Finance Committee. Director Groom clarifies that cost recovery and fee increases have been in process in the Budget and Finance Committee and recommendations will be forthcoming. Director Garner notes and commends the gradual closing of the cost recovery gap and discussed with Mr. Broadbent and Director Gorin which departments in the District are shouldering the 43 vacancies and the difficulties with reassigning staff on an as-needed basis. Mr. Broadbent replied that enforcement was considerably reduced and Director Groom requested a breakdown showing, by department, where the vacancies exist so as to better identify where staff shortages may affect essential services and/or sources of revenue.

13. Key Policy Initiatives

Mr. Broadbent introduced the presentation of Key Policy Initiatives and Ms. Roggenkamp began the presentation of Healthy Communities, Clean Air Communities Initiative, including a summary of various tools available to the District in accomplishing its goals, in the form of monitoring, regulations, outreach/education, grants/incentives and enforcement. Lisa Fasano, Director of Communications & Outreach Office, continued presentation of same with a focus on the development of a service plan and maximizing communication with and engagement of the public.

Board comments: Director Haggerty noted that slide 3, Health Risks Near Freeways, provides a perfect example of the concern he harbors for the I-580 corridor. Director Partin suggested that dealing with transportation is key to success in this area. Secretary Miley, Ms. Fasano, Ms. Roggenkamp, and Mr. Broadbent discussed how the District collaborates with local governments, specifically their public health and planning departments, and the varying nature of these collaborations as having established regular meetings in some cases and being on an as-needed basis in others. Director Spering suggested the use of “healthy communities” is a misnomer and that the District would be better served working towards and utilizing the phrase “clean air and healthy economy communities,” namely by working with regulated industries so there is a better understanding of our objectives. Director Mar suggested that industry will always find a way to communicate with the District and its Board members and staff, and that the District’s attention would be better focused on community outreach, noting that Chairperson Gioia’s efforts to bring meetings out to the community is energy well spent.

Public comments: Andy Katz, for Breath California, addressed the Board regarding the indirect source rule as an important proposal that should be accelerated in its implementation and regarding the existing litigation that is the topic of the Closed Session, California Industry Association v. Bay Area AQMD, to encourage the District to maintain a strong course in implementing the California Environmental Quality Act thresholds and to urge caution in considering whether to appeal the order of the Court.

OTHER BUSINESS

- 14. Report of the Executive Officer/APCO:** Mr. Broadbent recognized Sean Gallagher, new Clerk of the Boards, and expressed his gratitude to the executive staff for organizing the meeting.
- 15. Chairperson’s Report:** Chairperson Gioia noted that the San Mateo City Council Selection Committee appointed Director Klatt to the District Board of Directors for another two-year term on December 16, 2011, and that the Contra Costa County Supervisor Mary Piepho has been appointed to replace Supervisor Uilkema, both of which will be recognized at the next meeting of the Board of Directors.

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 12:42 p.m.

16. EXISTING LITIGATION (Government Code Section 54956.9(a))

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

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

OPEN SESSION

The Board of Directors resumed to Open Session at 1:32 p.m.

Time and Place of Next Meeting: Wednesday, February 1, 2012, at 9:45 a.m., at 939 Ellis Street, San Francisco, CA 94109.

Adjournment: The Board of Directors meeting adjourned at 1:33 p.m.

/s/ Sean Gallagher

Sean Gallagher
Clerk of the Boards