

Bay Area Air Quality Management District
Port of Oakland, Commissioner's Board Room
530 Water Street
Oakland, California 94607

Board of Directors Special Meeting
February 1, 2012

APPROVED MINUTES

CALL TO ORDER – ROLL CALL

Chairperson John Gioia called the meeting to order at 9:48 a.m.

Present: Chairperson John Gioia; Vice Chairperson Ash Kalra; Secretary Nate Miley; and Directors John Avalos, Tom Bates, Susan Gorin, Carole Groom, Scott Haggerty, Jennifer Hosterman, David E. Hudson, Liz Kniss, Eric Mar, Mary Piepho, Katie Rice, Mark Ross, Jim Spering, Brad Wagenknecht, Ken Yeager and Shirlee Zane.

Absent: Directors Susan Garner, Carol L. Klatt and Johanna Partin.

PLEDGE OF ALLEGIANCE

Director Wagenknecht led the Pledge of Allegiance.

COMMENDATIONS/PROCLAMATIONS/AWARDS

Chairperson Gioia welcomed County of Contra Costa Supervisor Mary Piepho to the Board of Directors. Director Piepho made introductory comments.

Chairperson Gioia stated that former Director Uilkema will be acknowledged for her years of service at the next meeting of the Board of Directors.

PUBLIC COMMENT ON NON-AGENDA MATTERS

Carl Friberg addressed the Board regarding his request for an exemption from the wood smoke prohibition for reasons of financial hardship. Mr. Friberg went on to explain that although his residence has steam heating, thereby excluding him from the current limited exemption, the cost of the gas required to heat and operate the system is prohibitively expensive on his fixed income compared to the free wood that he collects.

Chairperson Gioia requested that staff provide a brief summary of the current exemptions. Jack Broadbent, Executive Officer/Air Pollution Control Officer, relayed to the Board that a review of the program is slated to begin after the close of the wood burning season and confirmed that no exemption of this kind currently exists.

NOTED PRESENT: Directors Zane and Gorin were noted present at 9:56 a.m.

CONSENT CALENDAR (Items 1 – 4)

- 1. Minutes of the Board of Directors Special Meeting/Retreat of January 18, 2012;**
- 2. Board Communications Received from January 18, 2012, through January 31, 2012;**
- 3. Air District Personnel on Out-of-State Business Travel; and**
- 4. Consideration of Authorization for Execution of a Purchase Order in Excess of \$70,000 for Replacement of Air Monitoring Instruments.**

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

COMMITTEE REPORTS AND RECOMMENDATIONS

- 5. Report of the Budget and Finance Committee Meeting of January 25, 2012**
Chairperson: C. Groom

The Committee met on Wednesday, January 25, 2012, without establishing a quorum.

The Committee received the Second Quarter Financial Report – Fiscal Year 2011-12. The Committee reviewed the general fund revenue sources and expenditures and investment levels for the second quarter of fiscal year 2012, the year-end projected fund balances and vendor payments in excess of \$70,000 without Board Review.

The Committee received a report on the Air District Financial Overview. The Committee reviewed the projected revenue for current fiscal year end 2012 and proposed response in the form of a reduction in expenses; the fiscal challenges likely for fiscal year 2013 and possible areas for response, with a further decrease in personnel costs not recommended and a use of reserves likely being unnecessary, provided a 4% cut in expenditures is made and the District realizes an expected increase in cost recovery, albeit at a reduced rate; a reserve fund projection through fiscal year 2014; and, finally, a summary of the information systems budget expenditures for fiscal year 2012.

The Committee received a request to Authorize Funding for Production System Replacement of Databank. The Committee reviewed the request to authorize the Executive Officer/APCO to execute agreements for expenditures not to exceed \$450,000 with Vertigo Software and not to exceed \$250,000 with Trinity Technology Group, both for replacement of District legacy software systems. A consensus of the members present recommended that the Board of Directors approve the request.

The next meeting of the Committee is Wednesday, February 22, 2012, at 9:30 a.m.

Board Action: Director Groom made a motion to approve the report and recommendation of the Budget and Finance Committee; Director Wagenknecht seconded the motion; Director Spring and

Mr. Broadbent discussed the anticipated dates for the Production System to go live and for further Committee and Board briefings on the topic; carried unanimously without opposition.

6. Report of the Legislative Committee Meeting of January 30, 2012

Chairperson: T. Bates

The Committee met on Monday, January 30, 2012, and approved the minutes of September 26, 2011, as amended.

The Committee received a report on the District 2012 Legislative Agenda, including (1) efforts to prevent changes in policy or funding that will weaken existing air quality regulations or programs, and (2) District sponsorship of Senate Bill 582, dealing with commute benefits, with two primary amendments. The first amendment limits the pilot program to the Bay Area. The second amendment affects the employers to whom the pilot program applies, up from those with 20 or employees to those with 50 or more. The Committee supported the proposed legislative agenda, with Chair Bates and Director Avalos in opposition to the second amendment to Senate Bill 582 regarding the change from a 20- to 50-employee minimum. The Committee also discussed possible strategies for addressing land use decisions that have public health impacts and asked that Moyer funding reauthorization be agendaized for the next meeting.

The Committee received a report on and briefly discussed the Governor's proposed budget for 2012-2013 fiscal year.

The Committee received a report on and discussed one bill, Senate Bill 878 (DeSaulnier) regarding the Joint Policy Committee, which contains several new reporting requirements for the Joint Policy Committee. No position was taken.

The next meeting of the Committee is at the call of the Chairperson.

Board Action: Chairperson Bates made a motion to approve the report of the Legislative Committee; Director Hosterman seconded the motion; carried unanimously without opposition.

PRESENTATION(S)

7. Update on the Air District Emissions Reductions Efforts at the Port of Oakland

Chairperson Gioia expressed the District's gratitude to the staff of the Port of Oakland in welcoming the Board today and acknowledged their efforts in making the necessary arrangements.

NOTED PRESENT: Director Kniss was noted present at 10:05 a.m.

Damien Breen, Director of Strategic Incentives, gave the staff presentation Update on Air District Emissions Reductions Efforts at the Port of Oakland, beginning with background on the Port's facilities, followed by an overview of the Clean Air Communities Initiative, including exposure/health assessment and planning, incentives, enforcement and monitoring, and finally next steps.

NOTED PRESENT (during Mr. Breen's presentation): Directors Mar and Kalra were noted present at 10:08 a.m.

Director Hudson and Mr. Breen discussed the status of supplemental funding by other counties.

Director Hosterman asked about projected reductions in emissions after the retrofits are in place. Mr. Breen responded that the current reduction is around 50% and the regulation promises an 85% decrease, meaning more work is necessary and that nitrogen oxide will be the primary target in the near future.

Director Avalos inquired about whether the number of berths targeted to retrofit for shore power will eventually go from fourteen to twenty and the source of the shore power. Mr. Breen responded that he will allow Port staff to speak to the total berths question and that the Port is its own utility and its source of power is PG&E.

Director Piepho asked what the penalty is for non-complying trucks. Mr. Breen indicated that access to the Port is denied. Mr. Breen and Brian Bunger, District Counsel, explained that the District works with the California Air Resources Board (ARB) to identify the non-complying vehicles and that ARB takes the matter up, imposing penalties as appropriate. Director Piepho requested from Mr. Bunger a list of the current penalties.

Anne Whittington, Environmental Supervisor, Port of Oakland, addressed the Board summarizing Port efforts in conjunction with the District over the years, including the clean truck program, comprehensive truck management program, shore power funding, stationary source permits, inspection and enforcement, air quality planning and maritime air improvement plan, Community Air Risk Evaluation program, and the adopted goal of an 85% reduction in excess cancer health risk in the West Oakland community from the 2005 baseline to 2020. Ms. Whittington provided an update on the status of several of these projects and introduced a few members of the Port staff that have and continue to work in conjunction with District staff on various projects.

Board comments: Chairperson Gioia asked how determinations are made to distinguish emission sources related to Port-related contributors from non-Port contributors, such as nearby freeways. Eric Stevenson, Director of Technical Services, replied that these determinations are limited to the detection of compounds that are specific to certain contributors. Mr. Broadbent clarified that Mr. Stevenson's answer speaks to the limitations of monitoring but that District determinations are made with tools such as source apportionment modeling because monitoring alone is so limited.

Director Zane asked how cancer study measurements are applied in light of the large delays involved in their availability. Ms. Whittington detailed the collaborative efforts by the Port, District and ARB, and their application of an emissions inventory to a model grid. Director Zane followed up by asking whether tracking of specific health conditions among targeted populations is occurring. Mr. Breen responded that the District is currently working with public health departments to obtain that type of information.

Director Bates commended the achievements to date, the standards established and funding provided by the ARB, the efforts by Port and District staff in collaborating and the leadership of Director Miley. Director Bates encouraged a continued push to explore and implement methods to effectively pass the cost of much of this work to those who utilize the Port's services. Chairperson Gioia inquired

about the status of the imposition of a container fee. Jean Banker, Deputy Executive Director, Port of Oakland, responded that there is nothing pending before the State legislature and that no fees were finally imposed in Long Beach and Los Angeles.

Director Mar commended and expressed his pleasure in seeing the implementation of shore side power in Oakland and inquired about efforts being made to engage various environmental groups in the area to discuss the progress being made. Mr. Breen replied that although engagement with community groups has begun, the project is not yet at a point of completion that lends itself to a presentation to these groups.

Director Miley commented, in follow up to the topic of container fees, that parties should be cautious about implementing anything that puts the Port at a competitive disadvantage, clarifying his support of container fees but only as something that is imposed at all of the ports in the nation. Director Miley mentioned the looming possibility of the Panama Canal as a viable alternative to West Coast ports after its widening is complete.

Public Comments: None.

Board action: None; informational only.

PUBLIC COMMENT ON NON-AGENDA MATTERS

None.

BOARD MEMBERS' COMMENTS

Director Bates, in reference to the public comment from Mr. Friberg, requested that District staff investigate the viability of creating a financial hardship exemption to the wood smoke rule despite the functional dangers and difficulties of establishing something of this nature. Chairperson Gioia seconded the request. Mr. Broadbent expressed staff's familiarity with the issue, the extremely difficult nature of establishing something along these lines, and warned that the timeline for this project will be very long in light of these challenges. Chairperson Gioia and Mr. Broadbent discussed the existence of and applicability of precedents established by utilities in this area and the collaboration with the US Environmental Protection Agency that will be required in order for the District to establish an exemption of this nature.

OTHER BUSINESS

8. **Report of the Executive Officer/APCO:** Mr. Broadbent mentioned the success of the recent retreat with the representatives of the Bay Area Environmental Health Collaborative and that further briefings will be presented to the Board as the relationship develops over the course of future meetings.
9. **Chairperson's Report:** None.

10. **Time and Place of Next Meeting:** Wednesday, March 7, 2012, at 9:30 a.m., at the Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109.
11. **Adjournment:** The Board of Directors meeting adjourned at 10:48 a.m.

/s/ Sean Gallagher

Sean Gallagher
Clerk of the Boards