

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

Board of Directors Regular Meeting
November 7, 2012

APPROVED MINUTES

CALL TO ORDER

Chairperson John Gioia called the meeting to order at 9:49 a.m.

ROLL CALL

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

Absent: Directors Susan Garner, Susan Gorin, Jennifer Hosterman, Edwin M. Lee and Eric Mar.

PLEDGE OF ALLEGIANCE

Directors Avalos and Ross led the Pledge of Allegiance.

NOTED PRESENT: Director Zane was noted present at 9:51 a.m.

OPENING COMMENTS: None.

PUBLIC COMMENT ON NON-AGENDA MATTERS:

Greg Karras, Senior Scientist, Communities for a Better Environment (CBE), addressed the Board regarding Air District involvement in the reconstruction of the Chevron refinery crude unit in Richmond after the incident on August 6, 2012.

Ina Gottlieb, Families for Clean Air, addressed the Board regarding Air District improvement of the residential wood smoke program.

NOTED PRESENT: Director Kniss was noted present at 9:56 a.m.

CONSENT CALENDAR (ITEMS 1 – 4)

- 1. Minutes of the Board of Directors Regular Meeting of October 17, 2012;**
- 2. Board Communications Received from October 17, 2012, through November 6, 2012;**
- 3. Air District Personnel on Out-of-State Business Travel; and**
- 4. Quarterly Report of California Air Resources Board (CARB) Representative – Honorable Ken Yeager.**

Board Comments: Director Hudson requested a full copy of the CARB report as pages are missing from the copy he received.

Public Comments: None.

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

COMMITTEE REPORTS AND RECOMMENDATIONS

- 5. Report of the Executive Committee Meeting of October 22, 2012**
Chairperson J. Gioia

The Committee met on Monday, October 22, 2012, and upon establishing a quorum, approved the minutes of March 19, 2012, and July 11, 2012.

The Committee received from Thomas M. Dailey, M.D., Chairperson of the Hearing Board, the Quarterly Reports of the Hearing Board for January through March 2012 and April through June 2012, including summaries of the cases and fees collected.

The Committee received from Stan Hayes, Chairperson of the Advisory Council, the Report of the Advisory Council: January through October 2012, including background on the composition and mission of the Council and a summary of recent meetings.

The Committee received the staff presentation Particulate Matter Planning, including an overview of particulate matter and its health effects; an analysis of the sources, control measures and trends in particulate matter within the Bay Area; a review of the air quality planning requirements of CARB and U.S. Environmental Protection Agency (EPA) and the Air District's plans for compliance with the national standard for particulate matter; a review of the New Source Review (NSR) Rule Amendments as they apply to particulate matter; and next steps.

The Committee received the staff presentation Senate Bill 1339 – Commute Benefits Legislation, including overviews of the provisions of the bill and staff plans regarding outreach and implementation.

The Committee meeting on Monday, November 19, 2012, is canceled.

Board Comments: None.

Public Comments: None.

Board Action: Chairperson Gioia made a motion to approve the report of the Executive Committee; Director Wagenknecht seconded; and the motion was unanimously approved without objection.

6. Report of the Budget and Finance Committee Meeting of October 24, 2012
Chairperson C. Groom

The Committee met on Wednesday, October 24, 2012, and approved the minutes of April 25, 2012.

The Committee received the First Quarter Financial Report – Fiscal Year (FY) 2012-13. The Committee reviewed the General Fund revenues and expenses, Air District investments, fund balances and vendor payments in excess of \$70,000 without Board review.

The Committee reviewed the Air District Financial Status, including the ongoing challenge in financial trends, the multi-year response by the Air District, miscellaneous events in fiscal year end (FYE) 2012 and an updated projection of the reserve fund. The Committee discussed mid-year budget adjustments and recommends that the Board increase the FYE 2013 contribution to Other Post-Employment Benefits (OPEB) from \$1,000,000 to \$2,000,000. The recommendation is based on unaudited FYE 2012 reserves that exceed those projected in the 2010 multi-year plan, and on the fact that recent FYs have included \$2,000,000 contributions to OPEB.

The Committee received the staff report California Air Monitoring Network Assessment, which included potential gaps and/or duplicative monitoring efforts under the Primary Quality Assurance Organizations approach. The Committee recommends that the Board amend the FYE 2013 budget to recognize a \$200,000 EPA Grant and award a \$200,000 contract to Providence Engineering and Environmental Group to perform an assessment of the air monitoring network throughout California.

The Committee received the staff report Amend Air Monitoring Section's Budget to Allow for Development of Two New Air Monitoring Stations Near Bay Area Roadways and discussed the recently revised EPA regulations as well as the number and location of air monitoring sites required. The Committee directed staff to prioritize additional monitoring in the Tri-Valley region and near the City of Richmond, taking note that EPA approval of sites is required if EPA grant funds are used. The Committee recommends that the Board amend the FYE 2013 budget to increase the Air Monitoring budget, under Program 802, by a total of \$367,744 in response to an EPA grant of \$400,000 to develop air monitoring sites near Bay Area freeways.

The next meeting of the Committee is Wednesday, December 26, 2012, at 9:30 a.m.

Board Comments: None.

Public Comments: None.

Board Action: Director Groom made a motion to approve the report and recommendations of the Budget and Finance Committee; Director Hudson seconded; and the motion was unanimously approved without objection.

7. Report of the Mobile Committee Meeting of October 25, 2012

Chairperson S. Haggerty

The Committee met on Thursday, October 25, 2012, and approved the minutes of September 27, 2012.

The Committee reviewed Projects with Proposed Grant Awards Over \$100,000 and recommends Board approval of two projects that will replace four pieces of marine equipment operating in the Oakland area and authorization for the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for those projects.

The Committee then received an update on Grant Funding, including overviews of proposed funding from the EPA – National Clean Diesel Program and California Energy Commission (CEC) Alternative – Renewable Fuels and Vehicle Technologies Program. The Committee recommends that the Board adopt a resolution to authorize the Executive Officer/APCO to accept up to \$5.7 million in grant funding by entering into one contract with the EPA and one contract with the CEC on behalf of the Air District and authorization for the Executive Officer/APCO to execute all necessary contracts to expend this funding.

The Committee also considered approval of Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies for FYE 2014 and recommends that the Board approve proposed TFCA County Program Manager Fund Policies to govern allocation of FYE 2014 County Program Manager funds.

The next meeting of the Committee is on Monday, December 3, 2012, at 9:30 a.m.

Board Comments: None.

NOTED PRESENT: Director Bates was noted present at 10:04 a.m.

Public Comments: None.

Board Action: Director Haggerty made a motion to approve the report and recommendations of the Mobile Source Committee; Director Piepho seconded; and the motion was unanimously approved without objection.

8. Report of the Public Outreach Committee Meeting of October 31, 2012

Chairperson M. Ross

The Committee met on Wednesday, October 31, 2012, and approved the minutes of July 19, 2012.

The Committee received the staff summary of 2012 Spare the Air Every Day Season, including reviews of the campaign, community events, media outreach and social media utilization, the employer program, Spare the Air resource teams, and campaign results.

The Committee received the staff overview of 2012-2013 Winter Spare the Air Campaign, including plans for outreach, advertising, media outreach, social media, alert notifications and local government outreach. The Committee also received flash drives with copies of outreach materials to distribute in their communities. The Board has at their places flash drives with Winter Spare the Air materials on them for distribution.

The Committee received the staff update of the Public Participation Plan, including background, an overview of the project phases through April 2013, the proposed workshop strategy, and plans for outreach and engagement. Michael Kent, Hazardous Materials Ombudsman, Contra Costa County, addressed the Committee regarding his role within the County and relative to County residents.

The Committee received the staff update of the Website Assessment, including project background and summary, assessment findings, preliminary recommendations, and next steps. This project is ongoing and a request for proposals will be issued for the next phase of the project.

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

Board Comments: None.

Public Comments: None.

Board Action: Director Ross made a motion to approve the report of the Public Outreach Committee; Director Avalos seconded; and the motion was unanimously approved without objection.

PRESENTATION

9. Particulate Matter (PM) Report and Summary of PM Planning Requirements

Jean Roggenkamp, Deputy APCO, introduced the topic and David Burch, Principle Environmental Planner of Planning, Rules & Research, who gave the staff presentation PM Planning, which included background, health effects, analysis, sources, control program, trends, state implementation plan requirements, emission inventory, NSR rule amendments and next steps.

Director Zane asked, regarding Slide 4, PM Health Effects, whether the premature mortality information is included in the District's outreach efforts and discussed the importance of the same with Ms. Roggenkamp.

Mr. Burch continued the staff presentation.

Director Piepho noted, regarding slide 6, Sources of Fine PM, that the percentages in the pie chart differ from those listed in the public outreach material. Ms. Roggenkamp explained that the pie chart includes both primary and secondary contributions while the public outreach material only addresses primary. The Board and Ms. Roggenkamp discussed the importance of generating consistent material that does not further complicate an already difficult concept and the desire to balance that with generating material that accurately speaks to the need to address both contributions.

Director Rice asked, regarding slide 6, Sources of Fine PM, if the information in the pie chart is consistent for each region within the Bay Area and suggested it differs so the public outreach material be tailored accordingly. Ms. Roggenkamp responded that the pie chart is region wide. Chairperson Gioia and Directors Ross and Zane agreed that information tailored to each region would be valuable.

Director Kniss asked, regarding slide 6, Sources of Fine PM, whether pollen was taken into account as a PM contributor. Ms. Roggenkamp responded that pollen may occasionally be captured as PM. Director Kniss and Ms. Roggenkamp discussed current and potential District recommendations regarding tree planting.

Director Bates suggested, regarding slide 6, Sources of Fine PM, that multiple strategies are needed and asked if staff might come back with some proposals. Ms. Roggenkamp agreed and said they would be a part of the next Clean Air Plan.

Mr. Burch continued the staff presentation.

Mr. Burch noted, regarding slide 9, Trends in PM_{2.5} Concentrations, the uneven downward trend is attributed to variations in meteorological conditions from year to year.

Director Zane asked, regarding slide 10, Bay Area status: 24-hr PM_{2.5} std, if there is no data prior to 2006. Mr. Burch said it exists but was excluded from slide 10 since it pre-dates the current standard.

Mr. Burch concluded the staff presentation.

Board Comments:

Director Kniss noted the PM Report, page 48, regarding climate change and asked what the Air District is doing to deal with the issue. Mr. Burch responded that the relationship between climate change and PM_{2.5} is a complicated one, as some PM_{2.5} appears to have cooling properties while others do not, and the studies continue. Director Kniss requested information regarding Mr. Broadbent's upcoming presentation at the District sponsored EPA District 9 symposium about black carbon and its impact on climate.

Director Wagenknecht expressed his appreciation for being technically in attainment with the PM_{2.5} requirements and the direction taken by staff.

Chairperson Gioia noted the work of the Advisory Council of the Air District.

Public Comments: None.

Board Action: None; informational only.

PUBLIC HEARINGS

10. Public Hearing to Consider Adoption of Proposed Amendments to Air District New Source Review (NSR) and Title V Permitting Regulations (Regulation 2, Rules 1, 2, 4 and 6) and Adoption of a California Environmental Quality Act (CEQA) Environmental Impact Report (EIR)

Mr. Broadbent introduced Alexander Crockett, Assistant Counsel of Counsel's Office, who gave the staff presentation Updates to BAAQMD New Source Review and Title V Permitting Programs, Proposed Amendments to Regulation 2 - Rules 1, 2, 4, and 6, including a summary of existing permitting programs, regulatory developments, proposed amendments, public outreach and significant input, EIR, proposed effective date and proposed resolution.

Director Zane asked, regarding slide 10, Recent Regulatory Developments, what is meant by the EPA having historically never been able to approve the Air District's Prevention of Significant Deterioration provisions. Mr. Crockett responded that he has been unable to determine why but it has almost uniformly been the case for most of the air districts for decades and it is now clear that it must be addressed so there is one District regulation, as approved by the EPA.

Mr. Crockett concluded the staff presentation with the exception of slides 14 through 18, inclusive, and 20, to be presented at the continued public hearing.

Chairperson Gioia opened the public hearing.

Board Comments: None.

Public Comments:

Roger Lin, Staff Attorney, CBE, addressed the Board requesting clarification regarding the inclusion of secondary pollutants in the best available control technology (BACT) regulatory program and to request Air District oversight of the Richmond crude unit rebuild by Chevron.

Guy Bjerke, Manager, Bay Area Region & State Safety Issues, Western States Petroleum Association, addressed the Board to request the Air District avoid establishing a second definition of "modification" that differs from that established by the EPA and that the NAAQS protection requirement be removed, as it is unnecessary in light of federal requirements.

Bill Quinn, Vice President, California Council for Environmental and Economic Balance, addressed the Board to echo the comments of Mr. Bjerke.

Mark Strehlow, Air Program Manager, Pacific Gas and Electric Company, addressed the Board to echo the comments of Mr. Bjerke and Mr. Quinn in regards to the request to remove the NAAQS protection requirement.

Susan Gustofson, Staff Environmental Engineer, Valero Refining Company, addressed the Board to suggest that staff invited but often disregarded comments from the regulated community in formulating today's proposal and requested further discussion of issues that have arisen.

Mr. Broadbent said secondary emissions will be included in the BACT regulatory program and staff need to discuss the same with CBE; an update on the Richmond crude unit rebuild process will be presented at the Board meeting on November 19, 2012; staff hopes to resolve the two “modifications” definition issue with the EPA before the next public hearing; and comments regarding the NAAQS modeling requirement are noted as staff continue to work on the proposal before the continued public hearing.

Chairperson Gioia continued the public hearing to December 5, 2012 (Note: now scheduled for December 19, 2012).

Director Piepho urged staff to find a long-term solution to this complex issue, having successfully addressed so many issues already, even if postponing the process is required to do so.

Chairperson Gioia noted staff’s hard work on the matter and said that there are times when issues arise at the intersection of the Air District’s role in protecting the public health and the interests of industry.

Mr. Broadbent stated that some outstanding issues can be narrowed further before the matter comes back before the Board.

Don Cuffel, Environmental Engineering Manager, Valero Energy Corporation, addressed the Board regarding unintended implications of this regulation that is used by the regulated community to make determinations about potential projects and asked the Board to be mindful of whether the proposal streamlines the process or adds uncertainty and asked for careful consideration of the PSD limits issue.

Board Action: None; informational only.

11. Public Hearing to Consider Adoption of Fine Particulate Matter (PM_{2.5}) Emissions Inventory

Mr. Broadbent waived the staff presentation PM_{2.5} Emissions Inventory.

Chairperson Gioia opened the public hearing.

Board Comments: None.

Public Comments: None.

Chairperson Gioia closed the public hearing.

Board Action: Director Haggerty made a motion, seconded by Director Ross and carried unanimously without objection to adopt the staff recommended emissions inventory for fine particulate matter and authorize staff to transmit the inventory to CARB.

PUBLIC COMMENT ON NON-AGENDA MATTERS: None.

BOARD MEMBERS' COMMENTS: None.

OTHER BUSINESS

12. Report of the Executive Officer/APCO:

Mr. Broadbent presented an update on the Winter PM_{2.5} Season; announced a Special Meeting of the Board on November 19, 2012; reported that progress is being made on the Air District office at 390 Main Street and the Board will receive a status report at its meeting on December 5, 2012; announced that the last Board meeting of the year will be on December 19, 2012; and said the 2013 Board retreat will likely be held in Santa Clara County.

13. Chairperson's Report:

Chairperson Gioia announced the reappointment of Director Groom to the Board by the San Mateo County Board of Supervisors and that a Special Meeting of the Board will be held on November 19, 2012.

Mr. Broadbent announced the appointment of Wayne Kino to the position Director of Compliance & Enforcement.

14. Time and Place of Next Meeting: Monday, November 19, 2012, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

15. Adjournment: The Board of Directors meeting adjourned at 11:49 a.m.

15/ Sean Gallagher

Sean Gallagher
Clerk of the Boards