

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, February 6, 2013

APPROVED MINUTES

CALL TO ORDER

Chairperson Ash Kalra called the meeting to order at 9:51 a.m.

OPENING COMMENTS: None.

ROLL CALL

Present: Chairperson Ash Kalra; and Directors Susan Adams, John Avalos, Tom Bates, John Gioia, Scott Haggerty, David E. Hudson, Carol L. Klatt, Liz Kniss, Eric Mar, Mark Ross, Tim Sbranti, Jim Spering, Brad Wagenknecht, Ken Yeager and Shirlee Zane.

Absent: Vice Chairperson Nate Miley; Secretary Carole Groom; and Directors Susan Gorin, Edwin M. Lee and Mary Piepho.

PLEDGE OF ALLEGIANCE

Chairperson Kalra led the Pledge of Allegiance.

PUBLIC COMMENT ON NON-AGENDA MATTERS: None.

CONSENT CALENDAR (ITEMS 1 – 7)

1. **Minutes of the Board of Directors Special Meeting and Retreat of January 16, 2013;**
2. **Board Communications Received from January 16, 2013, through February 5, 2013;**
3. **Quarterly Report of the California Air Resources Board (ARB) Representative – Honorable Ken Yeager;**
4. **Air District Personnel on Out-of-State Business Travel;**
5. **Notification of Fiscal Year (FY) 2013 Budget Account Transfer**
6. **New Information Technology Officer Job Classification and Salary; and**
7. **Extension of Contracts for Security Services.**

Board Comments:

Agenda Items #2, Board Communications Received from January 16, 2013, through February 5, 2013, and #3, Quarterly Report of the ARB Representative – Honorable Ken Yeager, were removed from the consent calendar for individual consideration.

Public Comments: None.

Board Action: Director Haggerty made a motion to approve Consent Calendar Items 1, 4, 5, 6 and 7; Director Hudson seconded; and the motion was unanimously approved without objection.

2. Board Communications Received from January 16, 2013, through February 5, 2013

Public Comments:

Michael Stocker, Seven Circles Foundation, addressed the Board regarding an exemption from the wood smoke rule on religious grounds.

Alan Jones, Seven Circles Foundation, addressed the Board regarding an exemption from the wood smoke rule on religious grounds.

Board Comments:

Director Gioia asked about the current exemptions offered, which questions were answered by Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO).

Board Action: Member Wagenknecht made a motion to approve Board Communications received; Director Kniss seconded; and the motion was unanimously approved without objection.

3. Quarterly Report of the ARB Representative – Honorable Ken Yeager

Board Comments:

Director Yeager delivered the Quarterly Report to the Board and announced his resignation from the ARB.

Mr. Broadbent briefly explained the successor appointment process.

Public Comments: None.

Board Action: Member Yeager made a motion to approve the Quarterly Report; Director Kniss seconded; and the motion was unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

8. Report of the Budget and Finance Committee Meeting of January 23, 2013
Committee Chairperson Groom (read by Board Chairperson Kalra)

The Committee met on Wednesday, January 23, 2013, and postponed approval of the minutes of October 24, 2012, for lack of a quorum.

The Committee received the Air District Financial Audit Report for Fiscal Year Ending (FYE) 2012. The Committee first reviewed the Financial Audit Report of the Air District's Financial Statements for the FYE 2012, an unqualified report with no reportable conditions, then the Financial Audit Report of the OMB Circular A-133, a report opining the Air District complied in all material respects, and finally the Transportation Fund for Clean Air (TFCA) Compliance Report for the FYE 2012, a report that did not identify any deficiencies in internal controls.

The Committee received the Second Quarter Financial Report –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 of Directors review.

The Committee received the Air District Financial Overview, including a review of the status of the current FY, a discussion of the strategies employed during the FYE 2013 budget cycle, and a review of the implications for the upcoming FYE 2014 budget process.

The Committee received the staff report Update on the Joint Regional Agency Co-location at 390 Main Street, including an update on the status of the acquisition focused on the status of costs and financing for the Air District's portion of the building.

The next meeting of the Committee is Wednesday, February 27, 2013, at 9:30 a.m.

Jeff McKay, Deputy APCO (DAPCO), gave the staff presentation Financing Draft Term Sheet.

Board Comments:

Director Hudson stated that interest rates are an important consideration in deciding how best to proceed with the building acquisition.

Public Comments: None.

Board Action: Chairperson Kalra made a motion to approve the report of the Budget and Finance Committee and Director Hudson seconded.

Director Zane asked if Directors may attend Budget & Finance Committee meetings remotely, which questions were answered by Chairperson Kalra and Mr. Broadbent.

The motion was unanimously approved without objection.

9. Report of the Mobile Source Committee Meeting of January 24, 2013
Committee Chairperson Haggerty

The Committee met on Thursday, January 24, 2013, and approved the minutes of December 3, 2012.

The Committee then reviewed projects with proposed grant awards over \$100,000 and recommends Board approval of five projects (12R12, 13, 14, 15 and 16), and authorization for the Executive

Officer/APCO to enter into agreements for those projects. Additionally, the Committee requested that staff re-examine a number of the applications submitted for this program and will consider recommendations on additional shuttle project allocations at its next meeting.

The Committee then reviewed a request for Matching Funds for Carl Moyer Program (CMP) Year 15 and the United States Department of Energy (DOE) Alternative Fuels Project and recommends the Board:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the ARB relating to the Air District's receipt of CMP funds for FY 2012-2013;
2. Allocate \$5 million in Mobile Source Incentive Funding to provide the required match funding and additional monies for projects eligible for funding under the CMP; and
3. Adopt a resolution authorizing the Executive Officer/APCO to allocate \$100,000 in TFCA monies to provide required match funding for a \$1 million DOE Alternative Fuels Project.

The Committee also reviewed the proposed selection of a Lawn Mower Replacement Program Contractor and recommends the Board:

1. Approve the selection of Black & Decker, a contractor to assist the Air District in the implementation of a lawn mower replacement program under a grant from the ARB; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with Black & Decker to implement the program funded by the ARB not to exceed \$364,050.

The Committee also received an informational update on the Port Truck Program, including program overview and background, a summary of the current drayage truck population, a review of the Engine Model Year 2005/2006 Replacement Program and a cost effectiveness analysis of a possible engine repowers program.

The next meeting of the Committee is on Thursday, February 21, 2013, at 9:30 a.m.

Board Comments: None.

Public Comments: None.

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

CLOSED SESSION

The Board adjourned to Closed Session at 10:21 a.m.

NOTED PRESENT: Director Mar was noted present at 10:22 a.m.

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

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

California Building Industry Association v. Bay Area AQMD, Alameda County Superior Court, Case No. RG-10548693; California Court of Appeal, First Appellate District, Case No. A135335.

Lehigh Southwest Cement Company v. Bay Area AQMD, Santa Clara County Superior Court, Case No. 112CV236602.

OPEN SESSION

The Board resumed Open Session at 10:35 a.m. with no reportable action.

PUBLIC COMMENT ON NON-AGENDA MATTERS: None.

BOARD MEMBERS' COMMENTS: None.

OTHER BUSINESS

11. Report of the Executive Officer/APCO:

Mr. Broadbent announced the appointments of Jaime Williams to the position of Information Technology Officer and Kim Karas to the position of Director of Engineering and the resignation of Jennifer Cooper from the position of Manager, Executive Operations; presented an update on the Winter PM_{2.5} Season; and recommended cancellation of the Board meeting on February 20, 2013.

Director Hudson asked about the Spare the Air Alert and exceedence on January 23, 2013, which questions were answered by Mr. Broadbent and Jean Roggenkamp, DAPCO.

Director Haggerty suggested targeted placement of advertisements commending the public for their participation in Spare the Air Alerts and providing statistics relative to the number of people helped by that participation.

Director Zane echoed Director Haggerty's suggestion and recommended a story in the Press Democrat with a first-person focus.

12. Chairperson's Report:

Chairperson Kalra welcomed Director Sbranti and invited volunteers for the remaining vacancies on various Committees.

Director Sbranti made introductory remarks.

Mr. Broadbent announced the appointment of Ana Sandoval to the position of Manager, Executive Operations and summarized the ARB appointment process.

The Board discussed the time commitments relative to ARB service and the appointment process.

13. Time and Place of Next Meeting:

Chairperson Kalra canceled the Board meeting on February 20, 2013, and announced the next meeting on Wednesday, March 6, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

14. Adjournment: The Board meeting adjourned at 10:54 a.m.

15/ Sean Gallagher

Sean Gallagher
Clerk of the Boards