

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

Board of Directors Special Meeting
Wednesday, July 29, 2015

APPROVED MINUTES

Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>.

1. **CALL TO ORDER:** Chairperson Carole Groom called the meeting to order at 10:04 a.m.

Opening Comments: Chairperson Groom announced a reordering of the agenda.

Roll Call:

Present: Chairperson Carole Groom; Vice-Chairperson Eric Mar; and Directors John Avalos, Teresa Barrett, David J. Canepa, Cindy Chavez, John Gioia, David Hudson, Roger Kim (on behalf of Edwin Lee), Nate Miley, Karen Mitchoff, Jan Pepper, Katie Rice, Mark Ross, Rod Sinks, Jim Spring and Shirlee Zane.

Absent: Secretary Liz Kniss; and Directors Tom Bates, Margaret Fujioka, Scott Haggerty and Brad Wagenknecht.

Pledge of Allegiance: Chairperson Groom led the Pledge of Allegiance.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Bill Almon, Quarry No, submitted untitled written material and addressed the Board of Directors (Board) regarding what he perceived to be the misleading nature of the compliance reports relative to the Lehigh Southwest Cement facility in Cupertino (Lehigh) and to opine that Lehigh is not operating properly.

Chairperson Groom asked staff to prepare a written report for the Board and public in response to the comments from Mr. Almon.

Director Mitchoff and staff also discussed whether and how Lehigh would be contacted by Air District staff.

Guy Bjerke, Western States Petroleum Association (WSPA), addressed the Board regarding the numerous refinery rulemakings in progress and to suggest that specific stakeholders be granted additional time for public comment on rulemaking items being considered by the Board.

The Board discussed the request from Mr. Bjerke and past practice relative to the same.

NOTED PRESENT: Directors Chavez and Pepper were noted present at 10:10 a.m.

CONSENT CALENDAR (ITEMS 3 – 8) [OUT OF ORDER AGENDA ITEMS 4 – 9]

- 3. Minutes of the Board Regular Meeting of June 3, 2015;**
- 4. Board Communications Received from June 3, 2015 through July 28, 2015;**
- 5. Air District Personnel on Out-of-State Business Travel;**
- 6. Notice of Violations Issued and Settlements in Excess of \$10,000 in the Month of June 2015;**
- 7. Consider Approving a Resolution Establishing Employment Rights and Privileges of Incumbents in Former Management Classes; and**
- 8. Increase Agency Oasis Contract by \$100,000 for Website Upgrades.**

Board Comments: None.

Public Comments: No requests received.

Board Action:

Director Hudson made a motion, seconded by Director Zane, to approve Consent Calendar Items 3 through 8, inclusive; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Hudson, Kim, Mar, Mitchoff, Pepper, Rice, Ross, Sinks, Sperring and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Fujioka, Haggerty, Kniss, Miley and Wagenknecht.

COMMITTEE REPORTS

- 9. Report of the Public Engagement Committee (PEC) Meeting of June 4, 2015 [Agenda Item 10]**

PEC Chairperson Ross read:

The PEC met on Thursday, June 4, 2015, and approved the minutes of March 5, 2015.

The PEC received and discussed the staff presentation *Spare the Air 2015 Creative Elements*, including campaign highlights, video examples of television ads, multilingual advertising examples, media relations and social media information, employer outreach, and next steps.

The PEC then received and discussed the staff presentation *Community Engagement Office Update*, including an office overview, manager responsibilities, Public Participation Plan update, and recent and upcoming activities.

The PEC then received and discussed the staff presentation *Approval of Contract for Graphic Design*, including background, overview of request for qualifications proposals, summary of evaluation process, and staff recommendation. The PEC recommends the Board authorize the Executive Officer/Air Pollution Control Officer (APCO) to execute one-year contracts with both Envall Design and Firedrill for a combined total amount not to exceed \$125,000 for graphic design.

The PEC then received and discussed the staff presentation *Bike to Work Day Outreach*, including overview, outreach, social media and survey results.

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

Board Comments: None.

Public Comments: No requests received.

Board Action:

Director Ross made a motion, seconded by Director Avalos, to approve the recommendation of the PEC; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Hudson, Kim, Mar, Mitchoff, Pepper, Rice, Ross, Sinks, Spring and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Fujioka, Haggerty, Kniss, Miley and Wagenknecht.

10. Report of the Personnel Committee (PC) Meeting of June 11, 2015 [Agenda Item 11]

PC Vice-Chairperson Hudson read:

The PC met on Thursday, June 11, 2015, and approved the minutes of May 18, 2015.

The PC received and discussed the staff presentation *Conduct Interviews and Consider Recommending Appointment to the Hearing Board (HB)*, including background; current members; and recruitment overview, followed by interviews and PC discussion. The PC recommends Board approval of the appointments of Valerie Armento to the principal attorney member position and James Ralph to the alternate attorney member position, both for three-year terms effective immediately.

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

Board Comments: None.

Public Comments: No requests received.

Board Action:

Director Hudson made a motion, seconded by Director Rice, to approve the recommendation of the PC; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Hudson, Kim, Mar, Mitchoff, Pepper, Rice, Ross, Sinks, Sperring and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Fujioka, Haggerty, Kniss, Miley and Wagenknecht.

11. Report of the Executive Committee (EC) Meeting of June 15, 2015 [Agenda Item 12]

Chairperson Groom read:

The EC met on Monday, June 15, 2015, and postponed approval of the minutes of March 16, 2015 due to lack of quorum.

The EC received the Quarterly Report of the HB for January through March 2015, including summaries of the cases and fees collected, from Terry Trumbull, Esq., Chairperson of the HB.

The EC then received and discussed the presentation *Bay Area Regional Collaborative Update* by Allison Brooks, Executive Director of the Regional Collaborative, including a report of key activities, such as completion of an organizational plan and milestones relative to implementation of a work plan, and a summary of opportunity areas.

The EC then received and discussed the staff presentation *Update on Super Bowl 50 Activities*, including the introduction of Neill Duffy, Sustainability Coordinator of the Super Bowl 50 Host Committee; joint initiatives; and next steps. The EC also received and discussed the presentation *San Francisco Bay Area* by Mr. Duffy, including Super Bowl 50 Host Committee goals; statistics; event sponsors; Host Advisory Committee membership; an overview of The 50 Fund; and a summary of sustainability efforts.

The EC then received and discussed the staff presentation *My Air Online Permitting and Compliance System Update*, including summaries of systems support and status; statistics relative to facilities, permit applications and renewals, inspections, online complaints, permit renewal and application revenue; an overview of accomplishments in 2015, including self-service permitting for small businesses, online payments, online air quality complaints, and software architecture simplification; a summary of current activities, including migration of online registration applications and asbestos job requests to the new system; next steps; and future goals.

The EC then received and discussed the staff presentation *My Air Online Website Update*, including project goals; new responsive visual design; improved navigation and consolidated content; new calendar and event management; improved search and

language support; air quality forecasting; maps of permitted facilities, air monitoring, open burn and impacted communities; online services integration; a summary of the process up to this point; and next steps.

The EC then received and discussed the staff presentation *Update on Fleet Parking Solutions*, including an introduction of Tom Christian, Executive Managing Director of DTZ; an overview of Air District fleet and current parking; parking available at 375 Beale Street; parking solutions; and next steps. The EC also received and discussed the presentation *Bay Area Air Quality Management Commercial Real Estate Brokerage and Advisory Services* by Mr. Christian, including a summary of the objective, challenges, choices and purchase examples relative to Air District parking at 375 Beale Street.

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

Board Comments:

Jack Broadbent, Executive Officer/APCO, reported that staff is working with the Metropolitan Transportation Commission on fleet parking solutions and expects to have update in September.

Public Comments: No requests received.

Board Action: None; receive and file.

12. Report of the Mobile Source Committee (MSC) Meeting of July 2, 2015

MSC Vice-Chairperson Pepper read:

The MSC met on Thursday, July 2, 2015, and approved the minutes of April 23, 2015.

The MSC then reviewed and discussed *Projects with Proposed Awards Over \$100,000*, and recommends the Board:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000 as shown in Attachment 1 to the Committee staff report; and
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended projects.

The MSC then reviewed and discussed an informational staff presentation on \$500,000 in *Reformulated Gasoline Open Grants Program funding* awarded to the *Bay Area Clean Air Foundation* to augment the Transportation Fund for Clean Air (TFCA) Electric Vehicle (EV) *Charge!* Program.

The MSC then reviewed and discussed the staff presentation on a proposed funding allocation for the *Caltrain Electrification Project*. As part of this item, Casey Fromson, Government Affairs Officer for Caltrain, gave a portion of the presentation which

included: an overview of Caltrain's current operations; regional transportation needs; the Caltrain modernization program; Peninsula Corridor Electrification Project description; key regional and service benefits; project costs and schedule; and project partnerships and collaborations. The MSC recommends the Board:

1. Allocate \$20 million in Mobile Source Incentive Fund (MSIF) funds to the Peninsula Corridor Joint Powers Board for the Caltrain Electrification Project via a funding plan between 2015 and 2020. The funding plan will be returned annually for Board approval and will allot approximately \$4 million in MSIF funding to the project each year; and
2. Authorize the Executive Officer/APCO to enter into the necessary agreements for the project.

Finally, the MSC reviewed and discussed the staff presentation *TFCA Regional Fund Policies, Policy Waiver Request, and Hydrogen Station Funding Allocation*. The presentation included proposed revisions to the Fiscal Year Ending (FYE) 2016 TFCA Regional Fund Policies; a waiver request for San Francisco Municipal Transportation Agency's (SFMTA) bike locker project; and consideration of a funding allocation for hydrogen station projects. The MSC recommends the Board:

1. Approve the proposed FYE 2016 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A to the MSC staff report;
2. Approve a request from the SFMTA for a waiver to FYE 2014 TFCA Regional Fund Policies for project #14R22; and
3. Allocate \$500,000 from prior year TFCA funds for hydrogen stations in FYE 2016.

The next meeting of the MSC is on Thursday, September 24, 2015, at 9:30 a.m.

Board Action:

Director Pepper made a motion, seconded by Director Hudson, to approve the recommendations of the MSC.

Public Comments:

Marian Lee, Caltrain, addressed the Board in appreciation of Air District support.

Board Comments:

The Board and staff discussed the detailed opposition of the San Francisco County Transportation Authority to specific provisions of the proposed TFCA Regional Fund Policies and an Air District staff commitment to continue the dialogue regarding refinement of the policies in the future.

Board Action (continued):

The motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Hudson, Kim, Mar, Miley, Mitchoff, Pepper, Rice, Ross, Sinks, Spering and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Fujioka, Haggerty, Kniss and Wagenknecht.

PRESENTATION

13. Air District Climate Protection Program Update

Mr. Broadbent introduced the topic and Henry Hilken, Director of the Planning and Climate Protection Division, who gave the staff presentation *Air District Climate Protection Program Update*, including how climate protection is vital to the Air District’s mission; goals and focus of the program; initial proposed climate rulemaking; major climate protection initiatives; support provided to local governments; outcomes and results; Bay Area greenhouse gas (GHG) emissions and forecasts; summary of the climate protection resolution and the 10-point climate action work program; climate staffing and resources; regional climate protection strategy; economic sector analysis; and the pathway to 2050.

The Board and staff discussed slide 5, *Initial Proposed Climate Rulemaking*, and whether charts exist that document the reduction opportunities available through the proposed rules.

Mr. Hilken concluded the presentation.

Board Comments:

The Board and staff discussed what growth assumption was built into the graphic on slide 13, *Bay Area GHG Forecasts*; the contribution of the transportation sector to GHG emissions; the change of Climate Protection Committee chairperson and vice-chairperson; the helpfulness of relating the proposed rules on slide 5, *Initial Proposed Climate Rulemaking*, to the tables provided on slide 12, *Bay Area GHG Emissions*, and, ideally, also showing the expected impact of each proposed rule; clarification of the assumptions included and possible adjustments made on slide 13, *Bay Area GHG Forecasts*, based on other measures being contemplated; strategies in need of development in order to support the contemplated measures; clarification that slide 5, *Initial Proposed Climate Rulemaking*, includes some State measures that the Air District will either have a role in or will to further improve; the importance of California’s role relative to the global community and as a driver of technology; how slide 12, *Bay Area GHG Emissions*, and slide 13, *Bay Area GHG Forecasts*, correlate and what the two charts mean for individual sectors; a recommendation to add footnotes to slide 13, *Bay Area GHG Forecasts*, to clarify its content; the value added of clearly stating or translating measurement scales that vary from one slide to another, such as slides 9 and 10, *Outcomes & Results*, compared to slide 12, *Bay Area GHG Emissions*; a desire for a greater understanding of the total contribution of transportation and the refining of transportation fuels; the omission of GHG emissions resulting from operations moving water supplies; a suggestion to invite community choice aggregation staff from

Marin and Sonoma to present to the Board; the current status of Property Assessed Clean Energy (PACE) programs in light of related federal litigation; the suggestion to develop a program in support of and incentivizing state-of-the-art landfill and compost facilities; the opinion that the current sharing of best practices between Board members could be improved; the establishment of a regional climate protection authority in Sonoma county; a suggestion that slide 13, *Bay Area GHG Forecasts*, be viewed as a call to action; a suggestion for careful consideration and identification of vulnerable communities when developing a regional climate protection strategy; the importance of identifying not only GHG reductions but also the co-benefits of each of the regulations listed on slide 19, *Initial Proposed Climate Rulemaking*; the existence of many outstanding issues relative to requiring new construction to be EV ready; the viability of including electricity generation as a provision of a regulation to further reduce methane from landfills; whether net zero buildings can be included in the rulemaking; whether a climate protection grant program exists currently; support for local governments needed in the form of data collection and inventories; and self-driving cars as an example of a potential private industry innovation to reduce GHG.

Public Comments:

Jackie Zaneri, Communities for a Better Environment (CBE), addressed the Board in support of addressing perceived issues with new source review standards.

Bill Quinn, California Council for Environmental and Economic Balance, addressed the Board to commit to working with staff on climate items; to urge caution relative to adding GHGs regulation to the program; and to request more information about the proposed “cap-and-trade backstop for refineries.”

Linda Craig, League of Women Voters Bay Area, addressed the Board in support of an 80% reduction in GHG emissions by 2050 and legislation that requires the same; to commend the staff presentation and Air District priorities; and to suggest measures, such as documenting, tracking and, where appropriate, addressing GHG emissions, to incorporate GHGs in Air District regulations and incentive programs, to facilitate coordination between other agencies but allow them to do their work, and to engage the community to encourage behavioral change.

Guy Bjerke, WSPA, addressed the Board to express concern that the Air District had not adequately developed an understanding of the air quality contributions, economic impacts and technological capabilities before initiating rulemaking.

Teresa Makarewicz, Shell Oil Company, addressed the Board in opposition to duplicative regulations; in support of the cap-and-trade program to lower GHG emissions; and in opposition to refinery-specific regulations relating to emissions levels.

Hillary Powell, Sierra Club, addressed the Board to recall a childhood in Los Angeles that was plagued with air quality issues that impacted daily life; to suggest the industry argument against regulation have not changed since that time; and in support of climate action by the Air District.

Claire Broome addressed the Board in support of the staff proposals; to suggest the need for refinery rulemaking seems obvious given their contribution to the total emissions; and to clarify that slide 13, *Bay Area GHG Forecasts*, does not actually suggest a downward trend is occurring.

Michael Kent, Contra Costa Health Services / Bay Area Regional Health Inequities Initiative, addressed the Board in support of the staff proposals; to urge for a focus on GHG impacts on vulnerable communities and achievable co-benefits; and to offer support and assistance to the Air District.

Michael Schmitz, ICLEI USA - Local Governments for Sustainability (formerly known as the International Council for Local Environmental Initiatives), addressed the Board in support of the proposals and to suggest the world is watching what the Air District does to find out what works in terms of reducing GHG.

Matthew Buell, Tesoro, addressed the Board to echo the comments of Mr. Quinn and to suggest that imposing a cap on refinery emissions will result in the fuels being refined elsewhere, where regulations are less strict, which will result in an increase global emissions.

Marie Walcek, California Nurses Association, addressed the Board to commend the staff presentation; to suggest that proposed rule 12-16 has not returned for Board discussion on the stated schedule; and in support of the creation of an immediate emissions cap for refineries.

Greg Karras, CBE, addressed the Board to suggest that climate models were recently updated to imply a far greater urgency for action than previous versions; in support of moving beyond petroleum fuels; and in support of Air District programs that assist with a just transition for workers and disadvantaged communities away from fossil fuel industry reliance to a sustainable energy economy in the Bay Area.

Steven Yang, Chevron, addressed the Board to suggest that climate change is a global issue that requires a global, not a regional, solution.

Laurie Mintzer, Chevron, addressed the Board to express a personal commitment to environmental stewardship; to opine that local refinery emissions caps may have unintended consequences that inhibit air quality improvement efforts; and in opposition to refinery emissions caps.

Ratha Lai, Sierra Club San Francisco Bay Chapter, addressed the Board to ask that environmental justice be a key component as the Air District moves forward with the proposals summarized today and to suggest that Air District policies are important both because of their local impact and as an eventual export product to other air quality regulators.

Charles Davidson, Sunflower Alliance, addressed the Board to suggest that GHG and particulate matter emissions levels have steadily increased in the Bay Area for the last 15 years and that proposed regulation to track changes in crude feed stocks is too late to have an impact; in support of including asphalt content in the reporting on crude feed stocks; and to request a hold or slowdown of dirty crude projects be imposed.

Jed Holtzman, 350 Bay Area, addressed the Board to note the passage of time between the adoption of the 10-Point Climate Action Work Plan and the presentation of the rules proposed today, and to propose the Air District establish a concrete timeline and commitment for each individual proposal.

Annemarie Donjacour, 350 San Francisco, addressed the Board to commend the Air District's acknowledgment of its authority to regulate GHGs and in support of emissions caps, solidifying the

regulatory development timeline, assisting with a transition away from fossil fuel industry jobs, and the establishment of community choice aggregation projects.

Mark Roest, 350 Bay Area / SeaWave Battery, addressed the Board in support of forcing out the fossil fuel industry by supporting local alternatives and imposing a ban on the export of refined goods.

Don Cuffel, Valero, addressed the Board to recall past industry efforts to respond to energy shortages that caused rolling brown outs and to implement low-sulfur diesel standards, both of which resulted in increased carbon emissions; to note the impacts the proposed regulations to limit the emissions would have on Valero, a responsible and compliant member of industry; and to ask the Board to consider the long view when contemplating proposed regulations.

Bill Almon, Quarry No, addressed the Board to suggest the Air District approved a 40% production increase at Lehigh while a comparable increase in another industry would not be tolerated without objection and to urge the Air District hold Lehigh accountable.

Board Comments (continued):

The Board and staff discussed the breath of the information provided; the importance of documenting the known co-benefits of regulatory proposals in the presentations; a request for a matrix detailing the proposals in terms of benefits, impacts and cost, as well as an analysis of Air District authority, and that of other agencies, relative to the sectors listed on slide 18, *Economic Sector Analysis*; encouragement of a discussion about the long-term, large-scale plan or goal relative to a regional focus on transportation, environment, industry, and meaningful change in disadvantaged communities instead of a continued focus on the global concept; commendable efforts by community groups to push the agenda to where it is today; and the number of rulemaking items with timelines that indicate “TBD [to be determined].”

Board Action: None; receive and file.

COMMENDATIONS / PROCLAMATIONS / AWARDS

- 14. The Board Will Recognize Employees Who Have Completed Milestones of Twenty-Five (25), Thirty (30) and Thirty-five (35) Years of Service with the Air District During this First Half of the Calendar Year [Agenda Item 3]**

Chairperson Groom postponed this agenda item in the interest of time.

- 15. PUBLIC COMMENT ON NON-AGENDA MATTERS:** No requests received.

- 16. BOARD MEMBERS’ COMMENTS:**

Directors Hudson and Ross reported out on their experiences at the Annual Air & Waste Management Association Conference, June 22, 2015 through June 25, 2015.

Director Sinks invited those who are interested to attend or watch the webcast of an alternative transportation forum being held by the City of Cupertino on Monday, August 3, 2015.

Director Rice reported that Marin County is working to expand the number of financiers offering PACE programs in their area.

Director Kim reported that he joined San Francisco Mayor Ed Lee on a recent trip to Vatican City and the City and County of San Francisco has committed to phasing out the use of fossil fuel diesel by the end of the year.

OTHER BUSINESS

17. Report of the Executive Officer/APCO:

Mr. Broadbent gave the staff presentation *Summary of Ozone Seasons*; reported the extensive staff work being done on proposed rules 12-15 and 12-16, said the draft rules will likely be released for review by the Stationary Source Committee in September 2015, and the Board a couple months thereafter; and reported that the proposed wood smoke rule with an incentive program will be agendized for discussion, not adoption, at the Board meeting on September 2, 2015.

18. Chairperson's Report:

Chairperson Groom thanked all of the meeting participants for their patience today and canceled all of the Board and committee meetings in August 2015.

19. Time and Place of Next Meeting

Wednesday, September 2, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

Director Mitchoff requested more advance notice of meeting cancellations in the future.

20. Adjournment: The Board meeting adjourned at 12:45 p.m.

/s/ Sean Gallagher

Sean Gallagher
Clerk of the Boards