

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, October 4, 2017

APPROVED MINUTES

*Note: Audio 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>*

CALL TO ORDER:

1. **Opening Comments:** Chairperson, Liz Kniss, called the meeting to order at 9:49 a.m.

Roll Call:

Present: Chairperson Liz Kniss; Vice Chairperson Dave Hudson; Secretary Katie Rice; and Directors Margaret Abe-Koga, David J. Canepa, Cindy Chavez, John Gioia, Carole Groom, Scott Haggerty, Tyrone Jue, Rebecca Kaplan, Nate Miley, Karen Mitchoff, Mark Ross, Rod Sinks, Jim Spering, and Brad Wagenknecht.

Absent: Directors Teresa Barrett, Pauline Russo Cutter, Doug Kim, Hillary Ronen, Pete Sanchez, Jeff Sheehy, and Shirlee Zane.

COMMITTEE REPORTS

2. **Report of the Climate Protection Committee Meeting of September 21, 2017 (OUT OF ORDER, ITEM 5)**

Climate Protection Committee Vice Chair Sinks read:

The Climate Protection Committee met on Thursday, September 21, 2017, and approved the minutes of July 20, 2017.

The Committee received and discussed the staff presentation Update on the Air District's Basin-Wide Methane Strategy.

Finally, the Committee received and discussed the staff presentation Climate Protection Grant Program.

The next meeting of the Committee will be held on Thursday, November 16, 2017, at 9:30 a.m., at 375 Beale Street, San Francisco, CA 94105.

This concludes the Chair report of the Climate Protection Committee.

NOTED PRESENT: Director Miley was noted present at 9:52 a.m.

Public Comments:

Public comments were made by Jed Holtzman of 350 Bay Area.

Board Comments:

None.

Board Action:

None; receive and file.

3. Report of the Public Engagement Committee Meeting of September 25, 2017 (ITEM 6)

Public Engagement Committee Vice Chair Kaplan read:

The Committee met on Monday, September 25, 2017 and approved the minutes of March 6, 2016.

The Committee reviewed and discussed the staff presentation Update on the Spare the Air Resource Teams Idle-Free Bay Area Campaign.

The Committee then reviewed and discussed the staff presentation Fiscal Year Ending 2018 James Cary Smith Community Grant Program Guidelines. The Committee recommends that the Board approves staff's recommendation of:

- 1. Approval of the Fiscal Year Ending 2018 Community Grant Program guidelines.*

The Committee then reviewed and discussed the staff presentation Summary of 2017 Spare the Air Season.

Lastly, the Committee reviewed and discussed the staff presentation Update on the 2017/2018 Winter Spare the Air Season Outreach Program.

The next meeting is at the call of the Chair. I move that the Board approve the Public Engagement Committee's recommendation. This concludes the Chair Report of the Public Engagement Committee.

NOTED PRESENT: Director Haggerty was noted present at 9:54 a.m.

Public Comments:

No comments received.

Board Comments:

None.

Board Action:

Director Kaplan made a motion, seconded by Vice Chair Hudson, to **approve** the recommendations of the Public Engagement Committee; and the motion **carried** by the following vote of the Board:

AYES: Canepa, Chavez, Gioia, Groom, Haggerty, Hudson, Kaplan, Kniss, Miley, Rice, Sinks, Wagenknecht, and Spering.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Barrett, Cutter, Jue, Kim, Mitchoff, Ronen, Ross, Sanchez, Sheehy, and Zane.

4. **Report of the Mobile Source Committee Meeting of September 28, 2017 (ITEM 7)**

Mobile Source Committee Vice Chair Haggerty read:

The Committee met on Thursday, September 28, 2017 and approved the minutes of May 25, 2017.

The Committee reviewed and discussed the staff presentation Projects and Contracts with Proposed Grant Awards Over \$100,000. The Committee recommends the Board:

- 1) *Approve the Transportation Fund for Clean Air and Commercial Lawn and Garden Equipment Replacement projects with proposed grant awards over \$100,000 as shown in Attachment 1; and*
- 2) *Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.*

The Committee then reviewed and discussed the staff presentation Selection of a Vendor to Conduct Financial and Compliance Audits. The Committee recommends the Board:

- 1) *Approve the selection of Simpson & Simpson, LLP to conduct a Financial Audit for Fiscal Year Ending 2018 and a Compliance Audit of the Transportation Fund for Clean Air programs and projects that closed by Fiscal Year Ending 2017;*
- 2) *Authorize the Executive Officer/Air Pollution Control Officer to execute a contract with Simpson & Simpson, LLP at a cost not to exceed \$119,350 for services performed in Fiscal Year Ending 2018 (Year 1); and*
- 3) *Authorize the Executive Officer/Air Pollution Control Officer to extend the contract with Simpson & Simpson, LLP in an amount not to exceed \$151,350 annually for up to two additional years, at the Air District's discretion, based on contractor's performance.*

Finally, the Committee reviewed and discussed the staff presentation Accept, Obligate, and Expend Funding from the United States Environmental Protection Agency. The Committee recommends the Board:

- 1) *Adopt a Resolution authorizing the Bay Area Air Quality Management District to accept, obligate, and expend up to \$639,670 from the Environmental Protection Agency to replace one locomotive; and*
- 2) *Authorize the Executive Officer/Air Pollution Control Officer to enter into all agreements necessary to accept and expend this funding.*

The next meeting of the Mobile Source Committee will be held on Thursday, October 26, 2017 at 375 Beale Street, 1st Floor Board Room, San Francisco, CA 94105. I move that the Board approve the Mobile Source Committee's recommendations. This concludes the Chair Report of the Mobile Source Committee.

NOTED PRESENT: Director Abe-Koga was noted present at 10:00 a.m.

Public Comments:

No comments received.

Board Comments:

None.

Board Action:

Director Haggerty made a motion, seconded by Director Kaplan, to **approve** the recommendations of the Mobile Source Committee; and the motion **carried** by the following vote of the Board:

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|----------|--|
| AYES: | Canepa, Chavez, Gioia, Groom, Haggerty, Hudson, Kaplan, Kniss, Miley, Rice, Sinks, Wagenknecht, and Spering. |
| NOES: | None. |
| ABSTAIN: | None. |
| ABSENT: | Abe-Koga, Barrett, Cutter, Jue, Kim, Mitchoff, Ronen, Ross, Sanchez, Sheehy, and Zane. |

CONSENT CALENDAR (ITEMS 2 – 4)

- 5. Minutes of the Regular Board of Directors Meeting of September 20, 2017 (ITEM 2)**
- 6. Board Communications Received from September 20, 2017 to October 3, 2017 (ITEM 3)**
- 7. Consider Approval of Agreement with Employees' Association and Recommendation that Allows Employees to Sell-Back Leave for Donations to Victims of the 2017 Hurricane Season (ITEM 4)**

Public Comments:

No comments received.

Board Comments:

None.

Board Action:

Director Kaplan made a motion, seconded by Vice Chair Hudson, to **approve** the Consent Calendar Items 2 through 4, inclusive; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Canepa, Chavez, Gioia, Groom, Haggerty, Hudson, Kaplan, Kniss, Miley, Rice, Sinks, Wagenknecht, and Spering.
NOES: None.
ABSTAIN: None.
ABSENT: Barrett, Cutter, Jue, Kim, Mitchoff, Ronen, Ross, Sanchez, Sheehy, and Zane.

PRESENTATIONS

8. Update on Assembly Bill (AB) 617

Jean Roggenkamp, Deputy Executive Officer, introduced Eric Stevenson, Director of Meteorology, Measurement, and Rules, who gave the staff presentation *Assembly Bill 617 Update*, including: overview; healthy air for all Bay Area residents; Clean Air Communities Initiative; Air District leadership; AB 617 components; air monitoring in impacted communities; emission reductions plans; Best Available Retrofit Control Technologies (BARCT) requirements; emissions inventory reporting; working with partners and timelines in AB 617; and next steps.

NOTED PRESENT: Director Jue was noted present at 10:17 a.m., and Directors Mitchoff and Ross were noted present at 10:07 a.m.

Public Comments:

Public comments were made by Jed Holtzman, 350 Bay Area; Bill Quinn, California Council for Environmental and Economic Balance; and Tony Fisher, Coalition for Clean Air.

Board Comments:

The Board and staff discussed how AB 617 relates to AB 398, and the District's advocacy efforts at the Legislature regarding its concerns with the bills; the strengths and weaknesses of cutting-edge air monitoring equipment, how the District can form partnerships with innovators, and the District's plan to host a workshop about new technologies; the need for the District to interpret and convey data in a way that the public can better understand; how and when the BARCT rule schedule will be brought back to the Board for adoption and then implemented; anticipated challenges regarding the aggressive implementation timeline for AB 617; why monitoring takes so long to deploy; whether AB 617 applies to stationary or mobile sources of emissions, and how stationary sources have been blamed on mobile sources of pollution; how the Board can help put the District in touch with County Health Officers so that public health data may be assembled to identify additional locations for potential monitoring; the number of monitoring stations that are currently deployed by the District; the concern that the demand of new air monitoring technologies will exceed the available supply in the future; the

comparison of current and future fees that the District may collect, based on the increase of allowable fines mandated by AB 617; and; the fact that the District does not rely on penalty fees to meet its budget; ways in which the District measures its success, and how that is largely determined by fence line communities; the suggestion of a new committee to deal with public relations regarding relaying data effectively to the public and hearing the public's concerns; the need for the District to proactively include city and county Planning Directors in discussions of climate change; the need for the District to identify a way to coexist with technologies and ideas that will "do good work in the world" but may have unintended consequences; the need to identify emission hotspots and distinguish mobile versus stationary sources of pollution; whether AB 617 includes monitoring carbon and methane, as it focuses primarily on Toxic Air Contaminants and Criteria Pollutants; and how the District can estimate carbon reductions that will result from the extension of the Cap and Trade Program.

Board Action:

None; receive and file.

9. **Winter Spare the Air Season 2017-18 Update**

This item was tabled until October 18, 2017.

10. **2017 Summer Spare the Air Season Summary**

This item was tabled until October 18, 2017

CLOSED SESSION (commenced at 11:39 a.m.)

11. **CONFERENCE WITH LEGAL COUNSEL**

ANTICIPATED LITIGATION (Government Code Section 54956.9 (d)(2))

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9.

Chair Kniss stated that there was no reportable action on this item.

OPEN SESSION (commenced at 12:02 p.m.)

PUBLIC COMMENTS ON NON-AGENDA MATTERS

12. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

No requests received.

BOARD MEMBERS' COMMENTS

13. Board Members' Comments

Vice Chair Hudson shared about the Contra Costa Transportation Authority's pilot demonstration project operating electric, low-speed, multi-passenger autonomous vehicles on public roads.

Chair Kniss commented on an article in *The Wall Street Journal* called "China, With Methodical Discipline, Conjures a Market for Electric Cars" that was published on October 2, 2017.

OTHER BUSINESS

14. Report of the Executive Officer/Air Pollution Control Officer

Mr. Broadbent gave the staff report *Executive Officer's Report*, including: background; Rule 12-16; Assembly Bill 398; Air District greenhouse gas regulatory authority; moving forward; and Ad Hoc Refinery Oversight Committee. Mr. Broadbent explained that several Board members had asked him for the most updated status of Draft Rule 12-16: Petroleum Refining Greenhouse Gas Emissions Limits, and that his report would summarize the discussions that staff has been having for several months. He explained that a version of Draft Rule 12-16 was presented to the Board for final consideration on June 21, 2017, ensuring that emissions would not increase due to extreme crudes, and creating a backstop to ensure that GHG emissions would not increase. He described how the Board elected to not adopt the staff proposal, but have staff return with an improved version at the August 2, 2017 Board meeting. He stated that between those two Board meetings, Assembly Bill 398, California Global Warming Solutions Act of 2006, was signed by Governor Brown, preempting local Air Districts from regulating CO2 from sources under the Cap and Trade Program, among other things. Mr. Broadbent explained that at the September 20, 2017 Board meeting, he stated that the staff no longer recommended the adoption of Draft Rule 12-16, based upon review of Legislative intent and language in AB 398. He said that the District was still concerned about crudes coming to the Bay Area, and recommended that the District continue to track crude slates and emissions impact, while proceeding with other regulations that will reduce GHG emissions from stationary sources. Mr. Broadbent described the creation of the Ad-Hoc Refinery Oversight Committee, which was created at the request of Chair Kniss, and explained that the Committee will review crude slate data that is required to be reported to the District, per Rule 12-15, to ensure that communities are protected as crude slates change at refineries. He suggested that the Committee refrain from holding its first meeting until after Draft Rule 11-18 has been adopted. At the conclusion of the presentation, Mr. Broadbent reiterated that the District is suspending further action on Draft Rule 12-16.

Public Comments:

No requests received.

Board comments:

The Board and staff discussed the need for this presentation to be emailed to the entire Board so that Board members who were absent may be informed of the District position; the suggestion to re-evaluate the crude slate reporting requirements under Rule 12-15 due to crude content not being measured before it is blended; the suggestion for the Ad-Hoc Refinery Oversight Committee

membership to include Board members who represent cities that have permitting power; the need to focus on how AB 398 affects the District's Clean Air Plan; which agencies monitor/regulate and capture the data regarding shipping activity in the Bay Area, and what impact it is having on Bay Area air quality; the District's position on Rule 12-16 and how it would be communicated to the public.

15. **Chairperson's Report**

Chair Kniss had nothing to report.

16. **Time and Place of Next Meeting**

Wednesday, October 18, 2017, at 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

17. **Adjournment**

The meeting adjourned at 12:24 p.m.

/s/ Marcy Hiratzka

Marcy Hiratzka
Clerk of the Boards