



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

March 3, 2004

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at **9:00 a.m.** at the San Francisco Bay Area Rapid Transit District's (BART) Lake Merritt Headquarters, located at 800 Madison in the First Floor Board Room, Oakland, California.

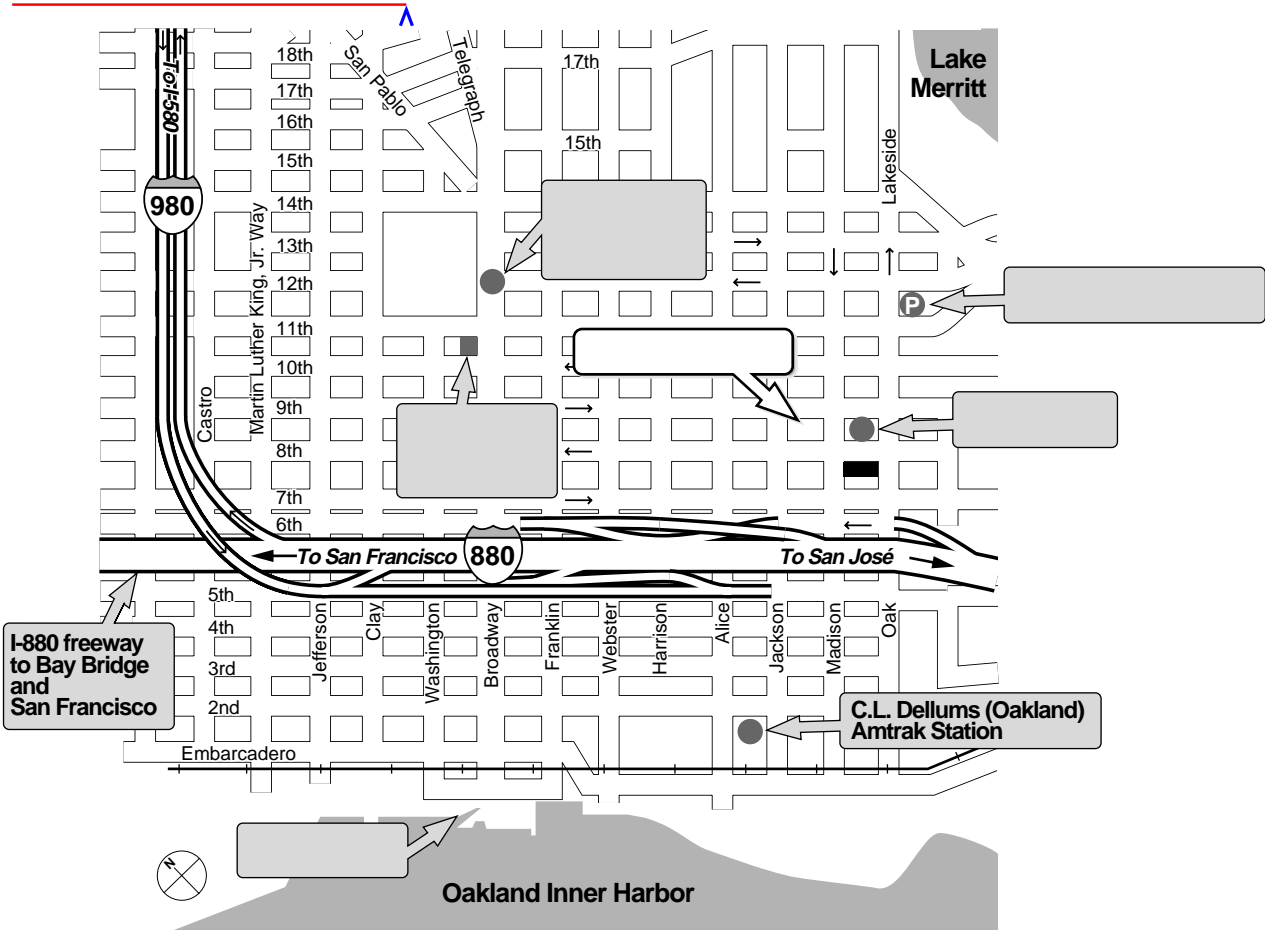
Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

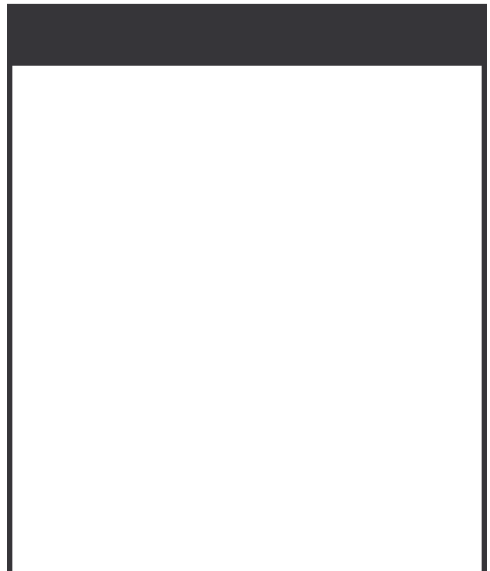
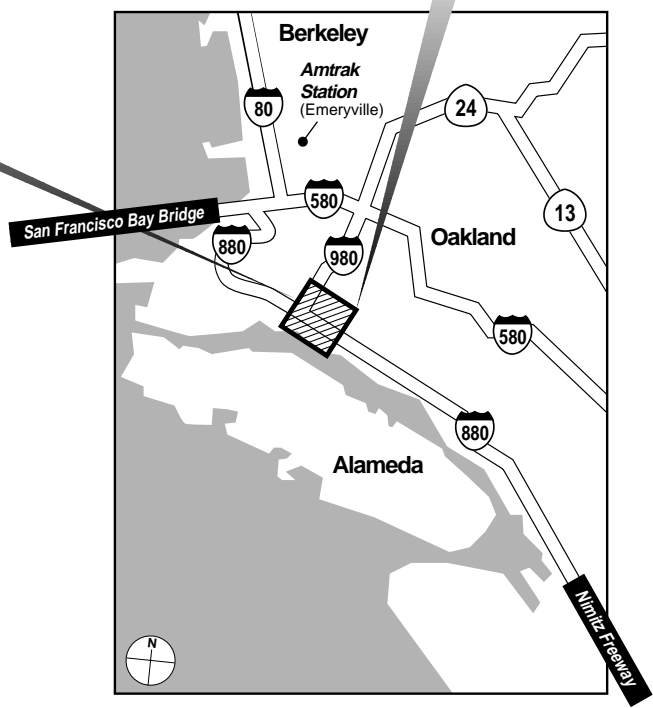
The public meeting of the Air District Board of Directors begins at 9:00 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.



Public Transit Access

- BART:** Lake Merritt Station on the Fremont Line
- AC Transit:** Lines 59, 59A, 62 (weekends)
Lines 11, 59, 59A, 62, 35X, 36X (weekdays)
- Amtrak:** C.L. Dellums Station (2nd + Alice Streets)



BOARD OF DIRECTORS' REGULAR MEETING A G E N D A

WEDNESDAY
MARCH 3, 2004
9:00 A.M.

BAY AREA RAPID TRANSIT DISTRICT
FIRST FLOOR BOARD ROOM
800 MADISON STREET
OAKLAND, CA

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Scott Haggerty, Chairperson
Clerk of the Boards

PUBLIC COMMENT PERIOD

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3
Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

COMMENDATIONS/PROCLAMATIONS

Presentation of plaque to Director Dena Mossar by Chairperson Haggerty for her dedicated service to the Air District since 1999.

CONSENT CALENDAR (ITEMS 1 – 5)

Staff/Phone (415) 749-

- Minutes of February 18, 2004
M. Romaidis/4965
mromaidis@baaqmd.gov
- Communications
Information only
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Report of the Advisory Council
E. Blake/4962
eblake@igc.org
- Consider Approval of Resolution to Create Non-Board Administrative Committee
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider approval of a resolution to create a non-Board Administrative Committee with the authority to administer and amend benefit plan documents when necessitated by changes to tax laws, implementation of Board approved labor agreements, and Board direction on benefits for non-represented employees.

5. Consider Amending the MOU with the Employees' Association to add the Principal Air Quality Chemist classification title

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Board of Directors will consider amending the MOU with the Employees' Association to add the Principal Air Quality Chemist classification title.

COMMITTEE REPORTS AND RECOMMENDATIONS

6. Report of the **Budget & Finance Committee** Meeting of February 25, 2004

CHAIR: J. MILLER

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action: The Committee refers to the Board of Directors without recommendation the transfer of not more than \$135,000 from the Reserve for Contingencies to fund the Spring 2004 Lawn Mower Buyback programs.

7. Report of the **Mobile Source Committee** Meeting of February 26, 2004

CHAIR: S. YOUNG

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of the following:

- A) Proposed allocation of \$3.3 million in Carl Moyer Program funding to 16 projects;*
- B) Requested amendment to the San Francisco County Program Manager expenditure program for FY '03/04;*
- C) Allocation of remaining available FY '03/04 TFCA Regional Funds to two projects;*
- D) Amendment to the Marin County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2003/2004; and*
- E) Amendment to the Alameda County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2003/2004..*

PRESENTATION

8. Summary of Environmental Community Tour

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will provide a summary of the Environmental Community tour and the Air District's response to questions raised during the tour.

OTHER BUSINESS

9. Report of the Executive Officer/APCO
10. Chairperson's Report

CLOSED SESSION

11. Conference with Legal Counsel

Existing Litigation:

Communities for a Better Environment and Transportation Defense and Education Fund v. Bay Area AOMD, Metropolitan Transportation Commission, Association of Bay Area Governments, and California Air Resources Board, San Francisco Superior Court, Case No. 323849

OPEN SESSION

12. Board Members' Comments

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

13. Place of Next Meeting - 9:45 a.m., Wednesday, April 7, 2004 -939 Ellis Street, San Francisco, CA 94109
14. Adjournment

JPB:mag

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109

(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 24, 2003

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of February 18, 2004.

DISCUSSION

Attached for your review and approval are the draft minutes of the February 18, 2003 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Lawrence D. Dahms Auditorium, MetroCenter, 101 Eighth Street, Oakland, CA 94607

Draft Minutes: Board of Directors Regular Meeting – February 18, 2004

Call To Order

Opening Comments: Chairperson Haggerty called the meeting to order at 9:52 a.m.

Pledge of Allegiance: Director Kwok led the Board in the Pledge of Allegiance.

Roll Call: Present: Scott Haggerty, Chair, Roberta Cooper, Mark DeSaulnier, Jerry Hill, Patrick Kwok, Nate Miley (10:03 a.m.), Julia Miller, Pam Torliatt, Gayle Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Harold Brown, Chris Daly, Liz Kniss, Jake McGoldrick, Dena Mossar, Mark Ross, John Silva, Tim Smith, Marland Townsend.

Commendations/Proclamations: There were none.

Consent Calendar (Items 1 – 7) – The Consent Calendar was deferred until a quorum was present.

COMMITTEE REPORTS AND RECOMMENDATIONS

8. Report of the Regional Agency Coordinating Committee Meeting of January 23, 2004

Director DeSaulnier presented the report and stated that the Regional Agency Coordinating Committee met on Friday, January 23, 2004 at MetroCenter in Oakland. Metropolitan Transportation Commission (MTC) staff presented a report on the Commission's recent action regarding Phase I of the *Transportation 2030 Plan*, including approval of criteria for evaluating prior funding commitments from the 2001 Regional Transportation Plan, and approval of a regional investment strategy for uncommitted funding.

Air District staff presented an update regarding the current ozone planning process, including a summary of federal redesignation request and maintenance plan requirements, and the status of continuing ozone planning and control efforts.

The Association of Bay Area Governments (ABAG) and MTC staff presented information regarding the outcome and discussions of the ABAG – MTC Task Force regarding the working relationship between the two agencies. The RACC members discussed whether there is a potential role for RACC in addressing this issue. Director DeSaulnier noted that there was considerable discussion on this item and whether or not the Air District should be a part of it.

ABAG staff provided an update on the status of the Bay Area Corridor Planning Program. The next meeting will be at the call of the Chair.

Board Action: None. This report provided for information only.

9. Report of the Stationary Source Committee Meeting of January 26, 2004

Director DeSaulnier presented the report and stated that the Committee met on Monday, January 26, 2004. Staff presented a status report on implementation of the requirements of Regulation 12, Rule 11: Flare Monitoring at Petroleum Refineries and summarized the progress of the refineries in meeting the requirements of the Rule adopted in June 2003. Staff presented information on real time web casting and a text-based web page and discussed the following:

- The public wants to know when refinery flares are operating and has requested web cams.
- The existing Rule requires video still image recording, archiving and reporting.
- With video streaming there are several factors that could cause problems with the images, such as weather and time of day. The percentage of useful images is very small.
- Staff has evaluated the feasibility and costs of web cams and recommends a text-based solution.
 - Text-based installation and first year costs would be \$25,000
 - Text-based annual cost would be \$2,000
 - Video streaming installation and first year costs would be \$250,000
 - Video streaming annual cost would be \$100,000
- The text-based web solution provides useful information and meets most of the community requirements.

The consensus of the Committee was to proceed with the text-based web solution. Staff provided a status report on implementation of stationary source control measures in the 2001 Ozone Attainment Plan, further study measures, and preliminary evaluations of potential new ozone control measures. Staff reviewed the 2001 Attainment Plan Control Measures, their descriptions, the dates of adoption and the total Volatile Organic Compound (VOC) reductions, which is 8.4 tons per day. Staff reported that six Technical Assessment Documents (TAD's) have been developed and potential regulatory amendments are being considered on five of the assessments.

Staff reported that 370 potential stationary source, mobile source and other measures have been evaluated for consideration as new control measures for possible inclusion in the 2004 Attainment Strategy. Staff is working on developing detailed control measure descriptions for those evaluations that are potentially viable and that would then be put into the 2004 Plan for further consideration. The next meeting of the Committee is scheduled for Monday, March 22, 2004.

Board Action: None. This report provided for information only.

Public Comment Period: **Speaker:** There were none.

Other Business

11. Report of the Executive Officer/APCO

Jack Broadbent, Executive Officer/APCO stated he had no report.

The Board took a brief recess until a quorum was present. With the arrival of Director Miley at 10:03 a.m., a quorum was present and the Board meeting was reconvened.

Consent Calendar (Items 1 – 7)

1. Minutes of January 21, 2004
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council
4. Monthly Activity Report – *Activities for the month of January 2004.*
5. Consider Establishing a New Classification of Principal Air Quality Chemist and Allocate the New Classification to Range 139 on the Professional Salary Schedule

Considered approval of establishment of a new classification of Principal Air Quality Chemist and allocate the new classification to Range 139 on the Professional Salary Schedule.

6. Consider Authorizing Executive Officer/APCO to Execute Agreements to Continue Participation in the Congestion Mitigation and Air Quality Improvement (CMAQ) Program.

Considered approval of Resolution authorizing the Executive Officer/APCO to execute agreements necessary to continue receiving CMAQ funding used by the Air District to fund the public outreach and related components of the Spare the Air program.

7. District Personnel on Out of State Travel

Board Action: Director Young moved approval of Consent Calendar Items 1 through 7; seconded by Director Torliatt; carried unanimously with the following Board members voting:

AYES: Cooper, DeSaulnier, Hill, Kwok, Miley, Miller, Torliatt, Uilkema, Wagenknecht, Young, Haggerty.

NOES: None.

ABSENT: Brown, Daly, Kniss, McGoldrick, Mossar, Ross, Silva, Smith, Townsend.

Adopted Resolution No. 2004-03: A Resolution of the Bay Area Air Quality Management District Board of Directors Authorizing District Participation in the Congestion Mitigation and Air Quality Improvement Program (“CMAQ”) for the San Francisco Bay Area.

Committee Reports and Recommendations (Continued)

10. *Report of the Public Outreach Committee Meeting of February 9, 2004*

Action: The Committee recommended Board of Directors approval of the following:

- A) Referral of a transfer in the amount of \$135,000 from the Reserves for Contingencies to implement the Lawn Mower Buyback Programs for the 2004 Spring time campaign to the Budget and Finance Committee for consideration.***
- B) Staff recommendations of contractors for media, advertising, youth, measurement and community outreach programs for a one-year period with the possibility of continuing the contracts for two additional one-year periods.***

Director Cooper presented the report and stated that the Public Outreach Committee met on Monday, February 9, 2004. Staff presented an update on the Air District's wintertime outreach program, which will run through February 2004. As of February 9th, the District has had no excesses of the federal 2.5 PM standard compared to seven last year. Staff reported on the Santa Clara County Woodstove/Fireplace Changeout Program and noted about 200 stoves and fireplaces have been changed out. The goal is to change out at least 1500 stoves and fireplaces through the duration of this program. The Committee recommended staff provide "point of sale" language to cities and counties considering a Woodsmoke Ordinance. Director Cooper noted that the cities of San Leandro and Hayward just passed Woodsmoke Ordinances.

Staff and the consultant, Community Focus, updated the Committee on the revised draft of the Air Pollution Report to the Community. Changes were made so that only closed Notice of Violations (NOV's) are being listed, the specific addresses of the air monitoring stations has been deleted, more educational information is listed on the Report, and the Title V permit information listed is now Bay Area wide. The Report will be sent to 60-75 businesses and community organizations. The Committee recommended several additional changes that will be incorporated into the Report.

Staff reviewed the rebidding process for the Public Outreach Contracts. The proposed contracts would be for a one-year period, with the possibility of continuing the contracts for two additional one-year periods. The Committee recommends the Board approve the following contracts:

1. Communications West for youth outreach.
2. Community Focus for community outreach.
3. O'Rourke Public Relations Inc. for advertising.
4. Allison and Partners for media relations.
5. True North Research for research.

The Committee also recommends that the elements of the "Thank you" man campaign be incorporated into future campaigns.

Staff discussed the lawn mower buy-back programs for the spring of 2004. Six counties – Contra Costa, Solano, Sonoma, Napa, San Mateo, and San Francisco – and the City of Sunnyvale are interested in working with the Air District on local lawn mower buy-back

programs. The Committee directed staff to contact Alameda County to try to coordinate another buy-back program this year in that County. The Committee recommends the Board refer the transfer of \$135,000 from the Reserve for Contingencies to the Budget and Finance Committee to implement the Lawn Mower Buyback Programs for the 2004 Spring-time campaign, including expanding it to Alameda County.

The next meeting of the Committee is scheduled for 9:45 a.m., Monday, April 12, 2004.

Board Action: Director Cooper moved the Board approve the report and the recommendations of the Public Outreach Committee; seconded by Director Torliatt; carried unanimously without objection.

Other Business (Continued)

12. Chairperson's Report. Chairperson Haggerty stated he had no report.
13. Board Members' Comments: There were none.
14. Environmental Community Tour of Oakland

The Board of Directors participated in a tour that visited some of the communities in the vicinity of the following facilities:

1. LeSaffre Yeast Corporation (formerly Red Star Yeast)
2. AMCO Chemical Site (also known as DC Metals)
3. Port of Oakland
4. Owens Brockway
5. Integrated Environmental Systems (IES)
6. American Brass and Iron (AB&I)

Members of environmental groups and/or community members spoke at each of the sites.

15. Time and Place of Next Meeting - 9:45 a.m., Wednesday, March 3, 2004, 939 Ellis Street, San Francisco, California.
16. Adjournment: The meeting was adjourned at 12:20 p.m.

**Mary Romaidis
Clerk of the Boards**

mr

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack Broadbent
Executive Officer/APCO

Date: February 24, 2004

Re: Consider Approval of Resolution to Create Non-Board
Administrative Committee

RECOMMENDATION

Approve Resolution to create a non-Board Administrative Committee with the authority to administer and amend benefit plan documents when necessitated by changes to tax laws, implementation of Board approved labor agreements, and Board direction on benefits for non-represented employees.

BACKGROUND

The District maintains thirteen different benefit plans for employees, three of which are administered through the California Public Employees Retirement System (PERS). Each plan has associated documents that require periodic amendment to comply with changes to tax laws and to reflect Board approved changes to benefits that may have been negotiated with the Employees' Association or otherwise directed by the Board. Administrative amendments to these benefit plan documents may currently require scheduling as a Board agenda item although the amendments to the documents are strictly administrative in nature and have no budget or policy impact.

DISCUSSION

Approval of a resolution to create a non-Board Administrative Committee consisting of the Executive Officer/APCO, the District' Counsel, and the Human Resources Officer will allow the Board of Directors to authorize necessary amendments to non-PERS administered benefit plan documents without each such amendment being placed on the agenda for Board approval. This will streamline administration of benefit plan documents by reducing unnecessary paperwork and staff time associated with placing items on the Board agenda. The Board will maintain full authority relative to approval of changes to benefits that impact the budget. The Administrative Committee's authority would be limited to administering and amending plan documents consistent with changes to benefits that have already been approved by the Board, and/or such amendments that are necessitated by changes to tax and/or other laws in order to maintain current benefits.

BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no fiscal impact beyond what has already been considered and approved by the Board of Directors.

Respectfully submitted,

Jack Broadbent
Executive Officer/APCO

Reviewed by: Brian Bunger
Prepared by: Michael K. Rich

Bay Area Air Quality Management District

RESOLUTION NO. 2004-

A Resolution of the Bay Area Air Quality Management District Board of Directors Establishing an Administrative Committee and Bestowing Authority on the Administrative Committee to Administer and Amend Employee Benefit Plans.

WHEREAS, the Bay Area Air Quality Management District (“District”) sponsors certain employee benefit plans for the benefit of its employees that are listed on Appendix “A” attached hereto (the “District Employee Benefit Plans”);

WHEREAS, amendments to the District Employee Benefit Plans need to be made from time to time due to changes in the tax or other governing law and/or due to approval by the District’s Board of Directors (the “Board”) of changes in or additions to employee benefits;

WHEREAS, the Board wishes to expedite implementing already approved and administrative changes and amendments to the District Employee Benefit Plans; and

WHEREAS, the Board wishes to establish an Administrative Committee and authorize it to amend the District Employee Benefit Plans within certain parameters.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Bay Area Air Quality Management District hereby establishes the Administrative Committee.

BE IT FURTHER RESOLVED that the members of the Administrative Committee shall be the District’s Executive Officer, Human Resources Officer and District Counsel.

BE IT FURTHER RESOLVED that the Administrative Committee shall have the following powers in relation to the District Employee Benefit Plans and any successor plans sponsored by the District (the “Plans”):

1. To amend the Plans to comply with changes in the tax law and any other governing laws;
2. To amend the Plans within the parameters of the annual budget for the District as established by the Board; and
3. To amend the Plans to facilitate changes in employees’ benefits as previously approved by the Board, including, but not limited to, establishing new benefits as contained in Board approved employment contracts for represented and unrepresented employees.

BE IT FURTHER RESOLVED that the Administrative Committee shall not have the authority to alter or amend the District's contract with the California Public Employees' Retirement System.

BE IT FURTHER RESOLVED that amendments to the Plans may be made by approval of a majority of the Administrative Committee and executed by the chairperson of the Administrative Committee who shall be selected by the Administrative Committee from among its members.

BE IT FURTHER RESOLVED that all reasonable expenses of the Administrative Committee shall be paid by the District, but the members of the Administrative Committee shall receive no extra compensation for their service on the Administrative Committee.

BE IT FURTHER RESOLVED that the Administrative Committee shall annually report all executed amendments to the Plans to the Board.

BE IT FURTHER RESOLVED that this resolution hereby amends the provisions of each of the Plans regarding the procedure for amending the Plans and the delegation of authority within the Plans.

BE IT FURTHER RESOLVED that the Board hereby ratifies all prior amendments and actions taken with respect to the Plans.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2004 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Scott Haggerty
Chairperson of the Board of Directors

ATTEST:

Gayle B. Uilkema
Secretary of the Board of Directors

APPENDIX "A"

Employee Benefit Plans Sponsored by the Bay Area Air Quality Management District as of March 1, 2004

Delta Dental Dental Insurance
Vision Service Plan Vision Care Insurance
Prudential Life Insurance – Life and Long Term Disability Insurance
AIG Retired Lives Reserve Life Insurance
Bay Area Air Quality Management District Money Purchase Pension Plan
Bay Area Air Quality Management District Deferred Compensation Plan
Section 125 Cafeteria Plan
Employee Assistance Program
Transit/Carpool Subsidy Program
Job-Related Educational Pursuits Program

Note: The Bay Area Air Quality Management District contracts with the California Public Employees Retirement System ("CalPERS") to provide further employee benefits to its employees. Benefits provided through CalPERS are not subject to this resolution.

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack Broadbent
Executive Officer/APCO

Date: March 3, 2004

Re: Consider Amending the MOU with the Employees' Association to
Add the Principal Air Quality Chemist Classification Title

RECOMMENDATION

Amend the MOU with the Employees' Association to add the Principal Air Quality Chemist classification title pursuant to a new Letter of Understanding with the Employees' Association.

BACKGROUND

At the February 18, 2004 Board of Directors Meeting, the Board of Directors approved adoption of the Principal Air Quality Chemist classification. This is a new classification in the bargaining unit represented by the Employees' Association. The District and the Employees' Association concluded discussions on adding this new classification to the classification system and on the salary range for the new classification. The parties further agreed that the classification title should be incorporated into Appendix A of the MOU, which currently lists all classifications represented by the Employees' Association.

BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no fiscal impact from approving the attached resolution.

Respectfully Submitted,

Jack Broadbent
Executive Officer/APCO

Prepared by: Michael K. Rich
Reviewed by: Wayne Tanaka

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. 2004-___

A Resolution to Approve the Side Letter of Agreement Regarding the Principal Air Quality Chemist Classification

WHEREAS, the District and the Employees Association desire to add the Principal Air Quality Chemist to the classification system;

WHEREAS, the parties have met and conferred in good faith pursuant to California Government Code Section 3505 to add the Principal Air Quality Chemist classification to the classification system and to set the salary for this classification at salary range 139 of the Professional Salary Schedule, and reached agreement subject to the approval of the Board of Directors;

WHEREAS, the agreements reached between the District and Employees' Association have been reduced to writing in the form of a Side Letter of Agreement;

WHEREAS, the title of Principal Air Quality Chemist should be added to existing list of classifications contained in Appendix A of the Memorandum of Understanding;

WHEREAS, the MOU must be modified in order to add the new classification title to Appendix A of the MOU;

WHEREAS, Section 17.04 of the Memorandum of Understanding (MOU) between the District and the Employees' Association requires written consent of the parties to any modification to the MOU;

WHEREAS, the Board of Directors approved the provisions of the current MOU and adding the Principal Air Quality Chemist would modify the current provisions;

WHEREAS, there is no fiscal impact resulting from approval of this Resolution;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves amending the MOU to add the Principal Air Quality Chemist classification title and incorporates it into the MOU as though fully set forth therein.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the _____ day of _____ 2004 by the following vote of the Board:

AYES:

NOES:

ABSENT:

ATTEST:

SCOTT HAGGERTY
Chairperson of the Board of Directors

GAYLE B. UILKEMA
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 26, 2004

Re: Budget & Finance Committee Meeting of February 25, 2004

RECOMMENDATION

The Committee refers to the Board of Directors without recommendation the transfer of \$135,000 from the Reserve for Contingencies to fund the Lawn Mower Buyback Program as recommended by the Public Outreach Committee. The Committee, due to the lack of a quorum, took no action.

BACKGROUND

The Budget & Finance Committee met on February 25, 2004. The Chairperson of the Committee will give an oral report of the meeting.

DISCUSSION

The Committee met and received a report on the Governor's proposed Budget for Fiscal Year 2004/2005. Also reported was the un-audited Second Quarter Financial Report for FY 2003/2004. Staff presented a request to transfer funds from the Reserve for Contingencies to fund the Lawn Mower Buyback Program as forwarded and recommended by the Public Outreach Committee. The consensus of the Committee was to recommend approval of this item, however no action was taken on the request due to the lack of a quorum.

BUDGET CONSIDERATION/FINANCIAL IMPACT

If approved by the Board of Directors, the current year budget will be increased by \$135,000 with a transfer from the Reserve for Contingencies.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 25, 2004

Re: Report of the Mobile Source Committee Meeting of February 26, 2004

RECOMMENDED ACTIONS

The Committee recommends approval of the following:

- A) *Allocation of \$3.3 million in Carl Moyer Program funds to 16 projects;*
- B) *Amendment to the San Francisco County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2003 – 2004;*
- C) *Allocation of remaining available fiscal year 2003 – 2004 Transportation Fund for Clean Air regional funds to two projects;*
- D) *Amendment to the Marin County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2003/2004; and*
- E) *Amendment to the Alameda County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2003/2004.*

DISCUSSION

The Mobile Source Committee met Thursday, February 26, 2004. Chairperson Shelia Young will give a summary of the meeting. The attached staff reports presented to the Committee have been amended pursuant to Committee direction.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 25, 2004

Re: Summary of Environmental Community Tour of Oakland

RECOMMENDED ACTIONS

Informational item only, receive and file.

DISCUSSION

On February 18, 2004, the Board of Directors accompanied representatives of several environmental groups on an environmental tour of Oakland. Tour sites in West Oakland included the former LeSaffre/Red Star Yeast plant, the Port of Oakland, the Fruitvale District and in East Oakland, sites included the American Brass and Iron Company and the ACORN Woodland School. During the tour, community member comments related to the following:

- At the LeSaffre/Red Star Yeast plant, which is being demolished, there was criticism of the lack of community input into the demolition process. Environmental groups also pointed to a children's playground placed directly adjacent to the 880 freeway, in close proximity to a proposed superfund site;
- Residents were concerned about the health effects of the cumulative exposure to pollutants emitted in the area including toxics, diesel exhaust, acetaldehyde, and vinyl chloride. The issue of "cumulative risk" has been a constant one throughout the environmental tours;
- At the Port of Oakland, there was uniform concern about the high volume of diesel emissions from trucks going to and from the Port; and
- At the Acorn school in East Oakland, teachers voiced concern about the impact on the children of emissions from neighboring factories. The Acorn school was reopened about four years ago.

The following is a review of these issues, including brief summaries of how the Air District is addressing these concerns.

Ambient Monitoring in West and East Oakland

The District operates a downtown Oakland air monitoring station at Alice Street since 1980 for carbon monoxide and ozone. There have been no excesses of National or State standards in 10 years.

Air Monitoring

Monitoring at Lockwood Elementary School in Fruitvale began in 2001 as part of the ARB's Children's Environmental Health Protection Program (SB 25). The ARB supplied the monitoring van and the District operated the station. Monitoring ended in April 2003 but the District continues to operate a dioxin monitor at the site. There were two excesses of the state PM10 standard. There were four excess of the 24-hour National PM2.5 standard, which is similar to other Bay Area locations. Dioxins levels measured at this site are similar to levels in San Jose and other urban areas in the Bay Area

LeSaffre Yeast Corporation (Formerly Red Star Yeast)

Red Star Yeast was a commercial and nutritional yeast manufacturer operating in Oakland for about 100 years. In February 2001, the LeSaffre Yeast Corporation purchased the facility. The Oakland plant produced 32 million pounds of yeast annually, enough to bake more than 500 million loaves of bread. The facility was closed in April 2003.

Yeast is produced in a fermentation process. The principal emissions are organic compounds, mostly ethanol, but also acetaldehyde and other volatile organic compounds (VOCs). Although all emissions are products of natural biological processes, many of them are toxic and/or odorous. Through process controls, LeSaffre reduced VOC emissions voluntarily by over 50 percent. The equipment permitted at LeSaffre included five fermenters and two boilers.

The air pollutant of most concern from LeSaffre was acetaldehyde, which is a carcinogen. It is also a respiratory irritant that can result in non-cancer health effects above certain exposure levels. A health risk assessment completed for the Red Star facility under the Air Toxics Hot Spots Program indicated, however, that the public health risks associated with exposure to acetaldehyde from the facility were not significant.

Odors from the facility were often present in the community. Depending on weather conditions, odors could be very strong in a small area, or detectable and pervasive over a large area. During the last 10 years, the complaint and violation notice history is as follows:

- 237 odor complaints
- 53 complaints were confirmed
- 184 complaints were unconfirmed
- 11 Notices of Violation issued for violating the Public Nuisance statute.

The District issued a Title V permit to the Red Star facility on July 1, 1997. An application for a Title V permit renewal was submitted December 28, 2001. The community used the Title V renewal process as an opportunity to raise issues concerning the facility's impacts and to press for their elimination.

In 2001, the District began collecting information to develop a Yeast Rule. A review of operations from another Bay Area yeast plant, Fleischmann's, indicated the potential to economically reduce VOC emissions by 0.5 tons per day. EPA had already adopted a Maximum Available Control Technology (MACT) standard for yeast manufacturing facilities. The federal MACT standard did not require any additional controls for Bay Area facilities.

The District's proposed yeast rule was designed to reduce peak emissions of odorous compounds by 90 percent, greatly reducing the level of odors in the community.

In April 2003, the proposed Rule was undergoing final internal review when LeSaffre announced the closure of the facility, stating it was "due to a combination of market economics and challenging California environmental conditions." With no yeast manufacturing facilities left in the Bay Area, work on the new Rule was suspended.

In 2002, in response to community concerns regarding the LeSaffre facility, the District began to reassess its procedures for responding to odor complaints. The new complaint and response procedures have been largely implemented.

AMCO Chemical Site (also known as DC Metals)

This issue involves a property slightly less than an acre located at 1414 Third Street in Oakland. Several businesses have been located at the site over the past 50 years. The area is a mixed residential and light industrial area. An elevated portion of the I-880 freeway is located immediately across Third Street from the property. The property was occupied by a junkyard (Bobo's) until the 1960's. From the 1960's to 1989, it was occupied by AMCO Chemical Company. AMCO operated a chemical distribution facility that consisted of transferring and storing 55-gallon drums of various chemicals. It also included a warehouse, railroad spur and some tanks. From 1989 to November 1998, DC Metals operated a scrap metal yard on the site. The most recent use of the site was by Cable Moore, Inc., for cable storage.

The Air District does not require permits for junk or scrap metal yards. The AMCO facility was likewise exempt from permits because of the small size of the drums (55 gallon) at the site. There is no record of odor or other complaints from the community regarding the site.

In June 1995, a construction crew noted odors at the intersection of Third Street and Nelson Mandela Parkway, while excavating a trench needed to relocate an underground electrical line in preparation for a freeway. Subsequent subsurface investigation by Caltrans, DC Metals, and EPA revealed the presence of volatile organic compounds including vinyl chloride, a highly toxic compound, in soil, soil gas, and shallow ground water at the site. Groundwater beneath the site is not used for drinking water and the majority of the site is covered with asphalt, which prevents direct contact with contaminants.

On December 5, 1996, the EPA initiated a removal action at the AMCO site that involved the construction of a ground water and soil vapor extraction treatment system. The EPA did not apply for permits from the District for this project because it was exempt from local permit requirements under federal law. The treatment system operated from January 1997 through July 1998, and it extracted approximately 7,000 pounds of volatile organic compounds, approximately 40 pounds of which were vinyl chloride. Operation of the system ceased in July

1998, due to community concern over the potential for a release of dioxins from a thermal oxidation unit.

On September 29, 2003, EPA added the AMCO Chemical site to its National Priorities List for cleanup under the Superfund program. EPA is currently considering various alternatives to remediate the site.

Port of Oakland

The Port of Oakland is the fourth largest container seaport in the United States. Community concerns about the Port's activities center largely around diesel particulate emissions from truck traffic, stationary diesel engines and ship traffic. Diesel particulate has been identified by the state of California as a toxic air contaminant.

On any given weekday, 10,000 truck trips are made to the Port to collect cargo. In addition, approximately 1900 ships "hotel" in the harbor each year waiting to unload cargo. The Air District is extensively involved in the West Oakland community and the Port in a number of ways including:

- The Port and several tenants have District permits to operate stationary diesel engines and boilers. Ships are subject to visible emission standards. The District does not have a record of complaints about the Port. In 2002-2003 there were two violation notices issued to ships at the Port for excess opacity.
- District inspections enforce AB 2650 (Lowenthal), which was passed in 2002 to limit idling by trucks waiting to enter California ports to no more than 30 minutes. Each terminal is required set up a system to limit idling. With one exception, the terminals at the Port have instituted appointment systems. District inspectors monitor the trucks and can issue violation notices to the Port for excess truck idling. To date, no violations of AB 2650 have been documented.
- District staff participate in the Technical Advisory Committee to the Port, which recommends how to allocate \$8.98 million in Port funding to reduce particulate matter (PM) emissions from diesel equipment including buses, tugboats, terminal equipment, and trucks. Most of the projects dedicated to port side operations have been completed. The final phase of the proposal, dealing with reducing diesel emissions from trucks, is being presented to the Port Commission in February.
- The Port has applied to the District for Carl Moyer funds in the amount of \$1.5 million to further reduce emissions from trucks. Staff is evaluating the application, and a recommendation will be forwarded to the Mobile Source Committee on February 26th.
- The Port installed two PM monitors in West Oakland in 1997 to measure PM-10 at the request of the District. One site is at the Port and the second is in the West Oakland residential area downwind of the Port. The PM levels at the residential station are similar to those measured at many other Bay Area stations.
- The District augmented monitoring at the residential station in 2001 by operating a continuous PM2.5 monitor as well as a toxics monitoring system. The PM readings at the site are similar to San Francisco. Toxic compounds measured at this site are similar to the Fremont and other urban sites in the Bay Area.

- The District held four community meetings in West Oakland in 2003, and participated in an additional six events in Oakland.

Owens Brockway

Owens Brockway is located at 3600 Alameda Avenue in Oakland. It is one of the last remaining glass manufacturing plants in the Bay Area. The facility makes bottles and containers using three furnaces. The glass products are made by melting raw materials and forming the molten glass into finished products. The Air District permits 38 sources at Owens Brockway. The facility has air pollution abatement equipment, including electrostatic precipitators and baghouses, and a variety of monitoring equipment to assess opacity.

A Title V permit was issued to Owens Brockway on January 4, 2000. An application for permit renewal is due July 5, 2004. The complaint and violation notice history for 2002-2003 is as follows:

- 1 opacity (smoke) complaint
- This opacity complaint was confirmed
- 3 violation notices for violating Title V permit conditions (1) and for opacity excesses (2)
- In addition, there were 5 violation notices issued in 1999 for 10 violations of the asbestos rule associated with the demolition of two stacks. The violations were settled for \$50,000.

The glass cullet used to make some bottle colors contains lead. Manufacture of lead-bearing glass is restricted to one furnace, which is controlled by an electrostatic precipitator. Emissions of particulate matter from the handling of raw materials are controlled by baghouses.

A health risk assessment, which addresses toxic emissions from the facility, has been completed under the Air Toxics Hot Spots Program. The maximum lifetime cancer risk was estimated to be about seven in a million. This level of risk is below the District's action level for public notification under the program.

Integrated Environmental Systems (IES)

Integrated Environmental Systems (IES) was a commercial medical waste incineration facility that began operating at 499 High Street in Oakland in 1985. The District adopted a stringent medical waste incineration rule in 1991 because of the potential for dioxin emissions from burning medical waste. As a result of the rule, all of the medical waste incinerators at Bay Area hospitals closed. The IES facility became the recipient of most of the medical waste from these hospitals. The Air District permitted IES for the operation of two identical incinerators to burn medical waste in 1996 and 1997.

The District's medical waste incineration rule focused on reducing emissions of chlorinated dioxins produced in the combustion process. Dioxin emissions can be minimized by careful control of the temperature in the combustor, and by air pollution control equipment. In addition to dioxins, medical waste incinerators emit a variety of other pollutants including organic gases and trace metals, many of which are toxic.

The medical waste incineration rule required IES to install and continuously operate stack opacity monitors in their two incineration units. The facility periodically exceeded the stringent opacity limits and, in 1995, the District's Hearing Board approved a Conditional Order of Abatement and ordered IES to replace its two existing incinerators with new state-of-the-art incinerators and emission abatement systems. The goal was to significantly improve operational reliability and reduce emissions.

The District issued IES an Authority to Construct for the replacement incinerators in 1996. The new units were installed and health risks were reduced to acceptable levels. The District issued IES a Permit to Operate the new incinerators on April 1, 1997. Several environmental and community groups then appealed the decision to issue the Permit to Operate to the District's Hearing Board. In April 1998, the Hearing Board determined that the permit was properly issued by the District and issued an order denying the appeal.

The IES facility had several compliance problems during the years after the incinerators were replaced. The most significant were upsets that resulted in the bypass of air pollution control equipment for short periods of time. Also, some monitors were frequently inoperative.

During 2001-2002, the complaint and violation notice history is as follows:

- 17 complaints of smoke and odors
- 3 complaints were confirmed
- 14 complaints were unconfirmed
- 34 Notices of Violation issued for violating permit conditions and the Medical Waste Regulation. The violation notices were settled for \$170,000.

District staff met several times with facility operators to discuss these issues. As a result, engineering changes were made to reduce the number and duration of bypasses, and better maintenance procedures were put in place to reduce monitor downtime. Permit conditions were also put in place so that emissions during any bypasses would be included in determining compliance with health risk limits.

The IES facility was shutdown in December 2001 shortly after being acquired by Stericycle, Inc.

American Brass and Iron (AB&I)

American Brass and Iron (AB&I) is an iron foundry, which has been located at 7825 San Leandro Street in Oakland since 1906. Initially, the foundry made stove castings for wood-burning stoves. After World War II, the facility began manufacturing cast iron soil pipe and fittings, which were required in new buildings. The AB&I foundry is currently the largest manufacturer of cast iron soil pipe and fittings in the Western United States.

The Air District permits 16 sources at the facility. AB&I has air pollution abatement equipment, called baghouses, to reduce particulate matter (PM) emissions, including heavy metals. There is also a parametric monitoring system to record temperature and pressure in processes at the foundry. The complaint and violation notice history at AB&I for 2002-2003 includes:

- 11 complaints of odor and smoke
- 4 complaints were confirmed
- 7 complaints were unconfirmed

- 4 Notices of Violation were issued for violations of Title V permit conditions (3) and for excess opacity (1).

At AB&I, scrap iron is melted in furnaces. This iron is then used in the casting of a wide range of products. Most of the toxic air contaminants emitted from AB&I come from a cupola furnace, which is abated by a baghouse. Emissions include arsenic, hexavalent chromium, lead, and chlorinated dioxins. In 1991, AB&I made engineering improvements to their baghouse to reduce emissions and off-site exposures. A health risk assessment, which addresses toxic emissions from the facility, has been completed under the Air Toxics Hot Spots Program. Based on the most recently reported production rate, the maximum lifetime cancer risk resulting from exposure to emitted toxic compounds is estimated to be about six in a million.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO