



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

October 20, 2004

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7th floor Board room at the Air District headquarters, 939 Ellis Street, San Francisco, 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 9:45 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.

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

WEDNESDAY
OCTOBER 20, 2004
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Commendation/Proclamations

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.

CONSENT CALENDAR (ITEMS 1 – 8)

Staff/Phone (415) 749-

1. Minutes of September 15, 2004
M. Romaidis/4965
mromaidis@baaqmd.gov
2. Communications
Information only
J. Broadbent/5052
jbroadbent@baaqmd.gov
3. Report of the Advisory Council
E. Blake/4962
eblake@igc.org
4. Quarterly Report of the Clerk of the Boards
J. Broadbent/5052
jbroadbent@baaqmd.gov
5. Quarterly Report of Air Resources Board Representative, Honorable Mark DeSaulnier
J. Broadbent/5052
jbroadbent@baaqmd.gov
6. Consider Approval of the Establishment of a New Classification of Executive Office Manager
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider approval of the establishment of a new classification of Executive Office Manager at salary Range 133. This would be a one-incumbent classification that would incorporate the current duties of Executive Secretary, Mary Ann Goodley.

7. Approval of Proposed Amendments to Administrative Code Division II, Section 3.6(c)
Administrative Policies and Purchasing Procedures
J. Broadbent/5052
jbroadbent@baaqmd.gov

The amendment would allow the Executive Officer/APCO to approve refunds in excess of \$50,000. Each refund in excess of \$50,000 will be reported to the Board of Directors under the Consent Calendar.

8. Notice of 3rd Salary Advance
J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Memorandum of Understanding, Section 7.12, requiring Board of Director notification of salary advances, the Executive Officer/APCO approved a 3rd salary advance for L'Tanya Lee for calendar year 2004.

COMMITTEE REPORTS AND RECOMMENDATIONS

9. Report of the **Stationary Source Committee** Meeting of September 27, 2004

CHAIR: M. DESAULNIER

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of procedure to provide advance notification to the Board of Directors of permit applications for proposed new and modified permits that are to undergo public notice.

10. Report of the **Executive Committee** Meeting of September 29, 2004

CHAIR: S. HAGGERTY

J. Broadbent/5052

jbroadbent@baaqmd.gov

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

- A) Air District participation in the Hydrogen Highway Blueprint planning process;*
- B) Air District participating in the California Stationary Fuel Cell Collaborative;*
- C) Allocation of \$38,400 in Diesel Back-up Generator Mitigation funds for the demonstration of a hydrogen fuel cell light duty vehicle.*

11. Report of the **Budget and Finance Committee** Meeting of September 30, 2004

CHAIR: J. MILLER

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee refers to the Board of Directors, staff's request to approve a contract with Stonefeld Josephson for \$180,000 to conduct a Cost Recovery Study for the District.

12. Report of the **Legislative Committee** Meeting of October 13, 2004

CHAIR: B. WAGENKNECHT

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends that the Board of Director adopt a \$2 Motor Vehicle Registration Fee Increase, as Authorized by AB 923 (Firebaugh);

The Committee discussed the issue of adopting a position on the local transportation sales tax measures on the November 2nd ballot; this item was moved to the full Board without recommendation for further discussion.

13. Report of the **Mobile Source Committee** Meeting of October 14, 2004

CHAIR: S. YOUNG

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee may recommend approval of the following:

- A) Contractor selection for the expansion of the Vehicle Buy Back Program;*
- B) Transportation Fund for Clean Air Regional Fund grant awards for fiscal year 2004 – 2005;*
- C) Report on the audit of the Transportation Fund for Clean Air County Program Manager Fund;*
- D) Amendment to the Contra Costa County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005;*
- E) Amendment to the Santa Clara County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005; and*
- F) Amendment to the Solano County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005.*

PRESENTATION

14. Summary of 2004 Ozone Season

G. Kendall/4932

gkendall@baaqmg.gov

Staff will provide a summary of the 2004 Ozone Season, and the Bay Area's attainment status with respect to the National one-hour and 8-hour ozone standards.

15. Report on Air District's Enhanced Outreach for 2004 Ozone Strategy

J. Roggenkamp/4646

jroggenkamp@baaqmd.gov

Staff will give the Board a presentation on the Air District's enhanced outreach efforts for the 2004 Ozone Strategy.

OTHER BUSINESS

16. Report of the Executive Officer/APCO
17. Chairperson's Report:
 - A) *Joint Policy Committee Appointments*
 - B) *Nominating Committee Appointments*

CLOSED SESSION

18. Conference with District's Labor Negotiators
(Government Code § 54957.6(a))
*Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
Michael Rich, Human Resources Officer*

*Employee Organization: Bay Area Air Quality Management District Employees'
Association, Inc.*

OPEN SESSION

19. 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)
20. Place of Next Meeting - 9:45 a.m., Wednesday, November 3, 2004 -939 Ellis Street, San Francisco, CA 94109
21. Adjournment

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: October 5, 2004

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of September 15, 2004.

DISCUSSION

Attached for your review and approval are the draft minutes of the September 15, 2004 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET – SAN FRANCISCO, CA 94109

Draft Minutes: Board of Directors Regular Meeting – September 15, 2004

Call To Order

Opening Comments: Chairperson Scott Haggerty called the meeting to order at 9:58 a.m.

Roll Call: Present: Scott Haggerty, Chair, Harold Brown, Roberta Cooper, Chris Daly, Mark DeSaulnier, Erin Garner (10:01 a.m.), Jerry Hill, Erling Horn, Liz Kniss, Patrick Kwok, Julia Miller (10:03 a.m.), Pam Torliatt (10:00 a.m.), Marland Townsend, Gayle Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Jake McGoldrick, Nate Miley, Mark Ross, John Silva, Tim Smith.

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

Commendations/Proclamations: There were none.

Swearing in of New Board Member: Mayor Gavin Newsom of the City of San Francisco having been sworn in on August 26, 2004, his designated Deputy, Dan Dunnigan, was sworn in.

Director Pam Torliatt arrived at 10:00 a.m. and Director Erin Garner arrived at 10:01 a.m.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 5)

1. Minutes of July 21, 2004
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council.
4. Monthly Activity Report – Report of Division Activities for the months of July and August, 2004
5. District Personnel on Out-of-State Business Travel

Board Action: Director Wagenknecht moved approval of Consent Calendar Items 1 through 5; seconded by Director Daly; carried unanimously by acclamation.

Committee Reports and Recommendations

6. Report of the Budget and Finance Committee Meeting of August 4, 2004

Action(s): The Committee recommended approval of the following:

- A) *Notice of proposed amendments to Administrative Code Section 3.6(c), Division II, Administrative Policies and Purchasing Procedures to authorize the Executive Officer/APCO to approve refunds in excess of \$50,000. Each refund in excess of \$50,000 will be reported to the Board of Directors under the consent calendar; and*
- B) *Proposed Amendments to Fiscal Year 2004/2005 General fund Budget to Property Tax Revenue and corresponding expenditure accounts in the amount of \$1,592,000.*

Director Daly presented the report and stated that the Committee met on Wednesday, August 4, 2004. Staff provided a status report on the cost recovery analysis on District fees and program activity costs. Staff reviewed the study objectives and noted the members of the Steering Committee that has been established to provide input on the process. The Committee requested staff seek to have a representative from Alameda County on the Steering Committee.

The Committee received a report on proposed amendments to Administrative Code Section 3.6(c), Division II, Administrative Policies and Purchasing Procedures. The amendment streamlines the process and allows the APCO to approved refunds in excess of \$50,000. The Committee recommended approval of the proposed amendments and requested that any action taken appear as a Consent Calendar item on the Board agenda.

The Committee considered and recommends Board approval to revise the District's fiscal year 2004/2005 General Fund Budget and for the Board to approve a transfer of \$295,800 from the Reserve for Furniture Replacement to Capital Expenditures. The amendments include the following:

- A \$363,000 reduction of Personnel Costs through deferred hiring.
- A \$308,800 reduction in Services and Supplies.
- A \$374,400 reduction in Capital Expenditures

In addition, the following augmentations are proposed:

- A \$250,000 increase in Penalties and Settlements Revenue.
- A \$295,800 transfer from the Reserve for Furniture Replacement to partially fund Capital Expenditures for the building.

Staff provided a status report on the resources devoted to community and Title V meetings.

Staff reported that as part of the state budget, the Governor signed SB1107, which re-authorizes the Carl Moyer Program. Statewide there will be \$69 million in the Program and the Air District should receive approximately \$9 million of the funds.

The August 25th meeting of the Committee was cancelled. The next meeting of the Committee is scheduled for 9:45 a.m., Thursday, September 30, 2004.

Director Miller arrived at 10:03 a.m.

Board Action: Director Daly moved that the Board approve the report and recommendations of the Budget and Finance Committee; seconded by Director Kwok; carried unanimously without objection.

7. Report of the Public Outreach Committee Meeting of September 13, 2004

Director Young presented the report and stated that the Public Outreach Committee met on Monday, September 13, 2004. Staff presented an update on the Spare the Air 2004 campaign and noted there have been four Spare the Air advisories to date. There have been no excesses of the federal one hour or eight hour ozone standards. There have been five excesses of the state standard. Staff reviewed the media coverage and the results of the telephone surveys that were conducted. On the two free BART days (September 7th and 8th), there were a total of 41,000 additional riders. In addition, there was an increase in rider ship on WHEELS. The transit promotion prevented 2.8 tons of VOC, NO_x and CO pollution and 310 tons of CO₂.

Courtney Newman of Allison and Partners reviewed her meetings with meteorologists during the summer in preparation for the Spare the Air Day season. Ms. Newman discussed her outreach efforts to the Hispanic community and noted that the largest Spanish speaking station (Channel 14) in the Bay Area promoted Spare the Air Days.

Frank Kappler and Kevin Plagman of Communications West updated the Committee on the youth outreach activities and reviewed the funding and sponsorships that have been secured and those that are pending. The teacher training for the Clean Air Challenge curriculum will start in November and the National Children's Theater performances will start in October. The Committee requested a chart be prepared showing when and where the theater performances will take place and that it be sent to the Board members. The Committee provided input on other areas of possible funding. A request was also made that copies of the asthma study report be forwarded to the Board members.

Staff presented ideas for a 50th Anniversary Celebration and reviewed the 50th anniversary goals, media strategies, a celebration event, a 1955-2005 calendar concept and the 2004 Annual Report. The Committee provided input and suggestions on the concepts that were presented. The next meeting of the Committee is scheduled for 9:45 a.m., Monday, November 8, 2004.

Board Action: Director Young moved that the Board approve the report of the Public Outreach Committee; seconded by Director Kniss; carried unanimously without objection.

PUBLIC HEARING

8. Public Hearing to Consider Approval of Proposed Amendments to District Regulation 8, Rule 8: Wastewater (Oil-Water Separators), and Proposed Amendment to Section 101 of Regulation 8, Rule 18: Equipment Leaks

The proposed amendments to Regulation 8, Rule 8: Wastewater (Oil-Water Separators) will reduce volatile organic compound (VOC) emissions from wastewater collection systems at refineries by requiring controls on process drains, manholes, junction boxes, sumps and lift stations. The amendments will also require an inspection and maintenance program to

maintain controls. An amendment to Section 101 of Regulation 8, Rule 18: Equipment Leaks would make this rule consistent with the requirements in Regulation 8, Rule 8.

Jack Broadbent, Executive Officer/APCO, stated that the proposed amendments to the regulation implements a key control measure. Mr. Broadbent noted that this is the fourth control measure related to refineries and the Air District is working on others.

Dan Belik, Rule Development Manager, presented the report and provided an overview of the refinery wastewater collection, separation and treatment systems. Mr. Belik reviewed the proposed amendments and emissions reductions. The cost effectiveness is \$1,900 to \$4,300 per Ton of volatile organic compounds (VOC) reduced. The rule development process included meetings of the Wastewater Technical Workgroup and two public hearings. Mr. Belik noted there are three issues that have been of concern -- the implementation date, inspection frequency and a semi-annual report. The implementation date and inspection frequency are discussed in the staff report and the semi-annual report was brought up recently.

Mr. Belik stated that the staff recommends the Board adopt the proposed amendments to Regulation 8, Rule 8: Wastewater (Oil-Water) Separators and Regulation 8, Rule 18: Equipment Leaks; and adopt the Negative Declaration.

Chairperson Haggerty opened the public hearing at 10:25 a.m. and the following individuals came forward to speak:

Steven Overman
Shell Oil Products US
Martinez, CA 94553

Terry Valen
CBE

Carla Perez
CBE

Marcus Cole
Tesoro Golden Eagle Refinery
Martinez, CA 94553

Ramona Martinez
CBE

Karen Salazar
CBE

Jennifer Ahlskog
Conoco Phillips
Rodeo, CA 94572

Concepcion Chavez
CBE

Marleen Quint
CBE

Stephanie Corcoran
Valero Refining Company-CA
Benicia, CA 94563

Wanna Wright
CBE

Dennis Bolt
Western States Petroleum Assoc.
Concord, CA 94518

Lucia Flores
Communities for a Better
Environment (CBE)

Etta Lundy
CBE

Bob Chamberlin
Chevron Texaco
Richmond, CA 94802

Director Townsend moved the public hearing be closed at 11:03 a.m.; seconded by Director Brown; carried unanimously without objection.

Board Action: Director Townsend moved to adopt the proposed amendments to Regulation 8, Rule 18: Wastewater (Oil-Water) Separators and Regulation 8, Rule 18: Equipment Leaks as written and approve the Negative Declaration; seconded by Director Hill.

During discussion, Mr. Broadbent stated that the staff will report back to the Stationary Source Committee within a year from the effective date of the rule and a determination will be made at that time if the rule will need to be tightened. Mr. Belik discussed the concerns expressed by the speakers and Board members. There was discussion on water coming into a facility that may be contaminated with organics and Mr. Broadbent noted that the Air District would look at this issue. The motion then carried unanimously without objection with the following Board members voting:

AYES: Brown, Cooper, Daly, DeSaulnier, Dunnigan, Garner, Hill, Horn, Kniss, Kwok, Miller, Torliatt, Townsend, Uilkema, Young, Haggerty.

NOES: None.

ABSENT: McGoldrick, Miley, Ross, Silva, Smith, Wagenknecht.

Adopted Resolution No. 2004-13: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Approving the Negative Declaration for Proposed Amended Regulation 8: Organic Compounds, Rule 8: Wastewater (Oil-Water) Separators.

A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending Regulation 8: Organic Compounds, Rule 8: Wastewater (Oil-Water) Separators and Rule 18: Equipment Leaks

Presentation

9. Report on Air District's Enhanced Outreach for 2004 Ozone Strategy

This report was not presented. Chairperson Haggerty requested the report be sent to the Board members under separate cover.

Other Business

10. Report of the Executive Officer/APCO – There was no report.
11. Chairperson's Report – There was no report.

CLOSED SESSION (THE BOARD ADJOURNED TO CLOSED SESSION AT 11:23 A.M.)

12. Conference with Legal Counsel

Existing Litigation:

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

1. Communities for a Better Environment v. Bay Area AQMD, Dow Chemical Company, Real Party in Interest, San Francisco County Superior Court, Case No. CPF-04-503883

2. *New United Motors Manufacturing Inc. v. Bay Area AQMD, et al., Alameda County Superior Court, Case NO. RGO 04-140445*
3. *Our Children's Earth Foundation v. United States Environmental Protection Agency, et al., United States Court of Appeals for the Ninth Circuit, Case No. 04-73032*
4. *Communities for a Better Environment v. Bay Area AQMD, Mirant Potrero LLC, Real Party in Interest, San Francisco Superior Court, Case No. CPF-04-504516*

Open Session (The Board reconvened to Open Session at 11:34 a.m.)

Brian Bunger, Legal Counsel, reported on item 1 of Agenda Item 12, and stated that the Board members present voted unanimously to accept the settlement with Communities for a Better Environment (CBE) in principle. Once it is documented in the Settlement Agreement, it will be made available to the public upon request.

Mr. Bunger reported that the Board provided general direction to Counsel on items 2 through 4 of Agenda Item 12.

13. Board Members' Comments – Director Hill reported that many of the counties within the Air District will have self-help transit tax measures on the November ballot, which could have significant health and air pollution benefits for the region. Director Hill requested that this issue be referred to the Legislative Committee for review and Chairperson Haggerty so ordered.

Director Young discussed an issue in her community regarding a crematorium and her concern that the community knew about the issues before she or any of the Alameda County representatives. Director Young requested the matter of a District policy to notify Board members in advance regarding volatile or controversial issues be referred to the Stationary Source Committee and Chairperson Haggerty so ordered.

14. Time and Place of Next Meeting - Chairperson Haggerty stated that the Wednesday, October 6, 2004 Board meeting was cancelled. The next Board meeting is scheduled for 9:45 a.m., Wednesday, October 20, 2004, 939 Ellis Street, San Francisco, California.
15. Adjournment: The meeting was adjourned at 11:37 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

TO: Chairperson Haggerty and Members of the Board of Directors
 FROM: Mary Romaidis, Clerk of the Boards
 DATE: October 5, 2004
 RE: Quarterly Report of the Clerk of the Boards: July 1 – September 30, 2004

RECOMMENDED ACTION

This report is provided for information only.

DISCUSSION

Listed below is the status of minutes for the Board of Directors and Advisory Council and activities of the Hearing Board for the third quarter of 2004:

Board of Directors

<u>Meeting Type</u>	<u>Meeting Date</u>	<u>Status of Minutes</u>
Regular Meeting	July 21	Approved
Regular Meeting	September 15	Minutes Completed/Pending Approval
Budget & Finance Committee	August 4	Minutes Completed/Pending Approval
Budget & Finance Committee	September 30	Minutes Completed/Pending Approval
Executive Committee	September 29	Minutes Completed/Pending Approval
Public Outreach Committee	September 13	Minutes Completed/Pending Approval
Mobile Source Committee	July 8	Minutes Completed/Pending Approval
Stationary Source Committee	September 27	Minutes Completed/Pending Approval

Advisory Council

<u>Meeting Type</u>	<u>Meeting Date</u>	<u>Status of Minutes</u>
Regular Meeting	July 14	Approved
Regular Meeting	September 8	Minutes Completed/Pending Approval
Air Quality Planning Committee	August 3	Approved
Executive Committee	July 14	Approved
Executive Committee	September 8	Minutes Completed/Pending Approval
Technical Committee	August 4	Approved
Public Health Committee	August 9	Minutes Completed/Pending Approval

Hearing Board

1. During the Period July – September 2004, the Clerk’s Office processed and filed three Applications for Variance, one Application for Extension to Product Variance, one Appeal and one Emergency Variance.
2. The Clerk of the Boards staff attended and took minutes at a total of two hearings and other discussions at the District facility.
3. A total of \$695.50 was collected in excess emission fees.
4. On July 21 and 22, 2004, one Deputy Clerk attended the CARB Advanced Hearing Board Workshop in Davis, California.
5. On September 29, 2004, the Hearing Board presented its Quarterly Report (April –June 2004) to the Board Executive Committee.

Respectfully submitted,

Mary Romaidis
Clerk of the Boards

FORWARDED _____

MR:mr
10/5/04
G/Board/Quarter

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack Broadbent
Executive Officer/APCO

Date: October 12, 2004

Re: Consider Establishing a New Classification of Executive Office
Manager with a Salary Range of 133 Effective as of the Date of
Board Approval.

RECOMMENDATION

Approve establishing a new job classification of Executive Office Manager with a salary set at Pay Range 133. This would be a one-incumbent classification that would incorporate the current duties of Executive Secretary, Mary Ann Goodley and reflect performance of duties beyond the scope of the current classification of her position.

BACKGROUND

The classification of Executive Secretary provides high-level administrative assistance to the District's division directors, the Executive Officer/APCO and the DAPCO. The Executive Secretary position that reports to the Executive Officer/APCO has evolved over the past several years and now includes duties and responsibilities beyond the current scope of duties for an Executive Secretary. Staff is recommending creation of a new job classification to reflect the current duties of the position more accurately and to incorporate new duties that would allow the Executive Officer/APCO to make best use of available time by providing additional assistance on day-to-day administration of Executive Office functions. The attached job description is bolded to indicate the additional duties and responsibilities.

Upon creation of the new classification the incumbent's position would be reallocated to Executive Office Manager.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The following chart shows the difference in salary over five years assuming a 5% increase in salary each year, which assumes satisfactory performance. Under this scenario the total financial impact of the increased salary for one incumbent over five years would be \$33,875.88. This amount does not include any cost-of-living increases during the same period as those are derived from the consumer price index and are not known at this time.

Classification Name	Step A	Step B	Step C	Step D	Step E	
Executive Office Manager	\$64,448.52	\$67,670.88	\$71,054.40	\$74,607.12	\$78,337.56	
Executive Secretary	\$53,021.88	\$55,673.04	\$58,456.68	\$61,379.52	\$64,448.52	
Difference in Annual Pay	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
	\$0.00	\$3,222.36	\$6,605.88	\$10,158.60	\$13,889.04	\$33,875.88

SUMMARY

Staff is recommending that the Board approve a new classification of Executive Office Manager to reflect the duties of the incumbent Executive Secretary more accurately. There is a modest financial impact over five years.

Respectfully Submitted,

Jack Broadbent
Executive Officer/APCO

Prepared by: Michael Rich
Reviewed by: Wayne Tanaka

EXECUTIVE OFFICE MANAGER

DEFINITION

Under general direction of the Executive Officer/APCO, **coordinates varied and complex administrative activities** that often involve confidential matters and provides administrative support to the Executive Officer/APCO; **provides direction to Clerk of the Board staff**; performs related work as assigned.

DISTINGUISHING CHARACTERISTICS

This class performs professional level **coordination of administrative functions** that require constant use of discretion, initiative, independent judgment, and highly effective interpersonal skills. This class is **distinguished from Executive Secretary by its coordinative role relative to the work of the Executive Office and other District staff, and the inclusion of professional level responsibilities that include but are not limited to composing complex reports and correspondence, making presentations to staff, and following up on action items under general direction.** Responsibilities include coordinating contact with and response to governmental officials, the District Board of Directors, Advisory Council, representatives of business or community organizations and the public; interacting on a daily basis with all levels of District personnel with regard to administrative policies, procedures, programs and initiatives; and **providing direction to Clerk of the Board staff.**

EXAMPLES OF DUTIES (Illustrative Only)

Relieves the Executive Officer/APCO of day-to-day administrative detail; coordinates the flow of information to the Executive Office as required for policy and operational decisions.

Works with the District's management and executive staff, the public and others to plan and prepare Board of Director agendas; oversees preparation and distribution of the agenda.

Receives and reviews agenda items to ensure that all submittals are complete and in compliance with established procedures.

Researches, compiles, analyzes, and summarizes a variety of informational and/or statistical data and materials. **Creates and gives presentations to staff as assigned.**

Composes routine and complex correspondence and reports and prepares a wide variety of finished documents from stenographic notes, brief instructions, or printed materials; makes extensive use of personal computer systems and the internet to accomplish assigned tasks.

Provides administrative follow-up on action items from staff meetings, Board of Director meetings, and handles assigned projects; stays informed of District activities as necessary to accomplish work.

Plans and conducts a variety of special administrative projects and studies for the Executive Officer/APCO;

Organizes meetings by notifying participants, making room arrangements, preparing agendas and required informational materials; may attend and participate in such meetings, hearings, etc., and prepare minutes and/or follow-up reports and correspondence.

Organizes own work, sets priorities and meets critical deadlines; ensures that such deadlines are met by other staff.

May supervise, train, review and evaluate work of other Executive Office staff as assigned by the Executive Officer/APCO.

Knowledge of:

Office administrative practices and procedures, such as business letter writing and the operation of a variety of office equipment, including personal computer software and the internet.

Organization and function of public agencies, including the role of elected Board of Directors and appointed councils and committees.

Records management, report writing and preparation, research techniques.

Correct usage of the English language, including spelling, grammar, punctuation, and vocabulary.

Standard business arithmetic, including percentages and decimals.

Effective practices used in interacting with assigned staff, co-workers and a wide variety of District stakeholders.

Skill in:

Providing varied, responsible, and often confidential administrative assistance to an executive and associated staff and boards.

Interpret, explain and apply complex policies, regulations, and procedures.

Direct the work of a small staff.

Prepare clear, accurate and effective reports, correspondence, policies and other written materials. Use of tact, discretion, initiative and independent judgment within established guidelines.

Preventing and resolving conflicts and problems that arise in an office setting.

Researching, compiling, analyzing and summarizing a variety of informational reports and statistical data and materials.

Creating and giving presentations.

Composing routine and complex correspondence and reports under general direction.

Establishing and maintaining effective and cordial working relationships.

Organizing and coordinating work, setting priorities, meeting critical deadlines, and initiating follow-up under general direction.

Leading and supervising assigned staff to accomplish specific objectives; working effectively with assigned staff and co-workers.

Editing a variety of written materials.

Using computer software applications, including word processing and spreadsheets.

Other Requirements:

Specified positions may require possession of a valid driver's license.

Education and Experience:

A typical way to obtain the knowledge and skills is:

Education equivalent to graduation from a four-year college or university with coursework in business, public administration, or a closely related discipline; and two years of experience as an executive assistant to an executive manager in a complex organizational setting, preferably in the public sector.

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 5, 2004

Re: Approve Proposed Amendments to Administrative Code Division II –
Section 3.4 (c) Fiscal Policies and Procedures

RECOMMENDED ACTION:

Approve proposed amendments to Administrative Code Division II, Section 3.4 (c), Fiscal Policies and Purchasing Procedures. The amendment will streamline the refund process and authorize the APCO to approve refunds in excess of \$50,000. Refunds in excess of \$50,000 will be reported to the Board through the consent calendar. See attached proposed revision.

BACKGROUND

The proposed amendments were submitted to the Budget and Finance Committee on August 4, 2004 and noticed at the Board of Directors September 21, 2004, regular meeting. A periodic review of these policies and procedures is appropriate in keeping with the best fiscal and business practices as well as providing fiscal procedure guidelines to the agency.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

3.6

APPROVAL OF REFUND CLAIM.

The APCO shall act on the claim in one of the following ways:

- (a) If it is found that the claim is a proper charge against the District for any of the reasons cited in Section II-3.5(a) through (e), the APCO shall allow the claim. Otherwise, the claim shall be denied.
- (b) If it is found that the claim is a proper claim against the District but is for an amount greater than is justly due, it shall be rejected as to the balance. If the claim is allowed in part and rejected in part, the claimant may be required to accept the amount allowed in settlement of the entire claim.
- (c) Claims ~~less than fifty thousand dollars (\$50,000)~~ ~~ten thousand dollars (\$10,000)~~, shall be processed by the Director of Administrative Services, ~~claims fifty thousand dollars (\$50,000) or greater that are rejected~~, shall be submitted to the ~~APCO Board of Directors~~ with a recommendation from the ~~Director of Administrative Services~~ APCO for final ~~action~~ disposition. ~~Rejected claims shall be submitted to the Board of Directors, with a recommendation from the APCO, for final disposition.~~
- (d) Refund deposits when the purpose for which such deposit was made has been achieved and there is no financial loss to the District.

The APCO shall execute such forms as are prescribed by the Director of Administrative Services, attach thereto the verified claim for refund, with the action endorsed thereon, and transmit same to the Director of Administrative Services.

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: October 5, 2004

Re: Report of the Stationary Committee Meeting of September 27, 2004

RECOMMENDED ACTION

The Committee recommends Board of Director approval of the attached procedure that will provide Board members with advance notification of permit actions that require public notice.

BACKGROUND

The Stationary Source Committee met September 27, 2004. Staff reported on the following three items:

- A) Informational item on the Air District's new Community Air Risk Assessment Evaluation (CARE) Program;
- B) Informational item on proposed amendments to the Air District's permit rule; and
- C) Proposed notification procedure to provide members of the Board with advance notification of permit actions that require public notice.

Attached are the staff reports presented to the Committee for your review.

Chairperson DeSaulnier will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

To: Chairperson DeSaulnier and Members
of the Stationary Source Committee

From: Brian Bateman, Director of Engineering Division
Gary Kendall, Director of Technical Services Division

Date: September 20, 2004

Re: Report on District's Community Air Risk Evaluation (CARE) Program

RECOMMENDED ACTION:

Informational report. Receive and file.

BACKGROUND:

The District has recently initiated a Community Air Risk Evaluation (CARE) program to evaluate and reduce health risks associated with toxic air pollutants in the Bay Area. Staff will provide the committee with an overview of this program.

DISCUSSION:

The CARE program will address a variety of toxic air pollutants with an emphasis on diesel particulate matter (PM), which is thought to be the major source of airborne cancer risk in California. The major technical components of the program are as follows.

- (1) A "gridded" emissions inventory (e.g., emissions per square mile) for diesel PM and other air toxins will be developed for the Bay Area for mobile, area, and stationary sources.
- (2) The results of the gridded emissions inventory will be used to establish additional air monitoring in areas with the highest emissions. This will include enhanced air monitoring that will better determine the relative contribution of air pollution sources, including vehicles, industrial emissions and/or wood burning to ambient particulate matter levels.
- (3) A pilot "neighborhood-level" cumulative risk assessment for stationary sources will be completed within a selected community.

The results of the technical analysis will be used to develop, implement and focus control measures to reduce air emissions in the communities identified as having higher health risks resulting from toxic air pollutants. Control measures may include additional District rules applicable to stationary sources, incentive and voluntary measures, and cooperative efforts with businesses and other government agencies.

The CARE program will have a strong public outreach component. An Advisory Committee, which includes community members, will provide input to District staff throughout the term of the program. The projected time frame for completion of the technical study is two to three years.

Respectfully submitted,

Brian Bateman
Director of Engineering

Gary Kendall
Director of Technical Services

Forwarded: _____

Prepared by: Brian Bateman

Reviewed by: Peter Hess

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

To: Chairperson DeSaulnier and Members
of the Stationary Source Committee

From: Brian Bateman, Director of Engineering Division

Date: September 20, 2004

Re: Proposed Revisions to the District's Permit Regulations

RECOMMENDED ACTION:

Informational report. Receive and file.

BACKGROUND:

Recent changes in state law require the District to change the threshold for requiring emission offsets for new and modified sources. District staff will hold a workshop on proposed revisions to these rules in early October. The proposal will be brought to the Board in December.

DISCUSSION:

The District's No Net Increase program ensures that, overall, increases in emission of ozone precursors from new industrial and commercial sources are offset by decreases elsewhere. The District evaluates every permit application for its effect on emissions. Emissions from projects at plants above a certain size must be fully offset. Larger facilities provide their own offsets. The District uses a Small Facility Bank to provide offsets for smaller facilities.

The proposed rule amendments would have the following effects:

- Currently, offsets must be provided for new and modified sources at facilities with emissions greater than 15 tons/year (TPY). The District provides those offsets for small facilities (emissions less than 50 TPY). The proposed revisions lower the threshold for offsets to 10 TPY, and the District will provide offsets for facilities with emissions less than 35 TPY.

In addition to the proposed change to the No Net Increase program, a number of miscellaneous changes to the permit regulations have been proposed, including:

- Exclusion of certain types of smoke generators from District regulations.
- Requiring all crematories to obtain a permit, regardless of age or size.
- Extend authorities to construct beyond four years for long-range construction projects.
- Require operators to countersign permits. This will ensure that operators have seen any attached permit conditions

- Require operators to certify compliance when notifying the District of startup. This will allow the District to take enforcement action against operators who construct sources that does not comply with the authority to construct.
- Clarify requirements for protecting trade secret information.

Respectfully submitted,

Brian Bateman
Director, Engineering Division

Forwarded: _____

Prepared by: Steve Hill
Reviewed by: Brian Bateman, Peter Hess

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Inter Office Memorandum

To: Chairperson DeSaulnier and Members
of the Stationary Source Committee

From: Brian Bateman, Director of Engineering Division

Date: September 20, 2004

Re: Proposed Procedures for Notification of Board Members of Permit Applications
Subject to Public Notice Requirements

RECOMMENDED ACTION:

Consider recommending Board of Director approval of the attached procedure to provide advance notification to Board members of permit applications for proposed projects that are to undergo public notice. Staff will present a draft notification procedure and take input from the committee.

BACKGROUND:

District regulations require that the owner/operator of many different types of stationary air pollution sources receive a permit from the District prior to commencing construction of projects that would affect emissions. The District evaluates an average of about 130 permit applications for new and modified sources each month, although this figure is highly variable from month-to-month, with peak months approaching 400 applications. For most permit applications, staff must complete its evaluation and take action within 35 working days of receipt of a complete application.

Due to the large number of permit applications processed, and the relatively short permit review timeframes, it would be impractical to provide advance notice to Board members for all permit actions. Rather, staff believes that it would be appropriate to provide this notification for those permit applications that require public notice. Longer evaluation periods are established for applications that require public notice prior to permit action. These are also the projects for which Board members are most likely to receive inquiries or comments from their constituents.

There are three types of permit applications that require public notice:

- (1) Applications for a new major facility or a major modification of an existing major facility subject to public notice under District Regulation 2-2-405.
- (2) Applications for new or modified sources located within 1000 feet of the outer boundary of a school site, and which would result in an increase in any hazardous air emissions, subject to public notice under District Regulation 2-1-412. (This is a statewide requirement taken from Section 42301.6(a) of the California Health and Safety Code).
- (3) Applications for the issuance, renewal, or significant revision of Title V permits at a major facility subject to public notice under District Regulation 2-6-412.

Title V permits differ from other District-issued permits in that new emission limitations or standards are not added during the permitting process. Rather, Title V permits are compilations of existing requirements that apply to a facility. For this reason, Title V permits are generally not of as much interest to the local community as are other types of permit actions. Staff therefore believes that Title V permits should be excluded from the program to provide Board members advance notice of permit actions subject to public notice requirements.

DISCUSSION:

A draft procedure for advance notification of Board members of permit applications that will undergo public notification (excluding Title V permits) is attached. Staff expects that there will be an average of about six permit applications each month that will be subject to advance notification under this procedure. This figure will vary significantly from month-to-month, with peak months expected to be about three times higher than the average level of activity. Staff proposes to notify Board members only of projects that are located within their County, in order to focus the program on those projects that are most likely to be of interest to each member.

Staff recommends that the information provided in the e-mail notifications be kept relatively simple. Project-specific information would include:

- (1) Application Number
- (2) Facility Name
- (3) Facility Location
- (4) Project Title/Description
- (5) Type of Public Notice Required (e.g., newspaper, direct mailing)

Staff recommends that distribution be handled by e-mail. This will minimize staff resources, while ensuring that notifications are provided to Board members on a timely basis. E-mail notifications also will provide an efficient mechanism for Board members to request, and staff to provide, additional information on proposed projects (e.g., copies of draft evaluation reports). Upon request, Staff will provide a Board member with notification in another manner, or remove a Board member from the notification list.

Respectfully submitted,

Brian Bateman
Director of Engineering

Forwarded: _____

Prepared by: Brian Bateman
Reviewed by: Peter Hess

Attachment

Procedure for Providing Advance Notice to BAAQMD Board Members of
Permit Applications Subject to Public Notice Requirements
DRAFT: September 20, 2004

I. Purpose

The purpose of this procedure is to provide advance notification to the members of the District's Board of Directors of permit applications for proposed projects that are subject to public notice requirements under District regulations.

II. Applicability

The following permit applications will be subject to this procedure.

- (1) Applications for a new major facility or a major modification of an existing major facility subject to Regulation 2-2-405, Publication and Public Comment.
- (2) Applications for new or modified sources located within 1000 feet of the outer boundary of a school site, and which would result in an increase in hazardous air emissions, subject to Regulation 2-1-412, Public Notice, Schools.

III. Information Provided

The following information will be provided. The notifications may also contain additional information regarding the proposed project and/or the District's permit evaluation on a case-by-case basis as deemed appropriate by the District's Engineering Division Director.

(a) Introductory Statement

"The Bay Area Air Quality Management District is currently evaluating the following permit application that is subject to public notice requirements under District regulations:"

(b) Project-Specific Information

- (1) Application Number
- (2) Facility Name
- (3) Facility Location
- (4) Project Title/Description
- (5) Type of Public Notice Required (e.g., newspaper, mailing)

(c) Closing Statement

“The public notice will be issued after the District completes a preliminary evaluation of the proposed project. It is estimated that the notice will be issued within the next 30 days.

If you would like additional information regarding this permit application, please contact Brian Bateman, Director of Engineering, BAAQMD, by telephone at (415) 749-4653, or by e-mail at Bbateman@BAAQMD.gov.”

IV. Distribution

The public notice coordinator shall provide the necessary information to the Director of Engineering, or other designated staff member, upon receiving the permit application for public notice processing.

The information listed above shall be provided by e-mail (or by alternative means requested by a specific Board member) to each District Board member (unless a specific Board member indicates their preference to not receive such notifications) located within the County that the proposed project is located prior to issuance of the public notice. The District’s Director of Engineering, or other designated staff member, shall send the e-mail notifications.

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: October 5, 2004

Re: Report of the Executive Committee Meeting of September 29, 2004

RECOMMENDED ACTION

The Committee recommends Board of Director approval of the following items:

- A) Air District Continued Participation in the Hydrogen Highway Blueprint Planning Process;
- B) Air District Participation in the California Stationary Fuel Cell Collaborative; and
- C) Allocation of \$38,400 in Diesel Back-up Generator Mitigation funds for the demonstration of a hydrogen fuel cell light duty vehicle.

BACKGROUND

The Executive Committee met September 29, 2004. The Committee received reports and recommendations from Advisory Council Chairperson, Elinor Blake, and Council Member, Louise Bedsworth. Chairperson, Thomas Dailey, presented the Quarterly Report of the Hearing Board.

A staff report was presented on the Status of the 2004 Ozone Strategy; reports were also given on a District sponsored Hydrogen Fuel Cell Conference and a future Goods Movement Conference. The Committee received a status report from the Information Systems Division with regard to ongoing work to better define the future productions system that will replace IRIS.

The Committee then went into closed session conference with the District's Labor Negotiators. Attached are the staff reports presented to the Committee for your review.

Chairperson Haggerty will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

TO: Chairperson Scott Haggerty and Members of the Executive Committee
FROM: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board
DATE: September 22, 2004
RE: Hearing Board Quarterly Report – APRIL 2004 – JUNE 2004

RECOMMENDED ACTION:

This report is provided for information only.

DISCUSSION:

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Alameda/Fremont	NEW UNITED MOTOR MANUFACTURING, INC. (Appeal – Docket No. 3462) – Appeal from issuance of the Authority to Construct for Application No. 8794 – Pro Forma Hearing	Title V	Matter continued to 11/18/04	===	(VOC) & (NOx)
Alameda/Newark	PECHINEY PLASTIC PACKAGING, INC. (Appeal - Docket No. 3430) – Appeal from specific Terms and Conditions imposed in the Revised MFR Permit for Facility # A0273 – Pro Forma Hearing	Title V	Withdrawn. Parties reached settlement	===	===
Alameda/Oakland	EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) (Variance – Docket No. 3460) – Variance from regulation requiring compliance with permit conditions (APCO not opposed.) – Full Variance Hearing	2-1-307	Withdrawn. Enforcement Agreement signed	===	(H ₂ S)
Alameda/Oakland	ROLLS-ROYCE ENGINE SERVICES-OAKLAND, INC. (Variance – Docket No. 3466) – Variance from regulation limiting emissions of volatile organic compounds from the surface preparation and coating of aerospace components and cleanup of aerospace coating equipment	8-29-302	Withdrawn. District cancelled NOV	===	===
Contra Costa/Antioch	GAYLORD CONTAINER CORPORATION doing business as Inland Paperboard and Packaging, Inc. (Variance – Docket No. 3465) – Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of nitrogen oxides from stationary gas turbines (APCO not opposed.)	2-1-307 9-9-301.2	Withdrawn. Enforcement Agreement signed	===	(NOx)

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Contra Costa/Martinez	AIR PRODUCTS & CHEMICALS, INC. (Appeal – Docket No. 3457) <i>– Appeal from the Decision of the Air Pollution Control Officer concerning Modification to Permit to Operate No. 5222 – Full Hearing</i>	Appeal	Withdrawn	===	===
Contra Costa/Martinez	SHELL OIL PRODUCTS US, MARTINEZ REFINERY (Emergency Variance – Docket No. 3468) <i>– Emergency Variance from regulation requiring compliance with permit conditions; regulation establishing emission limits for sulfur dioxide from all sources including ships, and limits ground level concentrations of sulfur dioxide; and regulation on Standards of Performance for New Stationary Sources</i>	2-1-307 9-1 10-NSPS, Subpart J	Denied	===	(SO ₂)
Contra Costa/Richmond	CHEVRON PRODUCTS COMPANY (Variance – Docket No. 3467) <i>– Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of nitrogen oxides and carbon monoxide from boilers, steam generators, and process heaters in petroleum refineries</i>	2-1-307 9-10-305 & 502	Withdrawn	===	(NO _x) & (CO)
Contra Costa/Rodeo	CONOCOPHILLIPS COMPANY (Variance – Docket No. 3464) <i>– Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of nitrogen oxides from stationary gas turbines (APCO not opposed.)</i>	2-1-307 9-9-301.3	Withdrawn	===	(NO _x) & (CO)
San Mateo/Half Moon Bay	OX MOUNTAIN LANDFILL (Variance – Docket No. 3463) <i>– Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of non-methane organic compounds and methane from the waste decomposition process at solid waste disposal sites (APCO did not take a position.) – Interim Variance Hearing</i>	2-1-307 8-34-113, 301 & 303	Denied	===	(NMOC), (POC), (VOC) and (TAC)
San Mateo/Half Moon Bay	OX MOUNTAIN LANDFILL (Variance – Docket No. 3463) <i>– Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of non-methane organic compounds and methane from the waste decomposition process at solid waste disposal sites (APCO not opposed.) – Short-Term Variance Hearing</i>	2-1-307 8-34-113, 301 & 303	Granted	4/1/04 to 6/28/04	14,325.49 # (VOC, POC & NMOC) 3,480.85 # (TAC)

**NOTE: During the second quarter of 2004, the Hearing Board dealt with 3 Dockets on 3 hearing days.
A total of \$ 34,334.88 was collected as excess emission fees during this quarter.**

Respectfully submitted,

Thomas M. Dailey, M.D.
Chair, Hearing Board

Prepared by: Neel Advani, Deputy Clerk of the Boards

FORWARDED: _____
NA:na (9/22/04) (HBEXQURT)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members of the Executive Committee
From: Elinor Blake, Chairperson, Advisory Council
Date: September 15, 2004
Re: Report of the Advisory Council: July 1 – September 8, 2004

RECOMMENDED ACTIONS:

- A. Consider adoption of the recommendations of the Advisory Council regarding the District's 2004 Ozone Control Strategy.
- B. Consider adoption of the recommendations of the Advisory Council regarding Indoor Air Quality.
- C. Consider adoption of the recommendations of the Advisory Council regarding the proposed elimination of the California Air Resources Board by the Governor's California Performance Review.
- D. Review, receive and file the attached minutes, which are provided as informational background to the Council's discussion of the foregoing recommendations.

DISCUSSION:

Presented below are summaries of the key issues discussed at meetings of the Council and its Standing Committees during the above reporting period.

- 1) Executive Committee Meeting – July 14, 2004. The Committee reviewed the status of the Standing Committee work plans and scheduled topics for upcoming meetings. *(Minutes included in the September 15, 2004 Board of Directors Regular Meeting Agenda packet.)*
- 2) Regular Meeting – July 14, 2004. The Council reviewed the reports of its Standing Committees. It also received a presentation from District staff on the Community Air Risk Evaluation (CARE) program and provided suggestions regarding it. *(Minutes included in the September 15, 2004 Board of Directors Regular Meeting Agenda packet.)*
- 3) Air Quality Planning Committee Meeting – August 3, 2004. The Committee reviewed the District's Ozone Control Strategy and adopted recommendations regarding it for consideration by the full Advisory Council. *(Minutes included in the September 29, 2004 Board of Directors Executive Committee Meeting Agenda packet.)*

- 4) Technical Committee Meeting – August 4, 2004. The Committee reviewed the District’s Ozone Control Strategy and adopted recommendations regarding it for consideration by the full Advisory Council. *(Minutes included in the September 29, 2004 Board of Directors Executive Committee Meeting Agenda packet.)*
- 5) Public Health Committee Meeting – August 9, 2004. The Committee discussed the District’s role in indoor air quality management and made recommendations regarding it for consideration by the full Advisory Council. *(Minutes included in the September 29, 2004 Board of Directors Executive Committee Meeting Agenda packet.)*
- 6) Executive Committee Meeting – September 8, 2004. The Committee reviewed the status of the work plans of its Standing Committees, as well as Council activities in 2004 to date noting that the plans are on schedule *(Minutes included in the September 29, 2004 Board of Directors Executive Committee Meeting Agenda packet.)*
- 7) Regular Meeting – September 8, 2004: The Council reviewed and adopted recommendations on the District’s Ozone Control Strategy, the District’s potential role in Indoor Air Quality, and a resolution regarding the proposed abolition of CARB in the Governor’s California Performance Review. *(Minutes included in the September 29, 2004 Board of Directors Executive Committee Meeting Agenda packet.)*

Respectfully submitted,

Elinor Blake
Advisory Council Chairperson

Prepared by: James Corazza

FORWARDED BY: _____

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

September 8, 2004

To: Scott Haggerty, Chairperson, and Members of the Board Executive Committee

From: Elinor Blake, Chairperson and Members of the Advisory Council

Re: Advisory Council Recommendations on District's Ozone Control Strategy

At its meeting on September 8, 2004, the Advisory Council adopted the following set of findings and recommendations for further study regarding the District's Ozone Control Strategy.

Topic

Review of the District's Ozone Control Strategy.

Background

Relevant Committee Meetings and Topics on Ozone Planning Within the Last Year

Technical Committee:

- December 9, 2003: Ozone, NO_x, and HC ambient concentration trends in the Bay Area; Update on District modeling efforts
- February 24, 2004: Control Strategy Review
- April 6, 2004: Control Strategy Descriptions (joint meeting with the AQPC)
- June 3, 2004: Review of EMFAC2002; NO_x Controls and Ozone Formation
- August 4, 2004: Update from staff

Air Quality Planning Committee:

- April 6, 2004: Control Strategy Descriptions (joint meeting with the Tech. Com.)
- June 15, 2004: Control Strategy Descriptions
- August 3, 2004: Final Discussion on Control Measures

Council Findings

Based on the information presented at the above meetings and committee discussion, the Advisory Council has collected the following set of findings regarding the District's ozone planning process and agrees that the District staff has selected appropriate measures:

1. for review and adoption as control measures or further study measures.
2. as transportation control measures.
3. from other Districts for review and adoption as control measures or further study measures.

Observed trends

- Since 1965, the number of days above the one-hour standard, ozone levels measured, and the number of stations per ozone episode have decreased.
- Ozone formation times are getting longer due to successful efforts to reduce reactive compound precursor emissions. Slower reactivity may have impacts for intra- and inter-basin downwind areas.
- Maximum ozone levels in the Bay Area are very close to the one-hour federal standard. Thus, attainment is highly susceptible to extreme meteorological conditions, such as, extension of a sustained (2-3 day) regional high over the Bay Area that impedes on-shore breeze flow and results in higher than normal temperatures, increase ultraviolet radiation, and lower mixing depth.

District Modeling Efforts

- BAAQMD modeling efforts for volatile organic compounds (VOCs) and nitrogen oxide (NOx) are reproducing observed ozone patterns during exceedance periods, but additional efforts are needed to understand all major interactions between emissions, modeling, and chemistry.
- Heavy-duty diesel vehicle travel patterns are not well represented in EMFAC 2002.
- A fuel-based emission inventory indicates that NOx emissions from on-road heavy-duty diesel vehicles are underestimated, especially in the San Joaquin Valley.
- EMFAC 2002 does not account accurately for an increase in diesel fuel sales between 1990 and 2000.

Control Measures

- All feasible control measures must be identified and adopted for the District to be in compliance with the California Clean Air Act.
- Some NOx measures if adopted in the Bay Area may not reduce, and may increase, ozone locally. The relative magnitudes and health implications of these increases and decreases are not yet clear and await the completion of the District's modeling efforts.

- Most stationary source measures have been adopted to date. Many further reductions are needed from sources under the jurisdiction of the CARB and EPA.
- Previous modeling and data analysis indicates that, in the Bay Area, VOC reductions are more effective in reducing peak ozone concentrations than are NO_x reductions. However, ongoing modeling and data analysis will determine if this is still the case.
- Changes in NO:NO₂ ratios in diesel vehicle exhaust could change the importance of NO_x reductions and ozone chemistry.

Recommendations for Further Study

From the above set of findings, we make the following recommendations:

1. The District should continue to improve model performance, particularly in the following areas:
 - More accurately represent emissions from heavy duty diesel vehicles,
 - Characterize NO and NO₂ emission fractions from diesel vehicles and hydrocarbon speciation more generally.
2. Apply the improved model to understand:
 - Inter- and intra-basin transport issues,
 - Emission reduction scenarios, with particular emphasis on the impact of the relative reduction of VOC and NO_x emissions, and
 - Impacts of various urbanization growth patterns, including but not limited to Transportation Control Measure No. 15.
 - Impacts of alternative fuels
3. Place continuing pressure on CARB and EPA to pass stringent regulations over sources outside the District's jurisdiction, because many of the "low-hanging fruit" have been picked.
4. Include a FSM for alternative fuels, specifically including but not limited to emulsified, ethanol, biodiesel and other fuel types. The District should take into account their applicability under existing and future technologies.
5. Work in concert with the Council to explore the local and regional implementation of items identified in Transportation Control Measure No. 15

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

September 8, 2004

To: Chairperson Haggerty and Members of the Board of Directors Executive Committee

From: Chairperson Blake and Members of the Advisory Council

Subject: Air District Role in Indoor Air Quality

Topic

The District's role in Indoor Air Quality (IAQ) management.

Background

Indoor air pollutants present a well-documented harm to the public's health. Studies of the health effects and their considerable scope are summarized in the recent California Air Resources Board (CARB) draft report, *Indoor Air Pollution in California*, June 2004 (<http://www.arb.ca.gov/research/indoor/ab1173/ab1173.htm>). Pollution indoors is generated both from within buildings, and from the air outside. Many California agencies and universities are engaged in various aspects of research and education on the subject, but, in the words of the CARB draft report, "there is no systematic program [in California] to improve indoor air quality, there are relatively few regulations or standards to address individual indoor air quality problems, and few resources focused on effectively addressing problems and promoting improvements. Current efforts to address indoor pollution are not commensurate with the scope of the risk to health it poses to Californians."

Recommendations

In this vacuum, the District is presented with an unusual opportunity to explore creatively its potential role in improving indoor air quality, which affects the health of everyone in the Bay Area. To augment—but in no case to supplant—the District's activities to improve ambient air quality, we recommend that:

- (1) The District convene or initiate a workshop or series of workshops, or summit, within the next year in which government agencies, researchers, and organizations concerned with IAQ can discuss the current and potential roles of the District and others in improving IAQ. Included among the issues to be addressed should be building materials and their appropriate installation and maintenance. These workshops might be convened as statewide, involving other Air Districts, or as Bay Area workshops with state agency representation. Such workshop(s) would provide a forum for the generation and exchange of ideas and information to develop District proposals and programs for a cohesive approach to IAQ.

- (2) The District consider establishing a graduate student investigator initiative to research impacts of regional air pollution on indoor environments. The Bay Area has an impressive number of universities that conduct research on IAQ: this initiative would allow the District to tap into those resources at relatively little cost, with the added benefit of providing recognition to the District. CARB, CDHS and other agency experts could also be mentors. The District could administer the program or arrange with another entity to do so (e.g., a non-profit such as the Public Health Institute; a university President's Office; a Bay Area foundation). Students would apply annually for the funds, and a review committee would select among the proposals. The California Interagency Working Group on Indoor Air Quality, in which the District participates, could assist by suggesting potential IAQ-related research topics.

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

August 19, 2004

To: Scott Haggerty, Chairperson and Members of the Board Executive Committee

From: Elinor Blake, Chairperson and Members of the Advisory Council

Re: Resolution by the Bay Area Air Quality Management District to Retain the Independence of the California Air Resources Board (ARB)

1. Whereas the Advisory Council is composed of citizen members representing various groups within the Bay Area whose job is to advise the Board of Directors of the Bay Area Air Quality Management District; and
2. Whereas this diverse Council recognizes the critical importance of maintaining an independent ARB in order to achieve clean air throughout the state; and
3. Whereas the ARB is responsible for an improvement in air quality throughout the state because of precedent-setting strategies, including, but not limited to:
 - a. Establishing clean fuel standards
 - b. Setting emissions standards for new motor vehicles sold in the state
 - c. Implementing the Carl Moyer program to reduce emissions of nitrogen oxides and particulate matter from diesel engines throughout the state; and
4. Whereas the ARB is continuing its path of improving air quality by exploring new strategies, including, but not limited to:
 - a. Understanding the relationship of land use to air quality
 - b. Working to reduce greenhouse gas emissions; and
5. Whereas the California Performance Review Team has recommended that the ARB be dissolved and absorbed into a centralized state Department of the Environment; and
6. Whereas we believe that its absorption would inevitably decrease its effectiveness; and
7. Whereas, the Advisory Council resolves that we believe it to be in the best interest of the air districts and all the people in the Bay Area and throughout California that the ARB remain an independent board.

Therefore, the Advisory Council recommends that the Board of Directors consider adopting a motion of support for the continuation of the CARB as independent board.

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

DRAFT MINUTES

Advisory Council
Air Quality Planning Committee Meeting
1:30 p.m., Tuesday, August 3, 2004

- 1. Call to Order – Roll Call.** 1:41 p.m. Quorum Present: Harold Brazil, Chairperson, Irvin Dawid, Emily Drennen, Fred Glueck, John Holtzclaw, Ph.D., Kraig Kurucz. Absent: Kevin Shanahan.
- 2. Public Comment Period.** There were none.
- 3. Approval of Minutes of June 15, 2004.** Dr. Holtzclaw moved approval of the minutes; seconded by Mr. Kurucz; carried unanimously.
- 4. District's Ozone Control Strategy.** Chairperson Brazil called for discussion on the District's Ozone Control Strategy. The following points were made in discussion of the Further Study Measure (FSM) on biodiesel:
 - a) some transit agencies consider biodiesel impractical as it entails a loss of warranty protection on vehicle engines. An AC Transit biodiesel demonstration project on buses revealed many engine breakdowns. Biodiesel does not major particulate matter (PM) reductions, but the extent of reductions in emission of NOx is less impressive. (Brazil)
 - b) biodiesel is being demonstrated in a refuse truck fleet in Berkeley and may be more applicable to this type of fleet rather than to an urban transit fleet. (Dawid)
 - c) the feasibility of this FSM will include evaluation of potential feed stock sources and several bench tests on various types of equipment to ascertain emission benefits. The District will evaluate emulsified fuel as well. (Henry Hilken, Environmental Planning Manager)
 - d) keeping fuel emulsified for a stand-by field generator can be costly and impractical. (Kurucz)
 - e) the purpose of alternative fuels is to reduce this country's dependence on petroleum. Biodiesel is also less polluting to produce than ethanol. (Dawid)

The following points were made in discussion of indirect source mitigation:

- (a) the San Joaquin Valley air district is considering a rule that would require a permit on land-use developments with certain types of air quality impacts and thereby provide an incentive for sound development. The District will closely track the rule given the potential for litigation from the building industry. State law requires that a nexus exist between a fee and the associated pollution mitigation. The District will continue to advocate Smart Growth. (Hilken)
- (b) four years ago, this Committee reviewed the District's indirect source mitigation authority in parking cash-out and urban heat island programs. (Glueck)

- (c) the Bay Area is much more Smart Growth and transit oriented than it was two decades ago. A number of years ago the Metropolitan Transportation Commission (MTC) analyzed an alternative transit scenario that included denser development, and parking cash-out, etc. The results from that alternative when compared with the preferred regional transportation plan scenario Regional Transportation Plan showed greater reductions in driving by 8%, in congestion by 15%, and in emission reductions by 7-8%. Since then, the Association of Bay Area Governments (ABAG) has conducted more compact projections. A repeat of the 1994 projections by MTC showed fewer land-use savings because of demographic changes and more compact projections. (Holtzclaw)
- (d) despite such projections from MTC and ABAG, land-use remains fragmented in the Bay Area with its 101 cities and nine counties. Despite transportation control measures (TCMs) and smart growth strategies, decision-making nevertheless remains with local entities. (Dawid)
- (e) congestion acts as an educator and motivator toward Smart Growth; and planning grants are an effective way of providing communities with input. (Holtzclaw)
- (f) The District should use its financial influence in grant allocation as a motivator to get cities to reduce trips and vehicle miles traveled (VMT), and also to encourage Smart Growth. (Glueck)

Chairperson Brazil stated the Committee has so far identified two issues in its discussion. The first concerns the FSM on alternative fuels, and the second advocates getting regional planning assistance for local planners and to promote Smart Growth. Mr. Glueck suggested that the District be more aggressive in communicating with and educating local planners. Mr. Dawid stated that the District should also comment on controversial projects from a regional perspective.

Mr. Hilken replied that the District's comments in environmental review primarily concern major projects. However, having input at the general plan or specific plan level is better because it occurs earlier in the process. He added that the District has a project endorsement process in which criteria on density and access would be discussed in comment letters. The Committee could comment on and prioritize the items set forth in TCM No. 15. Also, the Transportation Fund for Clean Air provides extra points for the implementation of TCMs. Mr. Kurucz opined that influence on traffic locally and regionally is also achieved through setting forth appropriate categories of review in proposals that come to local decision-makers.

Mr. Hess observed that the Committee's comments emphasize the implementation of TCM No. 15. The Council's assistance in communicating information to local planners and governments in the nine Bay Area counties would also be very useful. A couple of years ago, District staff and Councilmember Hayes made presentations to the planning departments of local entities on urban heat island mitigation. Mr. Hess suggested that the Committee consider ways of implementing TCM No. 15 after the Ozone Control Strategy is adopted. It would get local entities involved in applying regional principles locally.

Chairperson Brazil suggested the Committee include in its formal recommendations that Council members attend meetings with local planners. Mr. Hess stated these meetings would combine staff and the Council, and emphasize woodsmoke abatement, urban heat islands, Smart Growth and the Spare the Air program. Mr. Glueck suggested the Committee keep in mind that such efforts do not have to be limited to redevelopment and planning departments but could also include major developers and their planning staff. If the latter make the appropriate proposal to the local decision makers then the ideal planning categories would already be incorporated in project development.

After further discussion, Mr. Kurucz moved that the Committee adopt the following recommendations; seconded by Dr. Holtzclaw; carried unanimously:

The Advisory Council agrees that the District staff has selected appropriate measures:

- 1. for review and adoption as control measures or further study measures.*
- 2. as transportation control measures.*
- 3. from other Districts for review and adoption as control measures or further study measures.*

The Council also has the following line items that it further wishes to comment on in the Plan:

- 1. The District include a FSM for alternative fuels, specifically including but not limited to emulsified, ethanol, biodiesel and other fuel types. The District should take into account their applicability under existing and future technologies.*
- 2. The District and Council work in concert to explore the local and regional implementation of items identified in TCM No. 15.*

The Committee agreed that the implementation of TCM No. 15 should be the primary task of its work plan for next year.

- 5. Committee Member Comments/Other Business.** There was brief discussion on pending legislation proposing the elimination of exemption for vehicles 30-years and older in the state's Smog Check program.
- 6. Time and Place of Next Meeting.** 9:30 a.m., Tuesday, October 12, 2004, 939 Ellis Street, San Francisco, CA 94109.
- 7. Adjournment.** 3:25 p.m.

James N. Corazza
Deputy Clerk of the Boards

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

DRAFT MINUTES

Advisory Council
Technical Committee Meeting
1:30 p.m., Wednesday, August 4, 2004

1. **Call to Order – Roll Call.** 1:40 p.m. Quorum Present: Louise Bedsworth, Ph.D., Chairperson, Sam Altshuler, Bob Bornstein, Ph.D., William Hanna, John Holtzclaw, Ph.D., Norman A. Lapera, Jr. Absent: Stan Hayes.
2. **Public Comment Period.** Dr. Holtzclaw distributed for information the Air Quality Planning Committee's comments that it adopted yesterday on the District's Ozone Control Strategy.
3. **Approval of Minutes of June 3, 2004.** Dr. Holtzclaw requested that "Plan" be changed to "Plans" on line one of paragraph four on page three; and "Holtzclaw" to "Holtzclaw" on line one of the final paragraph on page 12. He moved the approval of the minutes as corrected; seconded by Dr. Bornstein; carried unanimously.
4. **District's Ozone Control Strategy.** Chairperson Bedsworth reviewed her July 7, 2004 memorandum entitled "Discussion of District Ozone Reduction Strategies and Planning." In discussion, Jean Roggenkamp, District Planning Division Director, and Phil Martien, Senior Atmospheric Modeler, proposed the following editorial suggestions to the memorandum:
 - a) Under *Ambient Trends* replace "significant" with "sufficient" in line six.
 - b) Under *District Modeling Efforts* in line two replace "is underestimating temperature, wind speed, and O₃" with "underestimates wind speed in some areas of the Bay Area, but performs well for Bay Area O₃." In line three, end the sentence at "disparities." Add a second sentence to read: "Based on comparisons to a fuel-based estimate, modeling inventories appear to underestimate VOC from on-road vehicles in the Bay Area." Append a new bullet to read: "The model underestimates temperatures and ozone in the San Joaquin Valley." In the next to last bullet, line two of page two, replace "affect" with "reduce and may even increase."
 - c) Under *EMFAC2002* insert "NO_x" before "emissions" in line one and add at the end of that sentence "especially in the San Joaquin Valley. NO_x emissions from heavy-duty diesel sources are not well represented." In line five, replace "weighted by reactivity" with "speciated by EMFAC." In line six, replace "Model" with "EMFAC."
 - d) Under *NO_x Control Measures*, on line nine add to the third sub-bullet " , unless heavy-duty diesel is specifically targeted."
 - e) Under *Key Findings*, on line nine under No. 2(b) after "mobile sources" add "including light-duty mobile." Delete 2(c) entirely. End the first sentence of No. 5 "Monday." Replace "but it is not" with "it is" and replace "or" with "and" prior to "activity."

Replace “are well understood” with “especially for heavy-duty diesel sources, need to be more accurately represented in modeling inventories on these days.”

Chairperson Bedsworth called for public comment, and the following individual came forward:

Steve Ziman
ChevronTexaco Energy Technology Company
Richmond, California

stating it will be necessary to review the modeling simulations from the Central California Ozone Study (CCOS) and to assess the analyses of data relative to the ozone episodes before firm conclusions about the ozone control strategy can be reached. Smog algorithms can help to assess the benefits and disbenefits of each ozone precursor, along with ozone response surface runs on the base case to see how the model responds to the reduction of each precursor. While NO_x concentrations decrease downwind it would be helpful to know what the active volatile organic compounds (VOCs) are downwind and if fresh NO_x will react to them. These dynamics need further review.

In response to Committee member comments that the text should recognize improved model performance, Ms. Roggenkamp noted that while some information has been provided today, further work is needed for the technical analysis. Control measures for the ozone strategy will have to be based on the modeling results, but these have not yet been completed.

The Committee discussed the text and reached consensus on the following modifications:

Under *Relevant Meetings & Topics* add “on ozone planning within the last year” and include today’s meeting in the chronology.

Add a heading to immediately follow the above heading entitled *Committee Findings*.

Change *Ambient Trends* to *Observed Trends*. In the first bullet add “one hour” before “standard.” In the second bullet, recognize the District’s successful work in targeting the most reactive VOCs, in light of longer reaction times and the corresponding impact on inter- and intra-basin transport. Thematically combine the third and fourth bullets with their focus on temperature and include that in the sixth bullet on meteorological conditions, indicating: “Maximum ozone levels in the Bay Area are very close to the one-hour federal standard. Thus, attainment is highly susceptible to extreme meteorological conditions, such as extension of a sustained (2-3 days) inland regional high over the Bay Area that impedes on-shore breeze flow and results in higher than normal temperature, maximizes UV and lower mixing depth.” Delete the fifth bullet on design values.

Under *District Modeling Efforts* indicate that they are “reproducing observed ozone patterns during exceedances periods, but additional efforts are needed to understand all major interactions between emissions, modeling, and chemistry.”

Under *Control Measures*, incorporate the staff’s proposed edit on how certain NO_x measures may increase ozone locally. Add a second sentence to indicate: “But, these measures could reduce ozone in the Central Valley.” In the third bullet delete “Need” and insert “Many further reductions”; and delete “that” prior to “are from sources under the jurisdiction of CARB and EPA.”

Place the text included under the *EMFAC 2002* heading under *District modeling efforts* with these modifications: (a) Add the new bullet suggested above by staff on fuel-based estimates. (b) To the end of the first bullet add “on-road heavy duty diesel vehicles.” (c) Conclude the second bullet at “2000.” (d) Replace “model” with “EMFAC” in the fourth bullet.

Change *NOx Control Measures* to *Control Measures*, and (a) delete the first bullet; (b) delete the second sub-bullet from the second bullet; (c) add a statement indicating that “previous modeling and data analysis indicates that, in the Bay Area, VOC reductions are more effective in reducing peak ozone concentrations than NOx reductions. However, ongoing modeling and data analysis will determine if this is still the case.”; (d) add: “Changes in NO:NO₂ ratios in diesel vehicle exhaust could change the importance of NOx reductions and ozone chemistry.” This will account for the need to distinguish nitrogen oxide (NO) from nitrogen dioxide (NO₂) emissions as these relate to ozone formation from diesel engine after-treatment technology.

Replace *Findings* with *Recommendations for Further Study*, and note that these are based on the entirety of *Committee Findings* outlined earlier in the document. The text should read as follows:

The District should continue to improve model performance, particularly in the following areas:

- *More accurately represent emissions from heavy duty diesel vehicles,*
- *Characterize NO and NO₂ emission fractions from diesel vehicles and hydrocarbon speciation more generally.*

Apply the improved model to understand:

- *Inter- and intra-basin transport issues,*
- *Emission reductions scenarios, with particular emphasis on the impact of the relative reduction of VOC and NOx emissions, and*
- *Impacts of various urbanization growth patterns.*

Many of the “low hanging fruit” have been picked. The District needs to place continuing pressure on CARB and EPA to pass stringent regulations over sources outside the District’s jurisdiction.

Mr. Hanna moved the Committee adopt the text as revised for forwarding to the full Council on September 8; seconded by Mr. Altshuler; carried unanimously.

5. Committee Member Comments/Other Business. There were none.

6. Time and Place of Next Meeting. 9:30 a.m., Tuesday, October 12, 2004, 939 Ellis Street, San Francisco, CA 94109.

7. Adjournment. The meeting adjourned at 4:15 p.m.

James N. Corazza
Deputy Clerk of the Boards

:jc

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

DRAFT MINUTES

Advisory Council Public Health Committee Meeting
1:30 p.m., Wednesday, August 9, 2004

1. **Call to Order – Roll Call.** 1:38 p.m. Quorum Present: Linda Weiner, Chairperson; Diane Bailey, Elinor Blake, Victor Torreano. Absent: Sanjiv Bhandari, Jeffrey Bramlett, Brian Zamora.
2. **Public Comment Period.** There were no public comments.
3. **Approval of Minutes of May 12, 2004.** Mr. Torreano moved approval of the minutes; seconded by Ms. Bailey: carried.
4. **Indoor Air Quality.** Chairperson Weiner reviewed the two documents in the agenda packet entitled, *Report to the California Legislature: Indoor Air Pollution in California, California Air Resources Board (CARB), June 2004*, and *Indoor Air Technical & Policy Issues: An Update for the BAAQMD Advisory Council, by Jed Waldman, Ph.D., Chief, Indoor Air Quality Section, California Department of Health Services, May 12, 2004*. She stated that at this time there is no comprehensive and coordinated strategy on indoor air quality. Regulatory jurisdiction is spread throughout a variety of agencies.

Ms. Blake distributed her August 9, 2004 memorandum to the Committee entitled *Rough draft idea for a recommendation to the Council concerning the District's role in indoor air quality*. She observed that the CARB report was issued at the request of the Legislature and attests to the widespread health effects associated with indoor air pollution. Noting that the Air District has a rare opportunity to explore its potential role in this field, she offered two suggestions:

- 1) that the District convene a workshop or series of workshops in which researchers, organizations and regulatory agencies associated with indoor air quality could discuss the District's role. The workshops could be convened within the Bay Area with either a broad statewide invitation or as Bay Area-only but with representation from appropriate State agencies.. Key features of the discourse would include identifying current agency roles in indoor air quality and recommendations for future research, education and regulation.
- 2) That the District annually sponsor a graduate student scholarship for research in indoor air quality. This would provide both visibility and a connection with local academic institutions.

Mr. Torreano observed that building materials are a major source of the indoor air pollutants, particularly formaldehyde in pressboard and insulation. In commissioning buildings, contractors heat the interior to treat caulking and epoxies. However, any deficiencies in the

commissioning process require review. If the proper installation and maintenance of building materials could be incorporated into building codes, this would reduce indoor air pollution. Ms. Bailey suggested that the Committee review the study of the toxicity of formaldehyde in the recent rulemaking by the Environmental Protection Agency (EPA) on wood products. Peter Hess, Deputy APCO, added that formaldehyde is used in plywood resin as a material binder, and is also found in the resin in caulking materials. The latter are regulated as consumer products by CARB, which is currently evaluating an air toxic control measure in this field.

Mr. Hess referred to an advertisement in today's San Francisco Chronicle for an indoor ozone generator, which asserts that ozone has a good effect on health. Chairperson Weiner suggested that the District consider issuing a letter to the editor correcting that misconception. Mr. Torreano observed that the CARB report on indoor air quality addresses this type of equipment.

Mr. Hess noted that the District regulates volatile organic compounds (VOCs) in paints and has adopted stringent rules in this field. The District's perchlorethylene (perc) rule, which is based on toxic air contaminant regulation, far exceeds the stringency of the CARB rule for perc dry cleaners. The District's authority to regulate perc derives from the California Health & Safety Code and is based on ambient air quality management. There may be indoor air quality benefits that derive from the rule but these cannot form the basis for its adoption.

Ms. Bailey opined that any District action on indoor air quality should not supplant its concern with or work on ambient air quality. However, other fields of indoor exposure, such as inside vehicles, and in occupational settings like an excavator or a highway tollbooth, should also be considered. Jack Broadbent, Executive Officer/APCO stated that the South Coast AQMD conducted an in-vehicle study in the 1980's that showed elevated levels of most of the compounds for which the agency monitored. The National Resources Defense Council has also conducted a study on air in buses. Chairperson Weiner noted that the American Lung Association is presently studying indoor air quality in the context of school buses.

Ms. Hess suggested that the Council consider working with staff in contacting and working with planning departments in Bay Area cities and counties. Council member Hayes has previously participated with District executive management in speaking to local governments about urban heat island mitigation. Such Council/staff outreach could be extended to the effort to influence building codes. The Council, in concert with staff, would develop the presentation, which would concern guidelines, recommendations and identify key issues. Ms. Blake suggested that local government staff be included on the invitation list to the above-mentioned workshops. Noting that the District was successful years ago in getting local entities to adopt air quality elements in their general plans, she suggested that a comparable general plan amendment for building codes could be studied. This may be a topic for next year's Advisory Council Retreat.

Mr. Torreano noted that the apprentice sheet metal workers in his union are trained in various ventilation processes. It would be ideal for a union training department to incorporate indoor air quality certification processes into an apprenticeship program. However, at the present time there are neither guidelines nor certification processes associated with the installation or maintenance of industrial air duct cleaners for hospitals and municipalities. Mr. Broadbent observed that there are building heating and ventilation guidelines on airflow, but these do not address indoor air quality concentrations. That is why the field of indoor air quality is ripe for review with regard to potential courses of regulatory action.

Jack Colburn, Senior Policy Advisor, stated that EPA has produced a packet on the “Tools for Schools” program, one of which will be provided to each Committee member. It provides a number of key sources of information. Guidance can be gleaned from the packet materials and reviewed for possible application to other indoor situations. A considerable amount of information on indoor air quality is generally available but there is no clearinghouse for it. Molds in buildings and homes are the major indoor air issue in the state. Ms. Blake noted that the State Health Department has active programs on mold in indoor building environments.

Mr. Broadbent suggested that at an off-site location next year the Board and Council hold a Retreat on indoor air quality. Prior to the Retreat, the Council could adopt recommendations for the Board to consider. In addition to the state of the science on indoor air quality, the discussion could include establishing standards for smaller sources comparable to the regulation of back-up diesel generators that are found in many buildings. It could involve a component in which owners of back-up generators, as well as building maintenance staff, could also be educated about ventilation systems and integrate ambient and indoor air quality management awareness.

Mr. Broadbent added that in the Bayview Hunters Point area, where there are higher incidences of asthma, there is no program to deal with indoor air quality. Mr. Hess suggested that perhaps indoor air could be included in the forthcoming public meetings on the Ozone Control Strategy. Mr. Broadbent added that the Community Air Risk Evaluation (CARE) program would be addressed in these community meetings. Ms. Roggenkamp indicated that the meetings would begin in late September and continue through mid-October.

Chairperson Weiner opined that the review of indoor air quality in Bayview Hunters Point, as it relates to the incidence of asthma, should not supplant the District’s careful review of permitting an electrical generating power plant since the emissions may also influence the incidence of asthma in that area. Ms. Bailey added that care must be taken in framing the categories of discourse on indoor air quality and asthma.

Ms. Blake inquired if there could be an immediate augmentation of programs in which the District encourages the development of educational and advisory materials for distribution in residential neighborhoods. Mr. Colburn replied that checklists for home inspections are available and there are scientifically proven building materials that meet both environmental and energy conservation ratings.

Mr. Broadbent added that such material may not be widely distributed, and this issue could be discussed in the workshop. Chairperson Weiner stated that from the perspective of social marketing, tailoring the principles of the meeting and the materials to be presented to a given audience is always to be recommended.

Ms. Blake suggested the following additions to the proposed recommendation, based on today’s discussion:

- In No. 3, prior to “we recommend that” add “to augment—but in no case to supplant—the District’s activities to improve ambient air quality” and before “in which” in the first line add “within the next year”.

- In the first bullet under No. 3, add a second sentence to read: “Included among the issues to be addressed should be their building materials and their appropriate installation and maintenance.”
- After “or workshops” in No. 3 in the first line add “or summit.”
- Delete “state policy” from the last line in No. 3 and insert “and programs” in its place.

Mr. Torreano moved adoption of the text as amended for forwarding on September 8 to the Council; seconded by Ms. Bailey; carried unanimously. The Committee directed that the members absent from today’s meeting receive the revised document via e-mail and be invited to separately submit comments to the Clerk for inclusion in the Council meeting agenda packet.

In reply to Chairperson Weiner, Emily Hopkins, Public Information Officer, stated that to date 30 cities and 6 counties have adopted the District’s wood smoke ordinance. There are approximately 100 incorporated cities and nine counties in the District’s jurisdiction, two counties of which are partial counties with some jurisdiction from another air district.

- 5. Committee Member Comments/Other Business.** Ms. Blake inquired as to the District’s view of a proposal by the Governor’s California Performance Review commission to eliminate CARB. Mr. Broadbent stated the District would respond with a letter of support for CARB. Ms. Blake suggested the Council might consider endorsing such an action by the District.
- 6. Time and Place of Next Meeting.** Monday, October 25, 2004, 1:30 p.m. 939 Ellis Street, San Francisco, California 94109. The September 8, 2004 Committee meeting is canceled.
- 7. Adjournment.** 3:01 p.m.

James N. Corazza
Deputy Clerk of the Boards

:jc

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

DRAFT MINUTES

Advisory Council Executive Committee Meeting
9:00 a.m., Wednesday, September 8, 2004

1. **Call to Order – Roll Call.** 9:15 a.m. Quorum Present: Elinor Blake, Chairperson, Louise Bedsworth, Ph.D., Harold Brazil, Kraig Kurucz, Linda Weiner, Brian Zamora. Absent: William Hanna.
2. **Public Comment Period.** There were none.
3. **Approval of Minutes of July 14, 2004.** Dr. Bedsworth requested that “the” be added after “June 15” and “is” changed to “was” in line one of paragraph two under Item No. 4 on page one. Mr. Kurucz moved approval of the minutes as corrected; seconded by Mr. Zamora; carried unanimously.
4. **Standing Committee Chair Reports on Committee Work Plans.** Dr. Bedsworth stated that on August 4, 2004 the Technical Committee adopted recommendations on the District’s Ozone Control Strategy (OCS) that will be presented today for consideration by the full Council. The Committee will meet jointly with the Air Quality Planning Committee (AQPC) on October 12, 2004 to receive and discuss presentations from two guest speakers on the subject of alternative fuels. This topic will likely be continued to the subsequent meeting of the Committee.

Mr. Brazil stated that on August 3, 2004 the AQPC also adopted recommendations on the OCS, which endorsed the staff’s choice of control measures. Once the Strategy is adopted, the Committee also recommends that the Council evaluate how to implement Transportation Control Measure (TCM) No. 15 on land-use planning. The AQPC and Technical Committees will jointly review the issue of alternative fuels during the remainder of 2004.

In discussion, the Executive Committee agreed to combine the recommendations from both Committees, per direction from the Committee Chairs in concert with the Deputy Clerk. Mr. Hess added that the recommendations will be presented to the Board Executive Committee on September 29, 2004 by Council Chairperson Blake.

Ms. Weiner reported that the Public Health Committee met on August 9, 2004 and reviewed a California Air Resources Board (CARB) report on indoor air quality as well as a presentation on this topic to the Council on May 12, 2004 by Jed Waldman of the California Department of Health Services. The Committee adopted recommendations on the District’s possible role in this field that will be considered by the full Council today. The Committee will next meet on October 25, 2004 and will discuss optical fence line monitoring at refineries, which had been reviewed last year. The Committee intends to complete its recommendations on whether this technology should be applied to other refineries and chemical plants in the Bay Area.

- 5. Discussion of a Year-End Review of Council Activities.** Chairperson Blake indicated that the Council's work plan has largely been completed. The longer-term issues are now being taken up by the Committees due to completion of most of the first priority review topics. She suggested that Council member input be solicited prior to the end of this year on whether the District is getting the Council's best expertise, or if better use could be made of it. Mr. Zamora suggested that at their next meetings the Committee Chairs inquire of their members how best to solicit this type of information, whether verbally or in a paper survey. Mr. Altshuler suggested asking the same questions of the Board of Directors and District staff. Chairperson Blake stated that the form of the input from staff would be determined by the Executive Officer/APCO.

Chairperson Blake suggested that Council member development and education materials could also accompany the survey on Council activities, and might address such topics as guidance on the Brown Act, how to get items on a Council Regular or Committee agenda, how to run a successful meeting, the Council's standard format for reports out of Committee and the Council, the annual flow of work, committee chairpersonship and Council officership rotation.

Chairperson Blake noted that recently a Council member had inquired if members of the Advisory Council could prepare an op-ed article for a local newspaper on a piece of legislation, or submit a letter to the legislature as an Advisory Council member. District Counsel Brian Bunger replied in the negative, explaining that because the Council advises the Board of Directors and the staff, it has no official voice with which to speak in a public capacity on behalf of the agency. However, the Board could request that the Council or one of its members compose such correspondence. In the context of an interview, a Council member may provide biographical identification as being affiliated with the Advisory Council, but that is descriptive rather than signing off on a letter in the capacity of an agency representative or officer.

Ms. Weiner added that a Council member's primary task is to represent a given professional constituency from a category identified by the appointing legislation. Chairperson Blake directed the Committee Chairs to inform their members, as necessary. Mr. Kurucz noted that the AQPC had determined earlier this year that if the Board wanted the Council to weigh in on a piece of legislation it could request that the Advisory Council review it and provide comment. Chairperson Blake replied that this observation dovetails with her earlier question as to whether the Board and staff take full advantage of the Council's expertise.

- 6. Committee Member Comments/Other Business.** In reply to Dr. Bedsworth's question on whether the District will support the greenhouse gas regulations proposed by CARB, Mr. Hess indicated that, while that matter is still under discussion, the District supports the work of the Sonoma County Climate Exchange. However, if the Council wants the District to support the regulations, it could recommend it to the Board Executive Committee on September 29, 2004.
- 7. Time and Place of Next Meeting.** 9:00 a.m., Wednesday, November 10, 2004, 939 Ellis Street, San Francisco, California 94109.
- 8. Adjournment.** 9:51 a.m.

James N. Corazza
Deputy Clerk of the Boards

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

DRAFT MINUTES

Advisory Council Regular Meeting
10:00 a.m., Wednesday, September 8, 2004

CALL TO ORDER 10:09 a.m.

Opening Comments Chairperson Blake.

Roll Call Present: Elinor Blake, Chairperson, Sam Altshuler, P.E., Diane Bailey, Robert Bornstein, Ph.D., Louise Bedsworth, Ph.D., Jeffrey Bramlett, Harold Brazil, Irvin Dawid, Fred Glueck, Stan Hayes, John Holtzclaw, Ph.D., Kraig Kurucz, Kevin Shanahan, Victor Torreano, Linda Weiner, Brian Zamora.
Absent: Sanjiv Bhandari, Emily Drennen, William Hanna, Norman A. Lopera, Jr.,

PUBLIC COMMENT PERIOD There were no public comments.

CONSENT CALENDAR

1. Approval of Minutes of July 14, 2004. Ms. Bailey requested that she be listed as absent on page one under “Roll Call.” Mr. Altshuler stated that he would like to work with the Deputy Clerk to reword the text of the reference to a “little smog factory” under Item No. 1, and he moved approval of the minutes as amended; seconded by Mr. Bramlett; carried, with Mr. Hayes abstaining.

COMMITTEE REPORTS

2. Report of the Air Quality Planning Committee (AQPC) Meeting of August 3, 2004. Mr. Kurucz presented the AQPC’s recommendations on the District’s Ozone Control Strategy (OCS). These affirm the staff’s selection of appropriate control measures, urge the inclusion of a future study measure on alternative fuels, and suggest that the Council explore implementation of Transportation Control Measure (TCM) No. 15 regarding growth and transit planning. The Committee also encourages Council members to attend the District’s community meetings on the OCS. At the next Committee meeting, two guest speakers will provide presentations on alternate fuels. Chairperson Blake stated that, per direction from the Council’s Executive Committee this morning, the recommendations from the AQPC and Technical Committee on the OCS will be merged into one document. Mr. Hayes urged inserting the word “that” prior to Item Nos. 1 and 2. Dr. Bornstein added that a comma should be inserted prior to “which” in paragraph one. Chairperson Blake called for a voice vote on the AQPC recommendations and they carried unanimously by acclamation, as amended.

3. Report of the Technical Committee Meeting of August 4, 2004. Dr. Bedsworth stated that the Technical Committee also reviewed the OCS and made several findings and recommendations.

Dr. Bedsworth suggested changing “increase” to “increased” in the next to last line on page one. Mr. Hayes proposed that in the second sentence of the first bullet under “Control Measures” that the second sentence be replaced with “The relative magnitudes and health implications of these increases and decreases are not yet clear and await the completion of our modeling efforts.” Mr. Dawid suggested referencing TCM No. 15 at the end of the third bullet under No. 2 of “Recommendations for Further Study.” Chairperson Blake suggested adding “including but not limited to TCM 15”. Mr. Altshuler suggested adding a fourth bullet under No. 2 to read “impacts of alternative fuel use.” Mr. Kendall suggested adding the phrase “for VOC and NOx” under the first bullet of “Control Measures,” after “control measures” in line one. Dr. Bornstein noted that there are a few typos he would identify for correction to the Deputy Clerk. Chairperson Blake called for a vote on the amended recommendations, and they carried unanimously by acclamation.

4. **Report of the Public Health Committee Meeting of August 9, 2004.** Ms. Weiner reported that the Committee reviewed the issue of the District’s role in indoor air quality (IAQ) and adopted recommendations urging that multi-agency public meetings on IAQ be held in the Bay Area and that the District sponsor a scholarship for graduate student study of the issues. The Committee reviewed a recent California Air Resources Board (CARB) draft IAQ report as well as minutes of Dr. Jed Waldman’s presentation on IAQ to the Advisory Council on May 12, 2004. Jack Broadbent, Executive Officer/APCO, noted that while the District lacks authority to establish ambient IAQ standards, there is an exchange between indoor and outdoor air that requires further exploration from a regulatory viewpoint. There was brief discussion on the extent to which people may receive their highest exposure to ozone in indoor environments, or whether, due to surface area, indoor concentrations of ozone might ultimately prove to be comparatively low.

Chairperson Blake called for public comment and the following individuals came forward:

Jim Hussey
Marina Mechanical
San Leandro, California

noted that “unintended pressurization” in buildings due to leaking duct work, failed cabling seals and cavities in walls can impact IAQ through pressure differential between interior and exterior of the building. He presented the November 2002 magazine of the *American Society of Heating, Refrigerating and Air-Conditioning Engineers* featuring several topical articles on IAQ, and offered to share the research and experience of his industry on IAQ with the Advisory Council.

Patrick Pico
Sheetmetal Workers Local 104
San Jose, California

stated that his union sponsored courses for 6,000 journeypersons that install, service and maintain HVAC systems. He presented the “Final Report of the National Center for Energy Management and Building Technologies Task 2: Under Floor Air Distribution (UFAD) – Results of Seminars,” dated January 2004 – July 2004, and offered to work further with the Council regarding IAQ.

Mr. Dawid inquired about regulatory authority over indoor air quality in apartment complexes. Dr. Bornstein noted that in some buildings at San Jose State University that house science departments, the effluent from chemistry laboratory hoods returned into the building through the intake vents.

Staff complaints were filed with the Occupational Safety & Health Administration. Mr. Shanahan observed that emergency standby generators are often installed next to air intake systems. The Council members noted that these remarks illustrate the importance of reviewing the IAQ issue and the various types of exchange between indoor and outdoor air. Mr. Kurucz observed that it is unclear how the District should intercede in this field if it is primarily an architectural issue. Chairperson Blake replied that this is why it would be helpful and informative to hold workshops with other agencies and explore the various jurisdictional issues, as the Committee recommends.

Chairperson Blake called for a vote on the recommendation and it carried unanimously by acclamation.

OTHER BUSINESS

5. Report of the Executive Officer/APCO. Mr. Broadbent:

- encouraged the Council members to participate in the community outreach meetings on the District's OCS. The Community Air Risk Evaluation (CARE) program, which the Council has reviewed, will also be presented in these community meetings.
- stated that a rule on wastewater operations at refineries will be presented to the Board on September 15, 2004 in a public hearing.
- reported that today is a Spare the Air day, the fourth of this season and the second day on which free commute will be offered as part of the Spare the Air program. Data from a survey of over 500 people revealed that 9% avoided a trip and 7% curtailed other pollution generating activities due to the Spare the Air program. The free bus service in the Livermore/Amador Valley indicated an 8% increase in ridership. There is a segment of the Bay Area population that, if provided with transportation choices, will take actions to help the environment.

In reply to Council member questions, Mr. Broadbent stated:

- The recently signed state budget entails a 10% rather than 25% reduction in property tax revenues to the District. The District should be able to manage this shortfall with salary savings from unfilled positions and adjustments in operating program allocations. The District will face the same 10% loss in property tax revenues next fiscal year.
- Free transit on Spare the Air days is provided throughout the Bay Area despite the fact that some areas within the region have greater ozone problems than others. The air from Millbrae during the morning commute transports intra-basin to form ozone in the East Bay; therefore, transportation behavior throughout the region is interconnected. This approach features an episodic type of control measure that is tailored toward the summer ozone season with stagnant wind patterns. The cost-effectiveness criteria may differ from other control measures with year-round applications, and its success depends on the cooperation of Bay Area citizens.

6. Resolution Concerning Aspects of the California Performance Review (CPR) Commission of Relevance to Air Quality. Mr. Dawid presented his "Draft Resolution by the Advisory Council of the Bay Area Air Quality Management District to Retain Independence of California Air Resources Board" dated August 19, 2004. The CPR proposes to replace CARB with a department under the Cal-Environmental Protection Agency (Cal-EPA) Department of Environment. Chairperson Blake noted that this resolution, if passed, will be presented to the Board's Legislative Committee.

Mr. Hayes suggested that the memorandum reflect that the position of support for CARB should be from the District's governing board. Chairperson Blake indicated that in the resolution the "Therefore" clause could be changed to reflect "recommends that the Board of Directors..." In discussion, many Council members proffered support for retaining CARB's independence. Messrs. Altshuler and Glueck suggested that the Council instead resolve to support whatever staff position is adopted, rather than adopt a separate resolution on this issue. Mr. Hayes proposed the following language to replace the final paragraph of the text: "And whereas, the Advisory Council resolves that we believe it to be in the best interest of the air districts and all the people in the Bay Area and throughout California that the CARB remain an independent board. Therefore, we recommend that the Board consider adopting a motion of support for the continuation of the CARB as an independent board."

Dr. Bedsworth noted that in some of the small bullet points there are some minor factual matters that required fixing, such as the fact that the Smog Check program is not solely under CARB's jurisdiction but is under the Bureau of Automotive Repair (BAR). Chairperson Blake stated these minor edits/changes can be made without changing the substantive thrust of the recommendation.

Dr. Bornstein stated that he favors the resolution but feels insufficient time has been given to discuss all the issues. He moved that it be tabled; seconded by Mr. Altshuler. The motion failed 6-9 by a show of hands with the following vote:

Ayes: Altshuler, Bramlett, Bornstein, Glueck, Kurucz, Shanahan

Noes: Bailey, Blake, Bedsworth, Brazil, Dawid, Holtzclaw, Torreano, Weiner, Zamora

In reply to a question by Dr. Bornstein, Chairperson Blake clarified that the Board's Legislative Committee is expected to meet on this issue in October; hence, an interest in the Council addressing the issue at today's meeting.

Chairperson Blake called for a vote on the resolution, as amended by Mr. Hayes, and it carried 13-2 by a show of hands:

Ayes: Altshuler, Bailey, Blake, Bornstein, Bedsworth, Brazil, Dawid, Holtzclaw, Kurucz, Shanahan, Torreano, Weiner, Zamora.

Noes: Bramlett, Glueck.

Chairperson Blake called attention to another aspect of the CPR recommendations and presented her draft memorandum of September 8 entitled "Resolution by the Advisory Council to support streamlined permitting that incorporates public participation and protection of the public's health." Noting that she would not call for a Council vote on the text due to time constraints, for the Council's information she said the text states that the Council takes note of the CPR section entitled "RES14 Streamline Permitting to Reduce Petroleum Infrastructure Bottlenecks" and reaffirms the Council's support for an efficient permitting process that incorporates meaningful public participation and public health protection as a principal goal. She added that she would append another clause to read "and recommends engagement by the District in any policy-making activities that may occur based on this section."

Ms. Bailey responded that she opposes RES14 because it would curtail public comment in permitting and sacrifice public health and the environment for less expensive gasoline. Allowing oil

company consultants to give advice to permit reviewers is also problematic. Chairperson Blake suggested the Council wait to receive a report on the discussion of this matter by the Board Legislative Committee before pursuing this further.

- 7. Air & Waste Management Association (A&WMA) Annual Exhibition & Meeting.** Mr. Kurucz noted that a study was introduced concerning the Forest Park area of Portland where organic pollutants were speciated and traced from downtown back to their source. The study was well-done and reasonably priced at \$40,000 over a two-month period. This type of approach might be considered in the Council's approach to the issue of optical fence line monitoring at refineries. Also, the issue of replacing airport construction and diesel equipment was evaluated, along with a study of the impacts of reducing the speed limit for trucks from 65 to 55mph. Mr. Kurucz suggested the papers are worth studying and could provide guidance on Council work plan topics. Mr. Altshuler added that the keynote address was on sustainability, while last year it concerned the sequestration of CO₂. The scope of focus of A&WMA appears to be expanding.
- 8. Report of Advisory Council Chair.** Chairperson Blake stated that the Executive Committee noted that the Council has completed almost all of its work plan topics adopted for this year and is now beginning to review the long-term issues. The next Committee meetings may contain an item in which Council members may reflect on how to improve offering the Council's expertise to the staff and Board. Staff will be asked for comments on this as well. She inquired of Council members as to their attendance at the upcoming OCS community meetings. The following was indicated:

 - Richmond – September 23: Blake, Brazil
 - Petaluma – September 22: Hanna
 - Richmond – September 9: Blake, Brazil
 - San Jose – September 29: Dawid, Zamora, Kurucz, Torreano
 - Oakland – September 30: Kurucz, Bedsworth, Bailey, Bedsworth, Brazil
 - San Francisco – October 13: Weiner, Bramlett, Holtzclaw, Shanahan, Hayes
 - Livermore – October 14: Altshuler, Glueck
 - Martinez – October 21: Altshuler, Blake, Brazil
- 9. Council Member Comments/Other Business.** Ms. Bailey noted that on October 14, 2004 CARB will sponsor a study session on its air quality/land-use handbook. On September 9, 2004 the National Resources Defense Council will issue a report on cleaning up pollution at port facilities.
- 10. Time and Place of Next Meeting.** 10:00 a.m., Wednesday, November 10, 2004, 939 Ellis Street, San Francisco, CA 94109.
- 11. Adjournment.** The meeting was adjourned at 12:25 p.m.

James N. Corazza
Deputy Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Haggerty and
Members of the Executive Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: September 22, 2004

Re: Status Report on 2004 Ozone Strategy

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The Air District, in consultation with the Metropolitan Transportation Commission (MTC) and the Association for Bay Area Governments, is preparing the Bay Area 2004 Ozone Strategy. The Ozone Strategy will address national and state air quality planning requirements. The Ozone Strategy will include a redesignation request and a maintenance plan for the national 1-hour ozone standard and a triennial revision to the Bay Area strategy to attain the California 1-hour ozone standard and to reduce transport to downwind regions. The strategy will also address other related air quality issues, including community outreach, fine particulate matter and global warming. This report provides an update regarding the control strategy, public outreach, modeling, and the future schedule.

DISCUSSION

Control Strategy. The Ozone Strategy must include all feasible measures to reduce ozone precursors as part of the triennial plan update for attaining the California ozone standard and reducing downwind transport. Staff has evaluated a wide range of potential control measures for inclusion in the Ozone Strategy. Ideas for potential measures have been gathered from community meetings, the Ozone Working Group, consultation with ARB and other air districts, the District Advisory Council, and District staff.

Staff evaluated nearly 400 stationary, area, and mobile source control measure suggestions. Based on the evaluations, staff is proposing the inclusion of 15 stationary and area source control measures in the Ozone Strategy. These measures would strengthen the Air District's existing regulations on industrial and commercial operations. Staff is also proposing the inclusion of 4 mobile source measures to reduce emissions from on-road and off-road mobile sources through incentives, model ordinances and educational efforts. These programs will complement the mobile source regulations implemented at the state and federal levels. In addition, Air District staff has worked with MTC staff to update and enhance 19 transportation control measures that address transit, ridesharing, traffic management, bicycling, transportation pricing, smart growth and educational programs.

AGENDA NO 6

In addition to the control measures, the Ozone Strategy will include further study measures. These are measures for which insufficient information was available during the development of the control strategy to allow the agency to commit to them as control measures. For instance, the technology may not be sufficiently demonstrated or the emissions data needs further investigation. Staff identified 21 further study measures to be evaluated. If the results of the study indicate that the measure is viable, it will be considered for implementation through a regulation or program. The further study measures address stationary, area, mobile and transportation emission sources.

Pursuant to the California Environmental Quality Act, we are preparing an Environmental Impact Report (EIR) to analyze potential secondary adverse environmental impacts of the control measures. A consulting firm, Environmental Audit, is assisting with preparing the EIR. A draft and final EIR will be circulated for public review along with the draft and final Ozone Strategy.

Public Outreach. The Air District's outreach for the 2004 Ozone Strategy extends well beyond the outreach conducted for previous planning processes. Outreach includes Ozone Working Group meetings, community meetings, consultation with other air districts, and Modeling Advisory Committee meetings. Information about the planning process and materials for each of the OWG, MAC and community meetings is posted on the Air District website. In addition, staff has presented updates on the planning process to the Board of Directors Executive Committee, the Regional Agency Coordinating Committee, and the District Advisory Council.

The Ozone Working Group provides regular opportunities for public involvement in the ozone planning process. At OWG meetings, staff present updates on various aspects of the planning process and solicit discussion and public comment. Any interested party is welcome to participate in the OWG. Participants include representatives of business, industry, environmental and community groups, transportation advocates, local agencies, neighboring air districts, U. S. EPA, and the Air Resources Board. Eight OWG meetings have been conducted to date, with the next meeting scheduled for September 28, 2004.

The District conducted six community meetings in September 2003 focused on the Ozone Strategy. This first round of community meetings provided background information about the District, ozone, and the planning process, and solicited suggestions for potential ozone control measures.

A second round of community meetings is scheduled for September and October 2004. At these meetings staff will present the draft control measures and further study measures proposed for the 2004 Ozone Strategy and solicit feedback on the draft measures. These meetings will also include a presentation on the District's new Community Air Risk Evaluation (CARE) program. The local public health officers have been invited to participate in the community meetings.

In addition to soliciting input on potential control measures via the Ozone Working Group and community meetings, Air District staff has also consulted with ARB and downwind air districts. These consultations have included discussions through the California Air Pollution Control Officers Association on all feasible measures, rule comparison discussions with ARB

AGENDA NO 6

and northern California air districts, and discussions with staff at the Sacramento Metropolitan Air Quality Management District on their specific control measure suggestions. Staff has also scheduled a consultation meeting with downwind air districts to discuss our draft control measures on October 7, 2004.

The Modeling Advisory Committee (MAC) reviews the work of the District's modeling consultants and District staff on a regular basis. The MAC includes representatives of EPA, ARB, downwind air districts, MTC, industry, environmental and community groups, and transportation advocates. To date, staff has held 19 MAC meetings.

Ozone Modeling. Air District staff and modeling consultants (ENVIRON International Corporation) are developing a state-of-the-science photochemical ozone modeling system as a tool for ozone planning for the Bay Area and for analyzing pollutant transport to downwind air basins. Significant progress has been made in developing modeling results for recent periods of high ozone, specifically a July 1999 episode and a July/August 2000 episode. Model performance for the Bay Area for these historic episodes meets performance criteria established by the Environmental Protection Agency. However, model performance in downwind regions (e.g. San Joaquin Valley) needs improvement. ENVIRON has prepared a draft report on the work completed to date. The Modeling Advisory Committee is currently reviewing the draft report.

Schedule. The next step in the planning process for the Ozone Strategy is to receive feedback on the draft control measures and further study measures through the upcoming community meetings and Ozone Working Group meeting. After considering the feedback, staff will complete the Draft 2004 Ozone Strategy and release it for public review and comment, most likely in early November 2004, along with the Draft EIR. At the conclusion of the public comment period, staff will revise the documents and prepare a proposed final Ozone Strategy and EIR. The Board of Directors will hold a public hearing and consider adoption of the Ozone Strategy in early 2005. MTC and ABAG will also consider adoption of the redesignation request and maintenance plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funding for development of the Ozone Strategy is included in the adopted budget.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

Reviewed by: Peter Hess

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Haggerty and
Members of the Executive Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: September 22, 2004

Re: Hydrogen Fuel Cell Meeting

RECOMMENDED ACTIONS

1. Receive and file staff summary of a July 9, 2004 meeting hosted by the Air District on Bay Area activities regarding hydrogen fuel cells.
2. Endorse Air District participation in the Hydrogen Highway Blueprint planning process.
3. Recommend Board approval of the Air District participating in the California Stationary Fuel Cell Collaborative.
4. Recommend Board approval of the Air District joining the California Fuel Cell Partnership and allocation of \$90,000 from Program 104 to cover dues for one year.
5. Recommend Board approval of the allocation of \$38,400 in Diesel Back-up Generator Mitigation funds for the demonstration of a hydrogen fuel cell light duty vehicle.

DISCUSSION

Non-renewable fuels, such as gasoline, diesel and natural gas, power most motor vehicles. Electricity produced in California is generated from burning natural gas, oil and coal. Advances in cleaner fuel formulations, engine design and emission control systems have led to a significant reduction in harmful emissions from motor vehicles and power stations. In recent years increased attention has been focused on the use of hydrogen in internal combustion engines or, more significantly, in fuel cells to bring emissions to zero or near-zero levels.

While hydrogen represents an abundant opportunity for clean power, there are significant hurdles to using it. For example, hydrogen fuel has to be extracted from other substances – water, oil, sugar, and natural gas – which can be energy intensive and inefficient. Private industry, the federal government and the State of California are engaging in research programs, demonstration efforts and long-range planning exercises to make clean hydrogen fuel a substantial part of the energy future. Many of these efforts are taking place in California, with significant activities in the Bay Area.

Bay Area universities and federal research labs are working with the Department of Energy to developing efficient and economical methods for extracting and storing hydrogen. Bay Area transit districts are demonstrating fuel cell buses, with vehicle demonstrations developing in San Francisco, Alameda, San Mateo and Santa Clara Counties. The California Air Resources Board (CARB) is heading up a statewide planning effort to develop the Hydrogen Highways Blueprint. This blueprint is designed to give substance to Governor Schwarzenegger's call for large numbers of hydrogen fueling stations along California's highways.

To begin understanding how hydrogen fuel may help to further air quality improvement goals in the Bay Area, the Air District organized a half-day meeting with local agencies, university members and representatives from private industry and non-profit organizations to explore how the Air District can both assist and take advantage of hydrogen fuel. The meeting was held on July 9, 2004 at MetroCenter in Oakland. The meeting attracted 50 participants. Presentations were provided on current efforts around hydrogen highways and hydrogen powered stationary fuel cells, as well as briefings on the current demonstrations being undertaken by the transit districts and fuel providers. A copy of the agenda is attached.

Participants in the meeting called for a strong effort by the Air District to support the development of hydrogen power for motor vehicles and production of electricity. However, there are extensive unknowns related to hydrogen production and its ancillary environmental impacts, fuel cell costs and efficiencies, as well as safety issues that need to be better understood before staff could advance recommendations to the Board on what and how to support hydrogen fuel technologies.

To gain better insights into the development of hydrogen fuel cells, staff is recommending four initial actions for the Air District: 1) participate in the development of the Hydrogen Highway Blueprint, 2) participate in the California Stationary Fuel Cell Collaborative, 3) join the California Fuel Cell Partnership and 4) become a host fleet for a fuel cell vehicle demonstration being developed by DaimlerChrysler.

Development of the Hydrogen Highway Blueprint began in June 2004. The current schedule calls for the final plan to be submitted to the Governor and Legislature in January 2005. CARB has established a number of topic teams to facilitate public participation in the development of the Blueprint. Air District staff will continue to participate in appropriate topic teams, monitor the overall development of the Blueprint and report back to the Mobile Source Committee, as appropriate.

The California Stationary Fuel Cell Collaborative consists of public agencies and private firms working to commercialize the use of fuel cells for power generation. The Collaborative acts as a clearinghouse for current research and field demonstrations of stationary fuel cells in California. Staffing for the Collaborative is provided by CARB, with funding from the Department of Energy, the California Energy Commission (CEC) and the California Public Utilities Commission.

To promote the development of fuel cells for motor vehicles, CARB and the CEC started the California Fuel Cell Partnership in January 1999. There are currently 31 member organizations representing government agencies, non-profits, and oil companies and automobile manufacturers. Annual dues are \$90,000. The Partnership is playing a key organizing role in the implementation of the Governor's Hydrogen Highway Blueprint.

DaimlerChrysler has been developing fuel cell technology for more than a decade. Early efforts were focused in Europe. However, growing interests in fuel cells in California, along with CARB's Low-Emission Vehicle regulations has prompted DaimlerChrysler to field a fleet of 15 to 20 fuel cell vehicles in California. DaimlerChrysler has requested that the Air District deploy one of the vehicles in its fleet. The vehicle will be used in a variety of capacities as part of the Air District's fleet. DaimlerChrysler has requested \$38,400 from the Air District to help offset maintenance, transportation and insurance costs. The vehicle will be refueled at a mobile fueling station in San Francisco; the Air District supports this station with funding from the Transportation Fund for Clean Air.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Funding for the initial year's membership dues for the California Fuel Cell Partnership will come from Program 104. Funding for the Daimler Chrysler fuel cell vehicle demonstration will come from the Diesel Back-up Generator Mitigation funds.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

Prepared by: Michael Murphy
Reviewed by: Pete Hess



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Bay Area Hydrogen Network

Joseph P. Bort MetroCenter
Auditorium
101 Eighth Street
Oakland, CA 94166

1:00 pm – 4:00 pm
July 9, 2004

Agenda

Welcome and Opening Remarks

Jack Broadbent, *Executive Officer/APCO BAAQMD*

Supervisor Scott Haggerty, *Chair, BAAQMD*

Supervisor Mark DeSaulnier, *Board Member, ARB/BAAQMD*

Overview: Hydrogen, Fuel Cells and the Bay Area

Robert Hayden, *Acting Communications Manager California Fuel Cell Partnership*

California Hydrogen Highway Network

Shannon Baxter, *H2 Highway program manager for CalEPA Secretary Terry Tamminen*

Statewide Public/Private Programs

California Fuel Cell Partnership

Catherine Dunwoody, *Exec. Director (or representative)*

California Stationary Fuel Cell Collaborative

Ron Friesen, *Exec. Director*

Bay Area Hydrogen & Fuel Cell Projects

AC Transit and Chevron Texaco

Jaimie Levin, *Manager, Marketing and Communications AC Transit*

Santa Clara VTA & Air Products

Art Douwes, *Senior Engineer, Santa Clara VTA*

PG&E & Ztek

Brian Stokes, *Clean Vehicle Program, PG&E*

San Francisco Dept. of Environment

Jared Blumenfeld, *Director*

Others

Open

Next Steps – Open Discussion

Where do we go from here?

Moderators: Jack Broadbent and Supervisor DeSaulnier

Conclusion

Jack Broadbent

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Haggerty and
Members of the Executive Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: September 22, 2004

Re: Goods Movement Conference

RECOMMENDED ACTION

Receive and file staff summary of upcoming conference on goods movement in Northern California.

DISCUSSION

The Metropolitan Transportation Commission (MTC) will soon complete a study of the movement of freight throughout the Bay Area. This effort, which has been supported by the Air District and other partners, will culminate in a regional strategy to make freight movements more efficient and timely. This goods movement strategy will become an element of the Transportation 2030 Plan.

Physical and technological improvements that result in the efficient movement of goods and materials, coupled with the continued lowering of emissions from the wide range of engines used in moving goods, could contribute significantly to achieving clean air in the Bay Area.

To highlight the forthcoming MTC study, and to launch a regional discussion on successful strategies to improve goods movement and air quality, the Air District has partnered with MTC, the Association of Bay Area Governments and the Environmental Protection Agency, Region IX in co-hosting a two-day conference and exposition on strategies to move freight faster while reducing air pollution. The conference – *Faster Freight, Cleaner Air* – is scheduled for December 8 and 9, 2004 at the Marriot Hotel in Oakland.

Gladstein, Neandross and Associates (GNA) has been retained to handle the conference logistics. The conference steering committee consists of staff from the co-host agencies, as well as the Economic Development Alliance for Business. The steering committee is currently working with GNA to set the conference agenda and sign-up public and private conference sponsors.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Air District is providing \$25,000 in funding for the conference from Program 104.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

Prepared by: Michael Murphy
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

AGENDA NO. 9

To: Chairperson Haggerty and Members of the Executive Committee
From: Jeff McKay, Director of Information Services
Date: September 22, 2004
Re: Replacement of DataBank and IRIS

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Unique software applications, DataBank and IRIS, are used to carry out District business processes. Examples of these processes include Planning, Permitting, Inspection and Emission Inventory.

The Air District first implemented the DataBank application in 1977. This application pre-dates database technology, and stores information in flat files. In 2001 the District implemented the IRIS application, partially relieving Databank of some function. The migration to modern technology must continue for the District to fulfill its mission.

DISCUSSION

The migration will make maximum use of common existing business applications. These applications will be integrated with any custom elements required to enable the District's unique business needs. Build and Development will begin only after substantial verification of Design. Identification of Design in the first calendar quarter of 2005 will enable final targets for resource requirements. Although these targets are still to be determined, the migration should be substantially complete in calendar year 2007.

This presentation will focus on ongoing survey work that provides information on current best practices. The Executive Committee will receive regular updates on this process.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Initial funds for this work are included in the approved 04/05 budget.

Respectfully submitted,

Jeff McKay, Director
Information Services Division

FORWARDED: _____

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: September 30, 2004

Re: Budget & Finance Committee Meeting of September 30, 2004

RECOMMENDATION

The Committee refers to the Board of Directors, without recommendation, the request from staff to approve a contract with Stonefield Josephson to conduct a Cost Recovery Study for the District. The amount of the contract is \$180,000. The Committee, due to the lack of a quorum, took no action.

BACKGROUND

The Budget & Finance Committee met on September 30, 2004. Staff reported on the following two items:

- A) Informational item on the Third Quarter Financial Report;
- B) Consideration of Contactor Stonefield Josephson to conduct a Cost Recovery Study. The report included a chronology of events leading up to staff's evaluation of the proposal, meetings with the Steering Committee, and a meeting with the proposed managers from Stonefield Josephson.

Attached are the staff reports presented to the Committee for your review.

Chairperson, Julia Miller will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on the current year budget. The funds for the Cost Recovery Study are in the approved operating Budget for FY 2004/2005.

Respectively submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Wayne Tanaka
Director of Administrative Services

Date: September 22, 2004

Re: Fourth Quarter Financial Report

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$15,165,532, budget was \$15,527,000. As usual, Alameda, San Mateo and Santa Clara counties accounted for the majority of the receipts received.
- Permit Fee receipts were \$16,746,396, budget was \$17,086,130.
- Asbestos Fees were \$1,634,409, budget was \$1,270,000.
- Penalties and Settlements were \$2,391,932, budget was \$1,700,000.
- Federal Grants Current & Prior Yrs were \$1,557,507, budget was \$1,415,000.
- CMAQ Funding was \$1,213,627, budget was \$1,228,000.
- State Subvention was \$1,748,051, budget was \$1,863,870.
- Interest Income receipt was \$580,374, budget was \$475,000.
- Miscellaneous Revenue receipts were \$ 276,107, budget was \$375,000

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$28,927,673 , budget was \$30,490,736.
- Operational Services and Supplies were \$8,236,580, budget was \$9,607,561.
- Capital Outlay was \$2,639,097, budget was \$2,922,255.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$4,551,385, budget was \$5,958,118.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$1,142,159, budget was \$1,349,448.
- Operational Services and Supplies were \$3,409,176, budget was \$4,608,670.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on Fiscal Year 2003/2004 budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka

**STATEMENT OF REVENUE
GENERAL FUND
As of June 30, 2004 and June 30, 2003**

REVENUES	Budget FY 2004	Received to Date June 30, 2004	Receipts as % of Budget FY 2004	Received to Date June 30, 2003	Variance Received to Date FY 2004 vs FY 2003	% of Variance
County Revenue						
Alameda County	2,825,000	2,866,194	101%	2,702,890	163,304	6%
Contra Costa County	1,900,000	1,981,864	104%	1,842,077	139,787	7%
Marin County	755,000	782,492	104%	735,344	47,148	6%
Napa County	465,000	506,813	109%	467,902	38,911	8%
San Francisco County	2,050,000	1,804,472	88%	1,956,207	(151,735)	-8%
San Mateo County	2,350,000	2,088,042	89%	1,944,451	143,591	7%
Santa Clara County	4,020,000	3,909,747	97%	3,916,102	(6,355)	0%
Solano County	402,000	419,424	104%	364,504	54,920	13%
Sonoma County	760,000	806,484	106%	757,069	49,415	6%
Sub Total	15,527,000	15,165,532	98%	14,686,546	478,986	3%
Permit, Title V & AB 2588 Fees	17,086,130	16,746,396	98%	16,586,900	159,496	1%
Asbestos Fees	1,270,000	1,634,409	129%	1,281,805	352,604	22%
Soil Aeration Fees	6,000	1,038	17%	1,962	(924)	-89%
Hearing Board Fees	35,000	55,210	158%	80,195	(24,985)	-45%
Penalties & Settlements	1,700,000	2,391,932	141%	2,250,123	141,809	6%
Federal Grant Current & Prior Year	1,415,000	1,557,507	110%	2,049,756	(492,249)	-32%
Federal - 103 Grant/Supplemental Funding	776,065	764,375	98%	199,700	564,675	74%
CMAQ Funding	1,228,400	1,213,627	99%	1,429,535	(215,908)	-18%
State Subvention	1,863,870	1,748,051	94%	1,766,288	(18,237)	-1%
CEC/Carl Moyer/Other Grants	285,000	395,100	139%	250,000	145,100	37%
Interest Income	475,000	580,374	122%	610,222	(29,848)	-5%
Miscellaneous Revenue	375,000	276,107	74%	232,259	43,848	16%
District Service Revenue	15,000	9,974	66%	12,709	(2,735)	-27%
Sub Total Other General Fund	26,530,465	27,374,100	103%	26,751,454	622,646	2%
TOTAL GENERAL FUND	42,057,465	42,539,632	101%	41,438,000	1,101,632	3%
Transfers In						
Reserve for Office Equipment	105,825	105,825	100%	0	0	0%
Reserve for Contingencies/General Reserve	297,500	297,500	0%	319,500	(22,000)	-7%
TFCA Cost Recover	564,610	513,957	91%	513,303	654	0%
TOTAL TRANSFER IN	967,935	917,282	95%	832,803	84,479	9%
Transfer Out						
Fund Balance Available	(4,848)	0	0%	0	0	0%
TOTAL REVENUE & TRANSFERS	43,020,552	43,456,914	101%	42,270,803	1,186,111	3%

**STATEMENT OF EXPENDITURES
GENERAL FUND
As of June 30, 2004 and June 30, 2003**

EXPENDITURES

	Budget FY 2004	Expended to Date June 30, 2004	Expended as % of Budget FY 2004	Expended to Date June 30, 2003	Variance Expended to Date FY 2004 vs 2003	% of Variance
Personnel Expenditures						
Permanent Salaries	24,498,795	23,315,392	95%	23,006,005	309,387	1%
Overtime Salaries	147,979	130,948	88%	155,767	(24,819)	-19%
Temporary Salaries	104,059	50,553	49%	72,690	(22,137)	-44%
Payroll Taxes	276,792	261,266	94%	255,796	5,470	2%
PERS	9,263	14,553	157%	15,126	(573)	-4%
FICA Replacement Benefits	1,078,275	1,006,345	93%	1,084,744	(78,399)	-8%
Group Insurances	3,333,997	3,152,876	95%	2,398,670	754,206	24%
Employee Transportation Subsidy	204,059	203,041	100%	181,670	21,371	11%
Worker Compensation	724,477	708,249	98%	349,195	359,054	51%
Fees	113,040	84,450	75%	107,753	(23,303)	-28%
TOTAL PERSONNEL EXPENDITURES	30,490,736	28,927,673	95%	27,627,416	1,300,257	4%
Operation Expenditures						
Transportation and Travel	203,458	121,578	60%	125,476	(3,898)	-3%
Training & Education	296,569	213,039	72%	69,067	143,972	68%
Maintenance of Equipment	338,511	349,843	103%	397,509	(47,666)	-14%
Communications	436,588	426,318	98%	327,356	98,962	23%
Maintenance of Building	283,140	269,337	95%	239,818	29,519	11%
Utilities	372,066	341,752	92%	321,357	20,395	6%
Postage	187,916	111,394	59%	142,421	(31,027)	-28%
Printing & Reproduction	479,565	265,939	55%	255,045	10,894	4%
Rental of Equipment	224,276	191,877	86%	143,078	48,799	25%
Rents & Leases	883,280	881,866	100%	845,318	36,548	4%
Professional Services	4,447,605	3,885,490	87%	4,004,949	(119,459)	-3%
Insurance	393,500	312,829	79%	388,170	(75,341)	-24%
Shop & Field Supplies	238,387	210,388	88%	179,862	30,526	15%
Laboratory Supplies	95,426	97,373	102%	52,766	44,607	46%
Fuels	229,280	148,570	65%	139,280	9,290	6%
Computer Hardware & Software	184,927	161,718	87%	232,350	(70,632)	-44%
Office Supplies	164,748	151,809	92%	159,831	(8,022)	-5%
Books, Journals & Subscriptions	104,668	55,404	53%	47,251	8,153	15%
Minor Office Equipment	43,651	40,056	92%	33,565	6,491	16%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	9,607,561	8,236,580	86%	8,104,469	132,111	2%
Capital Budget						
Office Equipment	205,825	213,769	104%	4,413	209,356	100%
Computer Equipment	1,708,000	1,421,996	83%	774,703	647,293	46%
Bulding & Grounds	878,830	873,761	99%	324,513	549,248	63%
Vehicle Fleet	129,600	129,571	100%	445,912	(316,341)	-244%
Laboratory & Monitoring Equipment	0	0	0%	798,436	(798,436)	100%
Communications Equipment	0	0	0%	0	0	0%
TOTAL CAPITAL BUDGET EXPENDITURES	2,922,255	2,639,097	90%	2,347,977	291,120	11%
TOTAL EXPENDITURES	43,020,552	39,803,350	93%	38,079,862	1,723,488	4%

STATEMENT OF REVENUE and EXPENDITURES
TRANSPORTATION FUND FOR CLEAN AIR
As of June 30, 2004 and June 30, 2003

REVENUES	Budget FY 2004	Received to Date June 30, 2004	Received as % of Budget FY 2004	Received to Date June 30+H26, 2003	Variance Received to Date FY 2004 vs 2003	% of Variance
AB 434 Administrative Income	950,854	736,507	77%	901,233	-164,726	-22%
AB 434 Project Income	5,007,264	3,814,878	76%	3,511,602	303,276	8%
TOTAL REVENUE	5,958,118	4,551,385	76%	4,412,835	138,550	3%

EXPENDITURES	Budget FY 2004	Expended to Date June 30, 2004	Received as % of Budget FY 2004	Expended to Date June 30, 2003	Variance Received to Date FY 2004 vs 2003	% of Variance
Personnel Expenditures						
Permanent Salaries	1,103,114	927,780	84%	1,009,472	(81,692)	-9%
Temporary Salaries	22,420	10,306	46%	17,956	(7,650)	-74%
Overtime Salaries	0	0	0%	0	0	0%
Payroll Taxes	10,853	9,779	90%	11,033	(1,254)	-13%
FICA Replacement Benefits	61,098	44,206	72%	45,992	(1,786)	-4%
Group Insurances	114,487	113,582	99%	96,725	16,857	15%
Employee Transit Subsidy	8,881	8,068	91%	7,886	182	2%
Workers Compensation	28,595	28,438	99%	15,465	12,973	46%
TOTAL PERSONNEL EXPENDITURES	1,349,448	1,142,159	85%	1,204,529	(62,370)	-5%

Operation Expenditures

Transportation & Travel	12,160	1,098	9%	2,137	(1,039)	-95%
Training & Education	3,550	944	27%	855	89	9%
Communications	5,200	7,368	142%	3,386	3,982	54%
Postage	16,840	0	0%	9,112	(9,112)	0%
Printing & Reproduction	94,000	61,697	66%	25,796	35,901	58%
Rental of Equipment	0	0	0%	0	0	0%
Professional & Special Services	4,470,570	3,335,704	75%	3,166,778	168,926	5%
Shop & Field Supplies	700	0	0%	0	0	0%
Computer Hardware & Software	0	0	0%	0	0	0%
Office Supplies	200	0	0%	200	(200)	0%
Books & Journals	450	345	77%	42	303	88%
Minor Office Equipment	5,000	2,020	0%	0	2,020	100%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	4,608,670	3,409,176	74%	3,208,306	200,870	6%

Capital Outlay

Motorized Equipment & Radio	0	0	0%	4,500	(4,500)	0%
TOTAL CAPITAL OUTLAY	0	0	0%	0	0	0%
TOTAL EXPENDITURES	5,958,118	4,551,335	76%	4,412,835	138,500	3%

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Brian Bateman
Director of Engineering

Date: September 23, 2004

Re: Selection of a Contractor for Cost Recovery Study

RECOMMENDED ACTION:

Recommend that the Board of Directors approve a contract for professional services to complete a Cost Recovery Study. Staff is currently evaluating the single proposal submitted for this project, and will have a recommendation regarding whether it should be accepted at the Budget and Finance Committee meeting scheduled for September 30, 2004.

BACKGROUND

The District collects fees to help pay for the costs of implementing and enforcing air pollution control programs. A study of fee revenue, and regulatory program activity costs, was completed for the District in 1999 by KPMG. The District plans to update this cost recovery study, so that the results can be used in preparing fee amendments to the District's fee regulation for the upcoming fiscal year, FY 2005-2006, and beyond.

DISCUSSION

The District intends on using a contractor to complete the cost recovery study through a collaborative process involving input from District staff and a Steering Committee consisting of a variety of interested stakeholders. The Steering Committee consists of the following individuals:

Dennis Bolt, Western States Petroleum Association
Margaret Bruce, Silicon Valley Manufacturing Group
Fred Glueck, General Contractor member of District's Advisory Council
John Holtzclaw, Conservation Organization member of the District's Advisory Council
Mary Ortendahl, Economic Development Alliance for Business
Marti Russell, Peninsula Dry Cleaning Association
Cindy Tuck, California Council for Environmental and Economic Balance

A Request for Proposals (RFP), which included a statement of the study objectives, tasks, and deliverables, was prepared by District staff with input from the Steering Committee and was issued on August 19, 2004. Notice of the RFP was provided on the District's website, in newspapers in each of the nine Bay Area counties, and by mail to 49 separate companies. A bidders conference was held at the District office on August 27, 2004. District staff also completed additional outreach regarding the RFP by telephone. Proposals were required to be submitted by the close-of-business on September 17, 2004.

The District received a single proposal to complete the cost recovery study, submitted by Stonefield Josephson, Inc. Stonefield Josephson, Inc. is a California-based certified public accounting and business advisory firm with over 100 staff members. The proposal indicates that 10 staff members would be committed to complete the District's cost recovery study. Nanette Lee Miller, CPA, would be the overall engagement manager for the project, and Ellen Garvey (former District Executive Officer/APCO) would be the technical manager.

District staff and the Steering Committee are currently evaluating the Stonefield Josephson, Inc. proposal based on the criteria established in the RFP. Copies of the proposal have been provided to the Steering Committee members, and a committee meeting is scheduled for Friday, September 24, 2004 to complete the evaluation. Representatives of Stonefield Josephson, Inc. have been asked to attend this meeting in order to be interviewed by District staff and the Steering Committee. District staff is also conducting reference checks for listed team members.

Staff expects to complete its evaluation of the Stonefield Josephson, Inc. proposal by next Tuesday, September 28, 2004, and provide a recommendation as to whether it should be accepted at the Budget and Finance Committee meeting scheduled for Thursday, September 30, 2004.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds to complete the cost recovery study were included in the adopted FY 04-05 budget. The Stonefield Josephson, Inc. proposal included a fixed fee bid for a total of \$180,000 (the RFP specified a maximum limit on bids of \$200,000.)

Respectfully submitted,

Brian Bateman
Director of Engineering

FORWARDED _____

Prepared by: Brian Bateman
Reviewed by: Peter Hess

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: October 13, 2004

Re: Report of the Legislative Committee Meeting of October 13, 2004

RECOMMENDED ACTIONS

The Committee recommends the Board of Directors move to adopt a \$2 Motor Vehicle Registration Fee Increase, as Authorized by AB 923 (Firebaugh).

The Committee discussed whether the Board of Directors should adopt positions on the local transportation sales tax measures on the November 2nd ballot, but ultimately decided to move this issue back to the full Board without a recommendation.

DISCUSSION

The Legislative Committee met on Wednesday, October 13, 2004. Committee Chairperson Brad Wagenknecht will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Advanced Projects Advisor

Date: October 4, 2004

Re: Summary of 2004 Legislative Year

RECOMMENDED ACTION:

None. Receive and file.

BACKGROUND

As the 2004 legislative year began, Sacramento pundits predicted that Capitol activity would be controlled both by California's continuing fiscal problems and the priorities of the new Administration. While there was substantial uncertainty over how the new Governor and his appointees would respond to different legislative issues, there was little uncertainty that the State's lack of revenues would limit bills that proposed new State costs. Now the year has ended, with an adopted budget in place and all signings and vetoes completed. In hindsight, looking at the air quality arena shows that both new programs with new costs were adopted, and the Governor and his Administration (as well as the Legislature) have on the whole been quite receptive to measures to clean the air. 2004 turned out to be one of the District's best legislative years of the last decade.

DISCUSSION

There were a host of significant air quality measures introduced in 2004, and the District took positions on 18 of them. The following table highlights those bills that the District adopted positions on.

<i>Bill</i>	<i>Brief Description</i>	<i>BAAQMD Position</i>	<i>Outcome</i>
AB 471 Simitian	Prohibits cruise ship incineration within 3 miles of shore	Support	Signed
AB 923 Firebaugh	Funds air quality programs through \$2 motor vehicle registration fee increase and tire fee (late-session combination of AB 2880, SB 1247, and AB 3104)	Support	Signed
AB 1991 Lowenthal	Would expedite permitting of petroleum infrastructure	Oppose in concept	Died in Legislature
AB 2128 Jackson	Redirects smog check program fees into increased vehicle scrappage	Support in concept	Signed
AB 2366 Chan	Authorizes a 5 th dollar for the Bay Area	Support	Died in Legislature

<i>Bill</i>	<i>Brief Description</i>	<i>BAAQMD Position</i>	<i>Outcome</i>
AB 2424 LaMalfa	SEMA-sponsored bill that would limit vehicle scrappage programs	Oppose in concept	Died in Legislature
AB 2526 Oropeza	Funds Moyer program with a quarter of a penny of existing diesel fuel tax	Support	Died in Legislature
AB 2541 Fromer	Establishes Low Emission Contractor Incentive Program	Support	Died in Legislature
AB 2628 Pavley	Allows hybrid vehicles into HOV lanes	Support if amended	Signed
AB 2683 Lieber	Ends rolling 30-year exemption in Smog Check program	Support/Sponsor	Signed
AB 2847 Oropeza	5-cent per gallon fee on gasoline and diesel with some portion for air quality	Support	Died in Legislature
AB 2880 Pavley	Increases motor vehicle registration fee surcharges from \$4 to \$6	Support	AB 923 signed
AB 2939 Diaz	Spot bill for Moyer funding	Support	AB 923 signed
AB 3104 Firebaugh	Environmental Health and Air Quality Funding Act of 2004	Support	AB 923 signed
SB 849 Torlakson	Formation of ABAG/MTC/BAAQMD Joint Policy Committee	Support	Signed
SB 1247 Soto	Provides long-term Moyer funding	Support	AB 923 signed
SB 1614 Torlakson	10-cent per gallon fee on gasoline and diesel with a penny for clean air	Support	Died in Legislature
SB 1615 Denham	Establishes new rolling 30-year smog exemption for out-of-state vehicles imported into CA	Oppose unless amended	Bill amended and signed

At the start of the session, our primary goals were to improve the smog check program by ending the so-called rolling 30-year exemption, to allow increased funding of air quality projects through a registration fee increase in the Bay Area, and to secure long-term funding for the Carl Moyer program. All of these goals were accomplished this year. The District co-sponsored AB 2683, authored by Assembly Member Sally Lieber of Mountain View, to end the rolling 30-year exemption. While this bill's opponents mounted a vigorous campaign to defeat the bill, it passed out of the Legislature on the final day of the session, and was signed into law by the Governor. This year's success (in contrast to multiple unsuccessful efforts in the past) was a direct result of the broad-based nature of our coalition of supporters, and the hard work and determination of Assembly Member Lieber.

Throughout the year, the District worked with fellow air districts, the environmental and business communities, and the Administration to find a way to fund air programs that all parties could accept. While there were a number of bills introduced that would have created fuel surcharges to fund Moyer and similar programs, these faltered early in the session. However, the work of the coalition led to first the passage of budget trailer bill SB 1107, which provides \$61 million annually in new, ongoing Moyer program funding. The funds are generated from a \$12 annual fee that cars younger than 7 years old pay to be exempted from their biennial smog check

inspections. But even with the passage of this measure, the coalition worked to increase and expand Moyer funding, as well as to improve on the original and now somewhat dated Moyer statutory language. These efforts proved successful, when AB 923 (Firebaugh) was passed by the Legislature and signed by the Governor. This measure authorizes local air districts to increase local registration fee surcharges for clean air from \$4 to \$6, and imposes a state tire fee for clean air. The bill also makes important changes to the Moyer program that the District has tried to achieve for a number of years, and potentially raises up to \$80 million annually statewide for the next ten years for incentive-based clean air programs. These funds can be spent on Moyer projects, the Low-Emission Schoolbus Program, reducing emissions from agricultural sources, and light-duty motor vehicle scrappage and repair programs. This success, coming during fiscally challenging times, is one of the most important air quality legislative achievements in many years.

AB 2366 (Chan) would have allowed the Bay Area motor vehicle registration fee surcharge for clean air to increase from \$4 to \$5. While this bill made it almost all the way through the Legislature, it ultimately was halted in the Senate Appropriations Committee. However, this Committee did pass out AB 2880, allowing a \$2 increase statewide, which ultimately became part of AB 923.

SB 849 (Torlakson) was supported by the District and MTC, but opposed by ABAG. It codifies an existing Joint Policy Committee of ABAG and MTC Board members, and adds the BAAQMD to it. The Governor signed the bill, and indicated that next year he would seek legislative approval to add a representative from the Business, Transportation, and Housing Agency to the Committee as well.

We were also successful this year at preventing bills that would harm air quality from becoming law. None of the bills that the District opposed passed even their first committee without being amended to address our concerns. A list of all the bills of potential air quality significance that the District tracked, and their outcomes, is attached to this memorandum.

On the budget front, given the State's fiscal crisis, 2004 was a very good year for the District. The District's subvention (funding we receive directly from the State) was not cut, but retained at the previous year's level. Of more significance however are the local property tax revenues the District receives, which are our second largest source of revenue. In each of the previous two budget cycles, there have been both legislative and Administrative proposals that would have had the State take significant portions of our property tax revenues. In the 2004-2005 budget year, staff believed it was inevitable that the State would take local property taxes. While the Governor's proposed budget would have taken 25% of our revenues, our allies in the Legislature helped ensure that the adopted budget contained only a 10% transfer for us.

BUDGET CONSIDERATION/FINANCIAL IMPACT

See discussion above for budget impacts of this legislative year.

Respectfully submitted,

Thomas Addison
Advanced Projects Advisor

FORWARDED: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Advanced Projects Advisor

Date: October 4, 2004

Re: Motor Vehicle Registration Fee Increase

RECOMMENDED ACTION:

Recommend that the Board of Directors approve authorization of a \$2 motor vehicle registration fee increase for clean air, as allowed by AB 923 (Firebaugh)

BACKGROUND

AB 923 (Firebaugh) has been passed by the Legislature and signed by the Governor. This measure authorizes local air districts to increase local registration fee surcharges for clean air from \$4 to \$6, and imposes a state tire fee for clean air. The effective date of AB 923 is January 1, 2005. The Department of Motor Vehicles will begin collecting the higher fee in a local air district on either April 1, 2005 or October 1, 2005, depending on when the district adopts the necessary resolution. To get the emission reductions on the earlier date, the local district must pass a resolution authorizing the increase and adopting a program for expenditure. The increase in the surcharge can be spent on Moyer projects, the Low-Emission School Bus Program, reducing emissions from previously unregulated agricultural sources, and accelerated vehicle scrappage and repair.

DISCUSSION

Incentive-based programs to cut mobile source emissions are an essential part of the District's plans to attain air quality standards and reduce public exposure to diesel particulate. The Legislative Committee and the full Board have both already this year specifically endorsed measures to increase registration fee surcharges for clean air to provide the funding source for ongoing grant programs to clean the air. In the Bay Area, a \$2 registration fee increase will provide roughly \$11 million annually. Depending on the specifics of what types of projects are funded, this translates into potentially one to two thousand tons of emissions reduced every year—reductions that are not achievable in any other way. These are very substantial reductions, with correspondingly large public health benefits.

Staff requests that the Legislative Committee to recommend that the Board take action prior to January 1, 2005 to authorize the increase. The Board may wish to have the Mobile Source Committee develop a general plan for expenditure; as such a plan should be part of the Board adoption procedure.

BUDGET CONSIDERATION/FINANCIAL IMPACT

As noted above, a \$2 registration fee increase generates roughly \$11 million annually in the Bay Area for clean air grant programs. AB 923 specifically allows the District to be reimbursed for its administrative costs, subject to a 5% cap, to operate the grant program.

Respectfully submitted,

Thomas Addison
Advanced Projects Advisor

FORWARDED: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Advanced Projects Advisor

Date: October 6, 2004

Re: Consideration of (5) Five Bay Area County Sales Tax Transportation
Ballot Measures and Corresponding Agency Positions

RECOMMENDED ACTION

Consider whether to adopt positions on the five Bay Area county sales tax transportation ballot measures to appear on the November 2, 2004 ballot.

DISCUSSION

On November 2, 2004, voters in five (5) Bay Area counties: Contra Costa, Marin, San Mateo, Solano and Sonoma, will vote on local sales tax measures that would generate new revenue for transportation improvements in each county. All the measures require a two-thirds supermajority for approval.

November 2004 Bay Area County Sales Tax Transportation Ballot Measures

Measure	Description	Estimated New Revenue (2004 \$)
Contra Costa County (Measure J)	Half-cent sales tax extension.	\$2 billion Expires in 2034
Marin County (Measure A)	New half-cent sales tax.	\$332 million Expires in 2025
San Mateo County (Measure A)	Half-cent sales tax extension.	\$1.5 billion Expires in 2033
Solano County (Measure A)	New half-cent sales tax.	\$1.4 billion Expires in 2035
Sonoma County (Measure M)	New quarter-cent sales tax.	\$465 million Expires in 2025

* A table with details from each of the five counties' sales tax expenditure plans is attached.

Historically, the District has not adopted positions on any previous county transportation sales tax ballot measures. In fact, the only past case of the District supporting a ballot measure was an endorsement, approximately six years ago, of a statewide ballot measure. Proposition 7 was an air quality-specific initiative that would have funded Moyer-like cleanup of heavy-duty diesel engines and school buses.

ANALYSIS

All of the five county sales tax measures include individual expenditure plans that would allocate anticipated new tax revenue to fund transportation projects that fall into various categories, including street and highway improvements, transit improvements, bicycle/pedestrian improvements and other transportation-related projects and programs. For the most part, the measures tend to apportion greater percentages to local street and highway improvement projects while transit and other alternative transportation projects would receive considerably smaller amounts of funding. A more detailed analysis of the measures and the projects they would fund is included in the attached spreadsheet.

The fact that most of the sales tax measures would allocate the highest percent expenditure to new roadway and highway capacity construction projects is thought by many outside observers to be not beneficial to regional air quality in the long term. Most would suggest that in the short-term, improving traffic flow can relieve congestion and reduce travel time for drivers. However, over time in congested metropolitan areas, a number of academic studies show that increased roadway capacity is often consumed by latent travel demand, resulting in further congestion and higher emissions. In the interim, when driving becomes more convenient, there is less incentive to travel during non-peak periods, use transportation alternatives, work and shop closer to home, and avoid discretionary trips. Short-term higher speeds from the additional capacity may induce some people to move to areas farther from their jobs, encouraging land use changes that further increase VMT and emissions. This has led a number of transportation scholars to conclude that especially in growing or already congested areas, highway capacity expansions can result in greater dependence on automobiles thereby causing long-term increased air pollution and other significant environmental impacts.

On the other hand, these five sales tax measures all include some transportation projects that would be beneficial to air quality goals. In our regional air quality plans, the District has identified an important role for local agencies in implementing transportation control measures (TCM) to reduce emissions. TCM strategies include providing appropriate and efficient transit service; designing streets and infrastructure to be safe and convenient for transit users, pedestrians and bicyclists; encouraging the use of clean-burning fuels and technology; encouraging transit-oriented development near existing and proposed transit stations; and other strategies to reduce single-occupant automobile usage. All of the five county sales tax measures include projects and programs that staff recognize will help implement a number of our TCMs.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No direct impact.

Respectfully submitted,

Thomas Addison
Advanced Projects Advisor

FORWARDED: _____

5 BAY AREA COUNTY SALES TAX TRANSPORTATION BALLOT MEASURE EXPENDITURE PLANS

	Percentage Share of County Sales Tax Funding (5 County average in BOLD)	Estimated County Sales Tax Funding	Impact on Air Quality	Notes
Local Streets Improvements	23%		Variable	Most local street improvements include projects such as pothole repair and street maintenance, the majority of which have neither a positive nor negative effect on air quality. In some cases, traffic signal timing improvements can be air quality beneficial, especially in the short term, by improving traffic flow and preventing the formation of CO hotspots at intersections. In other cases, local street projects that increase roadway capacity can induce more vehicle trips on these roadways and lead to degraded air quality.
Contra Costa County	24%	\$482,000,000		
Marin County	13%	\$43,935,000		
San Mateo County*	N/A	N/A		
* Local Street Improvements for San Mateo will be determined by local jurisdictions. See <i>Return to Source</i> category below.				
Solano County	15%	\$210,000,000		
Sonoma County	40%	\$178,000,000		
Highway Improvements	33%		Variable / Negative	Most proposed highway improvements will result in increased roadway capacity, which may relieve congestion in the short term, but can also induce more vehicle trips and lead to worsened air quality. Some highway improvements include the construction of additional HOV segments, the expansion of park and ride lots and bicycle paths, which can encourage more carpooling and cycling and lead to fewer single-occupant vehicle trips.
Contra Costa County	26%	\$526,000,000		
Marin County	8%	\$24,870,000		
San Mateo County	43%	\$638,000,000		
Solano County	47%	\$675,000,000		
Sonoma County	40%	\$188,000,000		

5 BAY AREA COUNTY SALES TAX TRANSPORTATION BALLOT MEASURE EXPENDITURE PLANS

	Percentage Share of County Sales Tax Funding (5 County average in BOLD)	Estimated Sales Tax Funding	Impact on Air Quality	Notes
Local Transit Improvements	19%		Positive	Local transit improvement projects will encourage people to use transit as an alternative to driving. As long as transit service is appropriate and the cleanest available technology is employed, these projects will have air quality benefits.
Contra Costa County	14%	\$291,000,000		
Marin County	55%	\$182,000,000		
San Mateo County	8%	\$120,000,000		
Solano County	7%	\$105,000,000		
Sonoma County	10%	\$47,000,000		
Rail, Express Bus and Ferry Improvements	12%		Positive	Improvements to regional rail, express bus and ferry service will encourage people to use these alternative modes of transportation and will result in fewer automobile trips. As long as transit service is appropriate and the cleanest available technology is employed, these projects will have air quality benefits.
Contra Costa County	15%	\$298,000,000		
San Mateo County	22%	\$330,000,000		
Solano County	18%	\$261,000,000		
Sonoma County	5%	\$23,000,000		

5 BAY AREA COUNTY SALES TAX TRANSPORTATION BALLOT MEASURE EXPENDITURE PLANS

	Percentage Share of County Sales Tax Funding (5 County average in BOLD)	Estimated Sales Tax Funding	Impact on Air Quality	Notes
Bicycle & Pedestrian	2%		Positive	Bicycle and pedestrian improvement projects will encourage people to use these alternative modes of transportation. More bicycling and walking results in fewer automobile trips and less emissions. These projects have clear air quality benefits.
Contra Costa County	1%	\$30,000,000		
Marin County*	N/A	N/A		
* Bike/ped Improvements for Marin will be determined by local jurisdictions. See <i>Return to Source</i> category below.				
San Mateo County	3%	\$45,000,000		
Sonoma County	4%	\$19,000,000		
Transit-supportive Land Use Projects	1%		Positive	Projects funded through MTC's Transportation for Liveable Communities (TLC) program encourage transit-oriented development near transit stations. Such projects encourage more walking, bicycling and transit usage, and resulting in fewer vehicle trips and improved air quality.
Contra Costa County	5%	\$108,000,000		
Commute Alternatives Promotion Programs	0.4%		Positive	These projects encourage commuters to consider alternatives to driving alone, including transit, carpooling and vanpooling. Commute Alternatives Promotion programs can lead to less vehicle trips and improved air quality.
Contra Costa County	1%	\$20,000,000		
San Mateo County	1%	\$15,000,000		

5 BAY AREA COUNTY SALES TAX TRANSPORTATION BALLOT MEASURE EXPENDITURE PLANS

	Percentage Share of County Sales Tax Funding (5 County average in BOLD)	Estimated Sales Tax Funding	Impact on Air Quality	Notes
Safety & School Projects	4%		Positive / Neutral	Safety Projects such as improvements to intersections, traffic signals, improving key bottlenecks for emergency vehicles during peak commute times will improve public safety but do not necessarily reduce vehicle trips or improve air quality. Some school-related projects such as the Safe Routes to School programs and low-income student bus pass subsidy programs can reduce automobile trips and improve air quality.
Contra Costa County	5%	\$91,000,000		
Marin County	11%	\$36,480,000		
Solano County	2%	\$25,000,000		
Return-to-Source Projects	10%		Variable	Return to Source Transportation Projects are selected by the local cities and may include: local street improvements and maintenance, safety projects, local interchanges, expanded local transit services and local downtown improvements. The funding of projects that encourage alternative modes like transit, bicycling and pedestrian will have air quality benefits while many other projects will not.
Contra Costa County	2%	\$30,000,000		
Marin County	13%	\$43,935,000		
San Mateo County	23%	\$338,000,000		
Solano County	10%	\$140,000,000		

5 BAY AREA COUNTY SALES TAX TRANSPORTATION BALLOT MEASURE EXPENDITURE PLANS

	Percentage Share of County Sales Tax Funding (5 County average in BOLD)	Estimated Sales Tax Funding	Impact on Air Quality	Notes
Planning & Administration	1%		Neutral	Planning and Administrative projects do not have direct air quality impacts.
Contra Costa County	4%	\$80,000,000		
Solano County	1%	\$14,000,000		

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Advanced Projects Advisor

Date: October 5, 2004

Re: Potential Legislative Proposals for 2005

RECOMMENDED ACTION:

Recommend that the Board of Directors adopt proposed 2005 legislative agenda.

DISCUSSION

Staff will orally present a range of ideas for consideration and incorporation into the Air District's 2005 legislative agenda.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None

Respectfully submitted,

Thomas Addison
Advanced Projects Advisor

FORWARDED: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Thomas Addison
Advanced Projects Advisor

Date: October 5, 2004

Re: California Performance Review Discussion

RECOMMENDED ACTION:

None. Receive and file.

BACKGROUND

Governor Schwarzenegger convened a team of state and external managers and analysts to suggest ways to “restructure, reorganize, and reform state government to make it more responsive to the needs of its citizens and its business community.” The 2,700-page California Performance Review (CPR) is the product of this team, and its recommendations are under review by the Governor currently. Some of its reforms could only be implemented by action of the legislature, but some could be achieved through Administrative actions such as Executive Orders. Some of the recommendations in the CPR affect the goals of the District. The deadline to submit comments on the CPR was September 30, 2004. Staff submitted the attached comment letter.

DISCUSSION

Two of the CPR’s suggestions are of particular concern to the District. One suggestion would be to eliminate the Air Resources Board, and instead have ARB staff report directly to the Secretary of CalEPA. This theme of eliminating independent Boards is found throughout the CPR recommendations, with the rationale that it will make California’s environmental decision-making more accountable and transparent. Staff believe eliminating ARB would be a serious mistake that would not achieve the stated goal. In fact, we believe that ARB’s organizational structure—a multi-member body whose members are appointed by the Governor (subject to Senate confirmation)—has been integral to its success and accomplishments. In addition to having members required by statute to have expertise in fields relevant to air pollution, ARB is required to have members from local air districts, including our own. Its very public current decision-making process, as well as its structure and regional representation, ensure that it is accountable for its actions.

The CPR also contains a section on streamlining petroleum infrastructure permitting. Here the goal is to address fuel price volatility and spikes. While acknowledging the importance of this goal, staff believe that the recommendations ignore refinery air emissions and thus public health entirely. Our specific concerns are presented in the attached letter.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None

Respectfully submitted,

Thomas Addison
Advanced Projects Advisor

FORWARDED: _____

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: October 5, 2004

Re: Report of the Mobile Source Committee Meeting of October 14, 2004

RECOMMENDED ACTIONS

The Committee may recommend approval of the following:

- A) Contractor selection for the expansion of the Vehicle Buy Back Program;
- B) Transportation Fund for Clean Air Regional Fund grant awards for fiscal year 2004 – 2005;
- C) Report on the audit of the Transportation Fund for Clean Air County Program Manager Fund;
- D) Amendment to the Contra Costa County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005;
- E) Amendment to the Santa Clara County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005; and
- F) Amendment to the Solano County Program Manager Transportation Fund for Clean Air expenditure program for fiscal year 2004 – 2005.

DISCUSSION

The Mobile Source Committee will meet Thursday, October 14, 2004. Committee Chairperson, Shelia Young, will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Scott Haggerty and
Members of the Board of Directors

From: Gary Kendall, Director
Technical Services Division

Date: October 13, 2004

Re: Summary of the 2004 Ozone Season

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

Staff will present a preliminary summary of the 2004 Ozone Season, and the Bay Area's attainment status with respect to the National one-hour and 8-hour ozone standards, and the State one-hour standard. As of October 12, there were no exceedances of the National one-hour ozone standard or the National 8-hour standard, and only seven exceedances of the State one-hour standard. The 2004 exceedance totals are less than the 2003 Ozone Season when the National one-hour, National 8-hour, and State one-hour standards were exceeded on 1, 7, and 19 days, respectively.

The number of exceedances in the most recent three-year period for each site is used to determine the attainment status for the National one-hour ozone standard. If the number of exceedances at a monitoring site during this three-year period is 3 or less, the site is attainment. For the most recent three-year period (2002-2004), as of October 12, Livermore has three exceedances of the National one-hour standard and, therefore, continues to attain the National one-hour ozone standard. In the last three years, no other Bay Area site had any exceedances of the one-hour National ozone standard.

The three-year average of the fourth highest, annual, ozone value for each site is used to determine the attainment status for the National 8-hour ozone standard. If the three-year average is less than 85 ppb, the site is attainment. As of October 12, all of the Bay Area sites meet the National 8-hour standard for 2002-2004. San Martin, in the southern Santa Clara Valley, has the highest three-year average ozone concentration of 84 ppb followed by Livermore with an 83 ppb.

BUDGET CONSIDERATIONS/FINANCIAL IMPACTS

None.

Respectfully submitted,

Gary Kendall, Director
Technical Services Division

FORWARDED: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Interoffice Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jean Roggenkamp
Director of Planning and Research

Date: October 7, 2004

Re: Enhanced Public Outreach for the 2004 Ozone Strategy

RECOMMENDED ACTION

None. Information Only.

BACKGROUND

The Air District, in cooperation with the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG), is preparing the Bay Area 2004 Ozone Strategy. The 2004 Ozone Strategy will address national and state air quality planning requirements. The 2004 Ozone Strategy will include a redesignation request and a maintenance plan for the national 1-hour ozone standard and a triennial revision to the Bay Area strategy to attain the California State 1-hour ozone standard and to reduce transport to downwind regions. The strategy will also address other related air quality issues, including the public outreach process, fine particulate matter and global warming. The public outreach for the 2004 Ozone Strategy extends well beyond outreach for previous planning processes.

DISCUSSION

The Air District's outreach for the 2004 Ozone Strategy includes Ozone Working Group meetings, community meetings, consultation with other air districts, Modeling Advisory Committee meetings, postings on the District website, mail-outs, printed materials, and Air Currents articles. In addition, staff has presented updates on the planning process to the Board of Directors Executive Committee, the Regional Agency Coordinating Committee, and the District Advisory Council.

Ozone Working Group. The Ozone Working Group (OWG) provides regular opportunities for public involvement in the ozone planning process. At OWG meetings, staff present updates on various aspects of the process and solicit discussion and public comment. Topics include public involvement efforts, development and evaluation of control measures, regulatory and rule-making updates, modeling, MTC's Transportation 2030 process, and other items. The OWG meets during business hours at MetroCenter in Oakland. OWG meetings are conducted by professional facilitators, with presentations primarily by District and MTC staff. OWG meeting notices are sent to environmental and community groups, business and industry groups, elected officials, local staff, staff at EPA, ARB, and neighboring air districts, and other interested parties on District, MTC and ABAG distribution lists. Nine OWG meetings have been conducted.

Community Meetings – 1st Round. The District conducted a series of six community meetings in September 2003. Community meetings were held in the evening at community centers in Rodeo, East Palo Alto, Richmond, East San Jose, West Oakland, and southeast San Francisco. The community meetings were intended to provide background information on ozone health effects and regulatory programs, and to solicit suggestions on potential control measures. Professional facilitators assisted with the meetings, and Spanish translation was provided. Outreach for the meetings included: email notices to elected officials, community and environmental groups, and other interested parties; coordination with local community groups to help publicize the meetings, and notices on local cable access calendars.

In addition, District staff worked with community groups to conduct “pre-meetings”. These pre-meetings served as training sessions in which staff met with community members to provide background information, answer questions, and otherwise help participants prepare for the community meetings. Pre-meetings were held in Richmond and San Jose.

Community Meetings – 2nd Round. A second round of community meetings is currently underway. At these meetings, staff is presenting information, answering questions, and soliciting feedback on the draft ozone control measures and further study measures proposed for inclusion in the Draft 2004 Ozone Strategy. Facilitators are assisting with the meetings, and Spanish translation services are available.

At these meetings, staff is also presenting information about the District’s new Community Air Risk Evaluation (CARE) program. This new program is focused on determining health risk associated with toxic air contaminants in the Bay Area. When completed, the study will be a tool the Air District can use to reduce toxic air pollutants in areas with the highest health risk. The CARE program responds to community concerns about cumulative health risks from air pollution raised at previous community meetings.

To date, community meetings have been conducted in Petaluma, Richmond, San Jose, and Oakland. Upcoming meetings will be held in San Francisco (October 13), Livermore (October 14), and Martinez (October 21). A total of 40 community members have attended the first four meetings, as well as six members of the Air District Advisory Council. Representatives of ABAG and MTC are attending each meeting. Comments and questions related to the ozone control strategy have included topics such as refinery control measures, the planning process and requirements, public outreach, diesel emissions, mobile source controls, transportation control measures, energy conservation, CEQA compliance, and the Spare the Air program. Comments and questions related to the CARE program and other air quality issues, such as air monitoring, have also been raised at the meetings. These meetings provide an excellent opportunity for staff to hear air pollution concerns from the community, to answer questions, and to discuss the Air District’s programs with interested residents.

Staff conducted a “pre-meeting” to provide background information and help community members prepare for the community meetings. The pre-meeting was held on September 13, 2004 in Richmond. About 20 community members attended the pre-meeting.

Notices of the community meetings have been widely distributed through the Air District, ABAG and MTC via mailings, email notices, web postings, flyers for distribution by local schools, community calendars, notices to weekly and monthly community newspapers, and press releases.

Following the community meetings, staff will complete preparation of the Draft 2004 Ozone Strategy and release it for public review and comment later this fall. Additional public outreach will be conducted at that time.

Consultation with Other Air Districts. In addition to soliciting input on potential control measures via the Ozone Working Group and community meetings, Air District staff also consulted with ARB and downwind air districts. Staff participated in discussions sponsored by the California Air Pollution Control Officers Association on all feasible measures. Staff participated in discussions with ARB and downwind air districts on rule comparisons to identify potential rule enhancements for each of the districts. Staff also closely worked with Sacramento Metropolitan Air Quality Management District staff on their suggestions for potential Bay Area control measures to reduce transport. On October 7, 2004, staff will hold a consultation meeting with downwind air districts to discuss the draft control measures and further study measures proposed for the 2004 Ozone Strategy.

Modeling Advisory Committee. The Modeling Advisory Committee (MAC) reviews the work of the District's modeling consultants and District staff on a regular basis. The MAC includes representatives from the Environmental Protection Agency, California Air Resources Board, downwind air districts, Metropolitan Transportation Commission, industry, environmental groups, community groups, and transportation groups. The MAC has met 19 times to date.

Other Outreach Activities. Staff held a scoping meeting to receive public input on the issues that should be evaluated in the environmental impact report being prepared for the 2004 Ozone Strategy in compliance with CEQA. Air District staff also assisted with an MTC workshop on transportation control measures for the Ozone Strategy.

Staff has prepared extensive informational materials, ranging from fact sheets and general information geared towards the layperson to more detailed discussions of modeling, control measure evaluations, and draft control measure descriptions.

The District website has a 2003-2004 Ozone Planning section that provides extensive technical information, status reports, announcements and meeting notices. Information on the website regarding the 2004 Ozone Strategy is regularly updated. Articles on the ozone planning process have appeared in Air Currents.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None. Funding for outreach for the 2004 Ozone Strategy is included in the FY 2004/05 budget.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

Reviewed by: Peter Hess

FORWARDED: _____