



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

January 19, 2005

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
JANUARY 19, 2005

BOARD ROOM
7TH FLOOR

9:45 A.M.

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Scott Haggerty, Chairperson
Clerk of the Boards

PUBLIC COMMENT PERIOD

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

COMMENDATION/PROCLAMATION

The Board of Directors will present a plaque to Director Erling Horn, in recognition of his service on the Air District's Board of Directors.

CONSENT CALENDAR (ITEMS 1 – 5)

Staff/Phone (415) 749-

- Minutes of December 15, 2004 and December 21, 2004
M. Romaidis/4965
mromaidis@baaqmd.gov
- Communications
Information only
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Report of the Advisory Council
B.Zamora/4962
Bzamora@co.sanmateo.ca.us
- Monthly Activity Report
Report of Division Activities for the month of December 2004
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Consider Authorizing the Executive Officer/APCO to Conduct An Internal Systems Audit
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to solicit bids and execute an agreement to perform an internal systems audit and transfer \$200,000 from the General Reserve for this purpose and adjust the Districts' approved FY 2004-05 budget accordingly.

COMMITTEE REPORTS AND RECOMMENDATIONS

6. Report of the **Budget and Finance Committee** Meeting of December 20, 2004

CHAIR: J. MILLER

J. Broadbent/5052
jbroadbent@baaqmd.gov

7. Report of the **Legislative Committee** Meeting of December 21, 2004

CHAIR: B. WAGENKNECHT

J. Broadbent/5052
jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of the attached proposed legislative agenda for 2005.

8. Report of the **Public Outreach Committee** Meeting of January 10, 2005

CHAIR: M. ROSS

J. Broadbent/5052
jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Director approval of staff recommendations to extend contracts for a one year period to the Air District's media relations, advertising, youth outreach, employer, research and measurement and community outreach programs.

PRESENTATION

9. Overview of the California Fuel Cell Partnership

J. Broadbent/5052
jbroadbent@baaqmd.gov

Catherine Dunwoody, Executive Officer of the California Fuel Cell Partnership, will present an overview of the history, structure and purpose of the Partnership.

OTHER BUSINESS

10. Recognition of Board Officer: Outgoing Chairperson, Scott Haggerty
11. Report of the Executive Officer/APCO
12. Chairperson's Report

OPEN SESSION

13. 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)

14. Time and Place of Next Meeting - 9:45 a.m., Wednesday, February 2, 2005 -939 Ellis Street, San Francisco, CA 94109
15. 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: January 11, 2005

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meetings of December 15, 2004 and December 21, 2004.

DISCUSSION

Attached for your review and approval are the draft minutes of the December 15, 2004 and December 21, 2004 Board of Directors' meetings.

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 – December 15, 2004

Call To Order

Opening Comments: Chairperson Scott Haggerty called the meeting to order at 1:35 p.m.

Roll Call: Present: Scott Haggerty, Chair, Roberta Cooper, Mark DeSaulnier, Erling Horn, Nate Miley, Julia Miller, Pam Torliatt, Marland Townsend, Gayle Uilkema, Brad Wagenknecht (1:51 p.m.), Shelia Young.

Absent: Harold Brown, Chris Daly, Dan Dunnigan, Erin Garner, Jerry Hill, Liz Kniss, Patrick Kwok, Jake McGoldrick, Mark Ross, John Silva, Tim Smith.

Pledge of Allegiance: Jean Roggenkamp, Deputy APCO, led the Board in the Pledge of Allegiance.

Public Comment Period: There were none.

Commendation/Proclamations:

The Board of Directors recognized employees who have completed the milestone levels of twenty-five (25), thirty (30), thirty-five (35) and forty (40) years of service to the District.

The Board of Directors recognized the following employees who have completed 25 years of service with the District: Virginia Manalo, Debra Mehlos, and Mohamad Moazed. The Board of Directors recognized the following employees who have completed 30 years of service with the District: Ruth Argueta, Allan Chiu, Peter Hess, Jim Karas, Terry Lee, Carolyn Moore, and Ron Raimondi. The Board of Directors recognized the following employee who has completed 35 years of service with the District: Tom Story. The Board of Directors recognized the following employee who has completed 40 years of service with the District: Daniel Borst.

Director Wagenknecht arrived at 1:51 p.m.

Consent Calendar (Items 1 – 6)

1. Minutes of December 1, 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 October and November, 2004.

5. 2005 Regulatory Calendar

Section 40923 of the California Health and Safety Code requires Districts to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. The list of regulatory measures that may be considered during 2005 is included in the packet.

6. Report of District Personnel on Out of State Business Travel

Board Action: There being no quorum, Consent Calendar items 1 through 6 were deferred to the next Board meeting and the Board took no action.

Committee Reports and Recommendations

7. Report of the Executive Committee Meeting of November 29, 2004

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

- A) Approve reappointment of nine (9) Advisory Council members to serve an additional two-year term of office on the Council, effective January 1, 2005 and ending December 31, 2006; and*
- B) Appointment of Cassandra Adams to the vacant "Architect" category on the Advisory Council to serve a two-year term of office, effective January 1, 2005 and ending December 31, 2006.*

Board Action: There being no quorum, agenda item 7 was deferred to the next Board meeting and the Board took no action.

8. Report of the Mobile Source Committee Meeting of December 6, 2004

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

- A) Additional fiscal year 2004-2005 Transportation Fund for Clean Air (TFCA) Regional Fund grant awards to three airport shuttle projects; and*
- B) Approval of the expenditure plan for the \$2 increase in the motor vehicle registration fee surcharge within the Bay Area Air Quality Management District.*

Board Action: There being no quorum, agenda item 8 was deferred to the next Board meeting and the Board took no action.

Other Business

10. Report of the Executive Officer/APCO – Jack Broadbent, Executive Officer/APCO noted there was an Air District portfolio at each Board member’s place.
11. Chairperson’s Report – Chairperson Haggerty announced the following Air District appointments to the Joint Policy Committee (JPC): Directors Uilkema, Daly, Garner, Kwok, Torliatt, and Haggerty. There is one vacancy. Chairperson Haggerty announced the next meeting of the JPC is scheduled for 10:00 a.m., Friday, December 17th at Preservation Hall in Oakland.

Closed Session (The Board convened to Closed Session at 1:55 p.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:

- A) ***Oakland Color Service a sole proprietorship of Duane Sitter v. Bay Area Air Quality Management District, Damian Breen, Jorge Franco and Ellen Garvey, et al., California Court of Appeals, First Appellate District, Case No. A102209, (on Appeal from Summary Judgment in Alameda County Superior Court, Case No. 836676-0)***
- B) ***Bay Area AQMD v. Oakland Color Service, Alameda County Superior Court, Case No. 2002-070791***
- C) ***New United Motor Manufacturing Inc. v. Bay Area AQMD, et al., Alameda County Superior Court, Case No. RGO 04-140445***
- D) ***Communities for a Better Environment v. Bay Area AQMD, et al. (Mirant Potrero LLC, Real Parties in Interest), San Francisco Superior Court, Case No. CPF-04-503883***
- E) ***Stonelight Tile, Inc., et al. v. Bay Area AQMD, et al., United States District Court, Case No. CV 98-21060 (JW)***

Open Session (The Board reconvened to Open Session at 2:13 p.m.)

Brian Bunger, Counsel, stated that the Board received status reports on items A through E under agenda item 12 and the Board provided general direction to Counsel.

Public Hearing

9. Public Hearing to Consider Amendments to District Regulation 2: Permits, Rule 1: General Requirements, Rule 2: New Source Review, and Rule 4: Emissions Banking; and Approval of a Notice of Exemption pursuant to the California Environmental Quality Act

The primary purpose of these amendments is to conform to changes in State regulations that lower the emissions threshold at which facilities must offset emission increases from new and modified sources. A number of other miscellaneous amendments to permit requirements have also been proposed.

Chairperson Haggerty opened the Public Hearing at 2:14 p.m.

Steve Hill, Manager of Permit Evaluation, presented the report and reviewed the proposed revisions. Mr. Hill discussed the No Net Increase program and reviewed the District's New Source Review Requirements and the recent change in state law that lowers the threshold for offsets. Mr. Hill reported on proposed changes relating to the District's Small Facility Bank and lowering the offset threshold for small facilities.

Mr. Hill reviewed the miscellaneous revisions, which includes the following: 1) an obligation to obtain a permit; 2) clarification of requirements for submittal and protecting trade secret information; and 3) compliance with the Authority to Construct.

Speakers:	Pat Sullivan	Ken Wells
	SLS Engineers	Sonoma County/Integrated Waste Management
	Sacramento, CA 95827	Santa Rosa, CA

Board Action: There being no quorum, the Board took no action on this item and Chairperson Haggerty continued the public hearing to the next Board meeting.

13. Board Members' Comments – There were none.
14. Time and Place of Next Meeting – 9:00 a.m., Tuesday, December 21, 2004.
15. Adjournment – The meeting adjourned at 2:45 p.m.

Mary Romaidis
Clerk of the Boards

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

Draft Minutes: Board of Directors' Special Meeting – December 21, 2004

Call To Order

Opening Comments: Chairperson Scott Haggerty called the meeting to order at 9:00 a.m.

Pledge of Allegiance: Director Harold Brown led the Board in the Pledge of Allegiance.

Roll Call: Present: Scott Haggerty, Chair, Harold Brown, Roberta Cooper, Chris Daly, Mark DeSaulnier, Dan Dunnigan, Erin Garner, Jerry Hill, Erling Horn, Patrick Kwok, Jake McGoldrick, Nate Miley, Julia Miller, Mark Ross, John Silva, Marland Townsend, Gayle Uilkema (9:08 a.m.), Brad Wagenknecht.

Absent: Liz Kniss, Tim Smith, Pam Torliatt, Shelia Young.

Commendation/Proclamations: There were none.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 6)

1. Minutes of December 1, 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 October and November 2004.

5. 2005 Regulatory Calendar

Section 40923 of the California Health and Safety Code requires Districts to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. The list of regulatory measures that may be considered during 2005 is included in the packet.

6. Report of District Personnel on Out of State Business Travel

Board Action: Director Townsend moved approval of the Consent Calendar; seconded by Director Cooper; carried unanimously without objection.

Committee Reports and Recommendations

7. Report of the Executive Committee Meeting of November 29, 2004

- Action(s): The Committee recommended Board of Director approval of the following items:*
- A) Approve reappointment of nine (9) Advisory Council members to serve an additional two-year term of office on the Council, effective January 1, 2005 and ending December 31, 2006; and*
 - B) Appointment of Cassandra Adams to the vacant "Architect" category on the Advisory Council to serve a two-year term of office, effective January 1, 2005 and ending December 31, 2006.*

Chairperson Haggerty presented the report and stated that the Committee met on Monday, November 29, 2004 and received and filed the Report of the Hearing Board.

Stan Hayes, Chairperson of the Advisory Council Applicant Selection Working Group, recommended the reappointment of nine Advisory Council members to another two-year term on the Council and the appointment of Cassandra Adams to the "Architect" category for a two-year term on the Council. The Committee recommends Board approval of the appointments to the Advisory Council. The Committee discussed the possibility of, in the future, changing the method by which applicants are selected to the Advisory Council.

Elinor Blake, Chairperson of the Advisory Council, presented the Report of the Advisory Council and discussed the Council's recommendations for fence-line monitoring. Ms. Blake announced the Council Officers for calendar year 2005 as follows: Chairperson, Brian Zamora; Vice-Chairperson, Kraig Kurucz; and Secretary, Fred Glueck. Ms. Blake noted the key issues discussed at meetings of the Council and its Standing Committees.

Staff presented a status report on the Bay Area 2004 Ozone Strategy and stated that the draft Ozone Strategy and draft EIR would be released for public review in January 2005. The Ozone Strategy would be before the Board for hearing and adoption during the second quarter of 2005.

Staff provided status reports and information on the following:

1. The extension of the Memorandum of Understanding with the Employees' Association. The Employees' Association voted to accept the extension of the MOU.
2. An update on the Air District's Affirmative Action Plan.
3. The video teleconferencing for Board of Director meetings. The Committee requested staff follow-up on several items.
4. An update on the District's production system for IRIS/Databank Replacement.

The next meeting of the Executive Committee is scheduled for 9:45 a.m., Wednesday, March 30, 2005.

Board Action: Chairperson Haggerty moved that the Board approve the report and recommendations of the Executive Committee; seconded by Director Kwok; carried unanimously without objection.

8. Report of the Mobile Source Committee Meeting of December 6, 2004

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

- A) Additional fiscal year 2004-2005 Transportation Fund for Clean Air (TFCA) Regional Fund grant awards to three airport shuttle projects; and*
- B) Approval of the expenditure plan for the \$2 increase in the motor vehicle registration fee surcharge within the Bay Area Air Quality Management District.*

Chairperson Haggerty presented the report and stated that the Committee met on Monday, December 6, 2004 and staff presented a report on additional fiscal year 2004/05 Transportation Fund for Clean Air (TFCA) Regional Fund grant awards. Staff recommended funding of four additional projects.

After considerable discussion, the Committee recommends Board approval of three airport shuttle projects – 04R10; 04R11; and 04R24. The City of Sunnyvale in-pavement crosswalk warning lights project (04R48) is not recommended for funding.

Staff presented a report on the expenditure plan for the additional \$2 fee from motor vehicles registered within the Air District's jurisdiction for an expanded Carl Moyer Program. The increased surcharge would generate approximately \$11 million annually for the expanded Carl Moyer Program. Staff reviewed the types of projects eligible for the new funding. The Committee recommends Board approval of the expenditure plan for the \$2 increase in the motor vehicle registration fee surcharge within the Bay Area Air Quality Management District. A resolution requesting the collection of the surcharge effective April 1, 2005 will be sent to the Department of Motor Vehicles.

The Committee requested staff provide follow-up and/or additional information on several items. The next meeting of the Committee is scheduled for 9:30 a.m., Thursday, January 13, 2005.

Board Action: Chairperson Haggerty moved that the Board approve the recommendations of the Mobile Source Committee; seconded by Director Brown.

Director Miller objected to the motion. Director Miller explained that the City of Sunnyvale project was originally approved at 40%, but the project was pulled from the original Mobile Source calendar for further review by staff. After the review by staff, the project was brought back to the Committee for approval at 100%. During the Committee's discussions, it was decided that traffic calming projects should not be eligible for TFCA funding. Director Miller noted that since the Policies and Guidelines have not yet been changed, she requested approval of the City of Sunnyvale project.

Chairperson Haggerty amended his motion to include the City of Sunnyvale project at the original staff recommendation of \$58,100; Director Brown accepted the amendment to the motion.

Director Uilkema arrived at 9:08 a.m.

The amended motion then passed on the following roll call:

AYES: Brown, Daly, DeSaulnier, Dunnigan, Garner, Hill, Horn, Kwok, McGoldrick, Miller, Ross, Townsend, Wagenknecht, Haggerty.

NOES: Cooper, Miley, Silva, Uilkema.

ABSENT: Kniss, Smith, Torliatt, Young.

Adopted Resolution No. 2004-16: A Resolution Approving an Increase in the Motor Vehicle Registration Fee Surcharge and a Program for Expenditure of the Increased Fees

Public Hearing

9. Public Hearing to Consider Amendments to District Regulation 2: Permits, Rule 1: General Requirements, Rule 2: New Source Review, and Rule 4: Emissions Banking; and Approval of a Notice of Exemption pursuant to the California Environmental Quality Act

The primary purpose of these amendments is to conform to changes in State regulations that lower the emissions threshold at which facilities must offset emission increases from new and modified sources. A number of other miscellaneous amendments to permit requirements have also been proposed.

Chairperson Haggerty continued the Public Hearing at 9:09 a.m.

Jack Broadbent, Executive Officer/APCO, noted that this item involves changes to the District's New Source Review (NSR) program so that the Air District can comply with state law. Each Board member has been provided a transcription of the comments made at the December 15th public hearing on this item.

Steve Hill, Manager of Permit Evaluation, stated that the proposed revisions change the requirements for providing offsets under the NSR rule. It is a state requirement and it lowers the thresholds for triggering offsets from 15 tons per year to 10 tons per year, these are facility-wide emissions. Mr. Hill noted that the District has a Small Facility Bank (SFB) that is used to make the process go more smoothly for small facilities. Currently a small facility is defined as 15 to 50 tons per year. In order to prevent depletion of the SFB, the District is proposing to change participation thresholds from 15 to 50 tons per year down to 10 to 35 tons per year.

Director Townsend moved to close the public hearing at 9:11 a.m.; seconded by Director Miller; the motion passed without objection.

Board Action: Director Townsend moved that the Board adopt the proposed amendments; seconded by Director Brown; carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, DeSaulnier, Dunnigan, Garner, Hill, Horn, Kwok, McGoldrick, Miley, Miller, Ross, Silva, Townsend, Uilkema, Wagenknecht, Haggerty.

NOES: None.

ABSENT: Kniss, Smith, Torliatt, Young.

Adopted Resolution No. 2004-17: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending Regulation 2: Permits, Rule 1: General Requirements, Rule 2: New Source Review, and Rule 4: Emissions Banking

Other Business

10. Report of the Executive Officer/APCO – Jack Broadbent, Executive Officer/APCO reported on the following:
 1. Thanked the Board for attending today’s meeting to pass the \$2 increase in the motor vehicle registration fee surcharge.
 2. Dr. Alan Lloyd has been named the new Secretary of Cal EPA
 3. The Goods Movement Conference on December 8th and 9th.
 4. A copy of all the slides that were presented at the Goods Movement Conference will be sent to the Board members.
 5. Wished everyone a safe and relaxing holiday.
11. Chairperson’s Report – Chairperson Haggerty had no report.
12. Board Members’ Comments – Director Townsend, incoming Chairperson, announced that the new Board Standing Committee assignments would begin after the first meeting in January 2005.
13. Time and Place of Next Meeting – Chairperson Haggerty cancelled the January 5, 2005 Board meeting. The next meeting is scheduled for 9:45 a.m., Wednesday, January 19, 2005.
14. Adjournment – The meeting adjourned at 9:15 a.m.

Mary Romaidis
Clerk of the Boards

Memorandum

To: Chairperson Haggerty and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 19, 2005

Re: Report of Division Activities for the month of December 2004

RECOMMENDED ACTION:

Receive and file.

Reviewed by: Peter Hess

ADMINISTRATIVE SERVICES DIVISION – W. TANAKA, DIRECTOR

Budget preparation information was prepared and presented to program managers. The use of the indirect cost rate, as recommended from the KPMG Peat Marwick Cost Recovery Study, will continue with the development of the Fiscal Year 2005/2006 budget. The indirect cost rate is the mechanism for which certain allowable expenses are charged back from non-direct to direct service programs. This gives a truer cost for direct service programs.

Staff presented the 1st Quarter Financial Report for Fiscal Year 2004/2005 to the Budget & Finance Committee meeting held on December 20, 2004. Staff reviewed the General Fund Statement of Revenue and Statement of Expenditures comparing the budget to actual income. Expenditures for the Transportation Fund for Clean Air Fund were also presented to the committee.

The Governor will present his budget proposal in January and more information will be available at that time regarding any additional cuts in revenue that will impact next years budget.

Staff completed preparations and data gathering for the annual audit that will commence in January 2005.

COMPLIANCE & ENFORCEMENT DIVISION – K. WEE, DIRECTOR**Enforcement Program**

An Enforcement office conference was held at the Air District on December 3, 2004 with representatives from the Tesoro Refinery in Avon/Martinez. The District requested this meeting to discuss repeated non-compliance at the Tesoro refinery and obtain commitments from the refinery to improve compliance with air quality regulations. Staff presented several

areas of concern where either numerous citations have been issued or the potential for violations is strong. Tesoro presented its commitment to air regulation compliance and agreed to review its program for areas of improvement. Tesoro agreed to provide a formal response by February 3, 2005, that will address their compliance issues.

Compliance Assurance Program

Staff met with representatives of Pacific Gas & Electric and project managers for the PG&E Jefferson Martin Transmission Project ground trenching operation that will commence in January 2005. The project will involve digging through extensive naturally occurring serpentine asbestos seams from Redwood City to San Francisco. This project must be completed before the Hunters Point Power Plant can be decommissioned.

Phase II Enhanced Vapor Recovery (EVR) deadline was extended three months to April 1, 2005 by the CARB board. The extension will allow sufficient time for CARB to certify another vapor recovery system by the deadline.

Compliance Assistance Program

Santa Clara County Green Business program representatives met with staff to review procedures and improve communications. The objective of the meeting was to help applicants for Green Business Certificates, or applicants for re-certifications, better understand some potential permitting issues. Staff is working on a "Fact Sheet" that will be distributed to all the counties operating Green Business programs that will explain how the certificate program interfaces with Air District permitting and regulatory compliance.

Staff issued a Compliance Advisory informing companies of the reporting requirements to document excess emissions that occur during a breakdown. This requirement only applies when the company seeks breakdown relief under District regulations. Sample reporting formats were provided and staff worked with Information Technology staff to implement the program.

During the month of November multiple requests for Spanish language translation were received for the air pollution complaint program.

Flare Monitoring

Refineries were contacted regarding any remaining deficiencies in their flare monitoring data formats. One refinery has been issued a Notice to Comply for using proprietary still image formats. Two refineries have been cited for failing to take composition samples as required. Work continues on a field audit of flare water seal monitoring to ensure a refinery's reported values of no flows are accurate. Staff met with the District Webmaster to transition the graphing responsibilities for flare monitoring data to Operations staff.

Training

Training was conducted for office Operations staff on the Contra Costa County Community Warning System. Hormann America, the contractor administering the county's program provided three refresher-training sessions on the terminal installed in the Division's

Communication Center. There was no in-service training scheduled for December. Staff attended the Faster Freight Cleaner Air EXPO On Improving Goods Movement in Northern California on December 8-9,2004.

Operations

Division staff has formed an informal workgroup to conduct a program review of the Reportable Compliance Activities (RCAs) that include Breakdown Requests, Monitor Excesses and Inoperation, and Pressure Relief Valves reporting. Program updates are necessary to accommodate the flare monitoring rule and other new requirements. Industry has also requested Industry Compliance School on this program.

Staff is proceeding with a contract with an outside consultant to help write a Request for Proposal (RFP) for the future upgrade/replacement of the current two-way radio network. Additionally, in conjunction with the District's radio maintenance contractor, staff concluded a three-week test period of an additional repeater site to improve reception in the Concord corridor and surrounding areas. Staff worked with the IT Division to complete a request by the Department of Motor Vehicles (DMV) to outline the District's security protocols for the District's computer network. The response ensures continued access to the DMV records of registered owner names and addresses in order to send the Smoking Vehicle letter.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Evaluation Program

Amendments to the District's permit rules were adopted in December. These amendments incorporated State-mandated changes in emission offset requirements. A number of other miscellaneous rule changes were also made.

Title V Program

Revision 1 of the Refinery Title V permits was issued. Work has begun on Revision 2, which will incorporate all recently issued operating permits and bring each Title V permit up-to-date. Initial Title V permits for Isola Laminates (Fremont) and Commercial Pattern (Hayward) were proposed. Renewal permits for Cardinal Cogen (Palo Alto) and US Pipe and Foundry (Union City) were proposed.

Toxics Program

For December, the Toxic Evaluation Section completed a total of 24 risk screens. The majority of these risk screens continue to be for diesel engine emergency generators and gas stations. Work continued on conversion of inventory submittal to a CEIDARS format for ARB, on the development of a new data form for internal combustion engines, and on various tasks to incorporate new diesel particulate emission calculation factors into the District's data base.

INFORMATION SYSTEMS DIVISION – J. McKAY, DIRECTOR

Toolsets for Permits/Enforcement/Legal

The Air District continues with Vendor Presentations. Recent Toolsets under review include document management products such as OpenText. An update of the extensive requirement documentation that was previously developed will continue for most of calendar year 2005.

This update is supported by work with SAIC and other vendors. The design methodology for replacement of IRIS and Databank will begin with identification of the large-scale functional components of the Air District Production Processes. This will enable a tool selection process focused on high-level tool sets. While this may not allow the District to accomplish all of its objectives with a single vendor offering, it will allow the opportunity to substitute purchased modules for custom code. Peter Hess directed inquiries to Air Districts around the United States and received substantial input on their current systems and future plans.

Infrastructure

The first step of the Infrastructure upgrade occurred with the replacement of the server used for remote access. This work will span the last quarter of this calendar year and continue into the first quarter of next year. The upgrade is motivated by security needs and equipment obsolescence.

Web Site Development

The roadmap for the next phase of the new site is under development. Development for web based Complaint query capability is complete and under review by Legal Counsel.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 99 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 93 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 13 Final 30 Day Letters regarding civil penalties for 25 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$41,550 in civil penalties for 44 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 8 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$30,000 in civil penalties for 3 Violations

PLANNING DIVISION – G. KENDALL ACTING DIRECTOR

Grant Programs

The Board approved the allocation of Transportation Fund for Clean Air (TFCA) funds to three additional Regional Fund projects, and the expenditure plan and corresponding authorizing resolution for the grant programs to be implemented with the collection of an additional \$2 surcharge in motor vehicle registration fees. Staff awarded grants to six local public school districts for the purchase of twelve new school buses under the Lower-Emission School Bus Program. Staff processed twenty-one applications, received since December 16, 2004, for the Solid Waste Collection Vehicles Incentive Program, which includes approximately \$1.5 million of TFCA funds and \$2 million of Congestion Mitigation and Air Quality Improvement (CMAQ) funds. A total of 346 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back (VBB) Program contractors.

Air Quality Planning Program

On December 17, 2004 US EPA designated regions for the national PM_{2.5} standard. The California nonattainment areas are the South Coast Air Basin, the San Joaquin Valley, and San Diego. The Bay Area was designated Unclassifiable/Attainment, and therefore will not be subject to planning requirements for the national PM_{2.5} standard. Staff will continue to work with ARB staff to identify a list of PM₁₀ and PM_{2.5} measures appropriate for the Bay Area, as required by SB656. Staff wrote one comment letter regarding air quality impacts of development projects and plans in the Bay Area: the BART to San Jose Extension.

Rule Development Program

On December 2 and again on December 14, staff hosted technical workgroup sessions at the District office regarding control of refinery flaring. On December 6, staff met with the Western States Petroleum Association and bulk terminal representatives regarding the proposed 2005 Ozone Strategy control measure for bulk terminals. Recruitment was completed for vacant positions, a Senior Air Quality Engineer and a Senior Air Quality Specialists.

Research and Modeling

Staff participated in a meeting organized by the California Air Resources Board to review and evaluate the program plan of the California Regional Particulate Matter Air Quality Study. Data analysis of this study is underway and modeling is expected to be completed by 2007. Staff also participated in a public workshop jointly organized by the California Air Resources Board and the Sacramento Metro AQMD on the preparation of the State Implementation Plan for the national 8-hour ozone standard in the Sacramento area.

PUBLIC INFORMATION & OUTREACH – T. GALVIN LEE, DIRECTOR

The wintertime outreach program continued in December with several newspaper interviews on woodsmoke, a television segment on the changeout of a wood burning fireplace to natural gas on KGO-TV, and several radio interviews. Staff also participated in a Radio Disney event - Jingle Jam - in Santa Clara County, which drew thousands of attendees. Work continued on the woodstove/fireplace changeout program in Santa Clara County, with 210 rebate forms submitted to the District. A similar program for the residents of Rodeo also began. Funding for the Rodeo program came from a Supplement Environmental Program (SEP) settlement. Several local performances of "Smogzilla" occurred in December, with media coverage in the San Leandro Times and the Hayward Daily Review. Staff began discussions with MTC on expanding the free transit program on Spare the Air days in 2005. Finally, work continued on the model woodsmoke ordinance with several cities and counties actively considering adopting it, including Oakland, Fairfax, Gilroy and the three northern counties of Napa, Sonoma and Solano counties.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Monitoring

The Daily PM_{2.5} winter monitoring schedule commenced at designated monitoring stations on October 1st. On December 1, ozone monitors were shut down for 4 months during the low ozone winter season, as allowed under a waiver granted by the EPA. Sampling for dioxins under the California Ambient Dioxin Air Monitoring Program (CADAMP) and National Dioxin Air Monitoring Network (NDAMN) ended at five of the seven stations in December.

Sampling for dioxins at the San Francisco station is scheduled to end in March while sampling at the Livermore station will continue for at least one more year.

Meteorology

Three days in December reached the Unhealthful for Sensitive Groups (USG) air quality level for PM_{2.5} (101 – 150 AQI). On the first of those days, December 1st, cold nighttime temperatures and light winds from the northeast resulted in a 114 AQI at Vallejo. Stronger winds from December 2nd through the 4th kept the air quality in the Moderate level (51 – 100 AQI). Wind speeds dropped on December 5th, and the combination of reduced vertical mixing and weekend fireplace burning caused air quality to reach an AQI of 104 at Livermore. Air quality returned to the Good category (AQI < 51) from December 6th through the 9th after a strong cold front passed through the District. A two-week period with no rain, prolonged offshore flow, and mild temperatures resulted in Moderate air quality from December 10th through the 24th. On Christmas Day, light winds and increased fireplace usage caused USG levels at Vallejo, Livermore, Redwood City, and San Jose. The highest reading occurred at Livermore with a 120 AQI. The air quality remained in the Good category the rest of the month as a series of weather systems passed through the Bay Area.

Quality Assurance

The Quality Assurance group continued its regular, ongoing assessment of the District's air monitoring network by conducting performance audits on 33 separate monitors at 19 of the District's air monitoring sites. Staff also audited H₂S and SO₂ monitors at two of the Tesoro Refinery Ground Level Monitoring stations.

Air Quality

Quality assurance of the September 2004 air quality was completed and the data were entered into the EPA Air Quality System (AQS) database. Forecasting continued for the wintertime Spare the Air Tonight Program. No public complaints were received during the 4-month Stubble Burn forecasting season that ended on December 31st. 2004 was the first year that staff had provided daily acreage allocations to Compliance and Enforcement Division staff. Staff conducted a seminar for EPA and Ventura County APCD staff on the operation of the District's new air quality and meteorology data acquisition system.

Laboratory

In addition to the ongoing, routine analyses, a red brass alloy sample from East Bay Brass Foundry was analyzed for cadmium and arsenic using flame atomic and graphite furnace absorption spectroscopy. The laboratory successfully passed the second round of proficiency testing for bulk asbestos analysis conducted by the National Institute of Standards and Technology/National Voluntary Laboratory Accreditation Program.

Source Test

Ongoing Source Test activities included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Refinery's open path monitoring report for the month of November was reviewed. The Source Test Section provided ongoing participation in the District's Further Studies Measures for refineries.

**These facilities have received one or more Notices of Violations
Report period: December 1, 2004 – December 31, 2004**

Alameda County					
Received Date	Site #	Site Name	City	Regulation Title	
12/20/2004	Q4537	Precision Auto Color	Castro Valley	Motor Vehicle & Mobile Equip Coating Operations	
12/20/2004	C9248	ConocoPhillips #5734	Fremont	Gasoline Dispensing Facilities	
12/6/2004	L6230	P. W. Stephens, Inc.	Fremont	Asbestos Demolition, Renovation & Mfg.	
12/15/2004	C0138	7-Eleven	Livermore	Gasoline Dispensing Facilities	
12/7/2004	C8949	Unocal #6034	Livermore	Gasoline Dispensing Facilities	
12/13/2004	A1559	Sanmina - SCI	Newark	Failure to Meet Permit Conditions	
12/16/2004	D0456	Unocal #7003	Newark	Gasoline Dispensing Facilities	
12/6/2004	Q4310	Allegra Printing	Pleasanton	Authority to Construct; Permit to Operate	
12/7/2004	A1371	Dublin San Ramon Services District - Wastewater TP	Pleasanton	Failure to Meet Permit Conditions	
12/6/2004	G2586	David Sailer dba Jordan Environmental Inc	San Leandro	Asbestos Demolition, Renovation & Mfg.	
12/6/2004	B0960	Strategic Materials, Inc	San Leandro	Authority to Construct; Permit to Operate	
Contra Costa County					
Received Date	Site #	Site Name	City	Regulation Title	
12/15/2004	C9518	US Gasoline	Antioch	Permit to Operate; Gasoline Dispensing Facilities	
12/22/2004	A6247	Jim's California Auto Body, Inc	Concord	Failure to Meet Permit Conditions	
12/15/2004	A0581	Shore Terminals - Selby	Crockett	Authority to Construct; Permit to Operate	
12/2/2004	A0011	Shell Martinez Refinery	Martinez	Sulfur Dioxide; Hydrogen Sulfide	
12/8/2004	Q4218	Teri Cantwell	Martinez	Open Burning	
12/15/2004	D0518	Central Valero	Richmond	Gasoline Dispensing Facilities	
12/15/2004	D1336	Hertz Equipment Rental Corp	Richmond	Authority to Construct; Permit to Operate	
12/15/2004	C1620	Unocal #3766	Richmond	Gasoline Dispensing Facilities	
12/15/2004	C1620	Unocal #3766	Richmond	Gasoline Dispensing Facilities	
12/8/2004	C8371	Hirbod Enterprises, Inc	San Ramon	Authority to Construct; Permit to Operate	
Marin County					
Received Date	Site #	Site Name	City	Regulation Title	
				Open Burning	
12/1/2004	B0823	Barsotti's Auto Body, Inc	San Rafael	Authority to Construct; Permit to Operate; Motor Vehicle & Mobile Equip Coating Operations	
Napa County					
NONE					
San Francisco County					
Received Date	Site #	Site Name	City	Regulation Title	
12/6/2004	B1030	Dri Clean Expert	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations	

12/20/2004	A8007	Earl Scheib Inc of California	San Francisco	Motor Vehicle & Mobile Equip Coating Operations
12/20/2004	A7219	Fabricare Cleaners	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations
12/16/2004	H1147	Golden Gate Tank Removal	San Francisco	Aeration of Contaminated Soil & Removal of Underground Storage Tanks
12/6/2004	A5029	McGuire Furniture Company	San Francisco	Wood Products Coatings
12/23/2004	Q4640	Pyraminde Buiders	San Francisco	Asbestos Demolition, Renovation & Mfg.
12/6/2004	B2604	Unique Laundry & Cleaners	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations
12/28/2004	B3160	University of California SF	San Francisco	Permit to Operate; Failure to Meet Permit Conditions
San Mateo County				
Received Date	Site #	Site Name	City	Regulation Title
12/6/2004	B5863	Mervyn's LLC	Daly City	Failure to Meet Permit Conditions
12/8/2004	C9055	East Palo Alto Shell	East Palo Alto	Gasoline Dispensing Facilities
12/27/2004	B1104	Memry Corporation	Menlo Park	Failure to Meet Permit Conditions
12/6/2004	A0068	Granite Rock	Redwood City	Failure to Meet Permit Conditions
12/8/2004	D0113	Valley Market & Gas	Redwood City	Gasoline Dispensing Facilities
12/27/2004	B0275	Spacesonic	San Carlos	Surface Coating of Misc Metal Parts & Products
Santa Clara County				
Received Date	Site #	Site Name	City	Regulation Title
12/13/2004	B2812	Heartwood Cabinets	Gilroy	Failure to Meet Permit Conditions
12/16/2004	C8699	Rotten Robbie #1	Los Gatos	Failure to Meet Permit Conditions; Gasoline Dispensing Facilities
12/27/2004	A9013	International Disposal Corporation of Calif	Milpitas	Public Nuisance
12/13/2004	Q4423	Qingguo Meng	Milpitas	Motor Vehicle & Mobile Equip Coating Operations
12/16/2004	C9225	Unocal #5368	Milpitas	Gasoline Dispensing Facilities
12/8/2004	D0457	Unocal #6397	Milpitas	Gasoline Dispensing Facilities
12/13/2004	B2636	Rawson Custom Cabinet Inc	Morgan Hill	Failure to Meet Permit Conditions
12/6/2004	A2740	City of Mountain View (Shoreline)	Mountain View	Major Facility Review (Title V); Solid Waste Disposal Sites
12/27/2004	B3845	VeriSign, Inc	Mountain View	Authority to Construct; Permit to Operate
12/20/2004	Q4543	All Color Touch-Up	San Jose	Motor Vehicle & Mobile Equip Coating Operations
12/16/2004	C9311	BP Service Station/TOSCO	San Jose	Gasoline Dispensing Facilities
12/20/2004	B0734	Camaro Cleaners	San Jose	Perc & Synthetic Solvent Dry Cleaning Operations; Failure to Meet Permit Conditions
12/6/2004	B1968	Expert Collision Service	San Jose	Motor Vehicle & Mobile Equip Coating Operations
12/6/2004	B3704	Hi Tek A/B	San Jose	Motor Vehicle & Mobile Equip Coating Operations
12/22/2004	B2966	M/A-Com, Inc	San Jose	Failure to Meet Permit Conditions
12/20/2004	B4234	Pacheco's Body Shop	San Jose	Motor Vehicle & Mobile Equip Coating Operations
12/27/2004	A0778	San Jose/Santa Clara Water Pollution Control	San Jose	Public Nuisance

12/28/2004	A2918	Strongwell	San Jose	Failure to Meet Permit Conditions
12/8/2004	D0374	Valero Refining Co SS#7263	San Jose	Gasoline Dispensing Facilities
12/13/2004	A3464	City of Santa Clara	Santa Clara	Failure to Meet Permit Conditions
12/20/2004	B2600	Crystal Cleaners	Santa Clara	Failure to Meet Permit Conditions
Solano County				
Received Date	Site #	Site Name	City	Regulation Title
12/13/2004	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V); Particulate Matter & Visible Emissions
Sonoma County				
Received Date	Site #	Site Name	City	Regulation Title
12/16/2004	B1822	Applied Industrial Coatings	Rohnert Park	Surface Coating of Misc Metal Parts & Products
12/7/2004	A7658	Chapel of the Chimes	Santa Rosa	Particulate Matter & Visible Emissions
12/13/2004	Q4424	Peter Boeck	Santa Rosa	Open Burning
12/16/2004	Q4492	The Finishing Touch	Santa Rosa	Wood Products Coatings
12/7/2004	Q4339	Chuck Herzog	Sebastopol	Open Burning
12/2/2004	Q4257	Don Bliss	Sebastopol	Open Burning
12/2/2004	Q4259	John Balletto	Sebastopol	Open Burning
12/7/2004	Q4338	John Jensen	Sebastopol	Open Burning
12/7/2004	Q4341	Max Redalia	Sebastopol	Open Burning
12/2/2004	Q4261	Michael Penn	Sebastopol	Open Burning
12/7/2004	Q4337	Rich Dunah	Sebastopol	Open Burning
12/14/2004	Q4348	Spirit of Christmas Tree Farm	Sebastopol	Open Burning

December 2004 Closed NOVs with Penalties by County

Alameda

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Crow Canyon Dry Cleaners	A9994	Dublin	\$500	1
Euwell & Sons Cleaners	A4460	Berkeley	\$500	1
Gensteam	Q2725	Emeryville	\$10,000	1
PABCO Gypsum	A0153	Newark	\$800	1
Ronco Construction	N4385	Fremont	\$4,250	4
Star Pacific Inc	B0898	Union City	\$500	1
University Arco	C0121	Berkeley	\$500	1

**Total Violations
Closed: 10**

Contra Costa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Bombardier Transportation Holdings USA, Inc	B0433	Pittsburg	\$30,000	3
Loctite Aerospace	B2855	Bay Point	\$2,000	3
St Mary's College	C9987	Moraga	\$500	1
Unocal Service Station #3937	C8950	Moraga	\$500	1
Valero Refining Co SS#7974	D0400	San Ramon	\$250	1

**Total Violations
Closed: 9**

Marin

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Clean Look Cleaners	B3192	Novato	\$500	2
Patrick Trahan	Q1675	San Anselmo	\$250	1

**Total Violations
Closed: 3**

Napa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Chris Rogers	P7963	Calistoga	\$600	2

**Total Violations
Closed: 2**

San Francisco

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
America's Body & Fender Inc	B1073	San Francisco	\$1,800	1
Earl Scheib Auto Paint Shop	A2929	San Francisco	\$2,000	1

Sagan Cleaners	A5847	San Francisco	\$500	1
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**Total Violations
Closed: 3**

San Mateo

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Canyon Gas & Propane	C8999	Redwood City	\$350	1
Crocker Cleaners	B2285	Daly City	\$500	1
IKEA California LLC	B5292	East Palo Alto	\$1,000	1
Precision Works	J3672	Redwood City	\$4,000	2
SCE, Inc.	P8053	San Carlos	\$1,000	1

**Total Violations
Closed: 6**

Santa Clara

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
ABE Gasoline	C9453	San Jose	\$750	1
Atlantic Richfield Co	A1929	San Jose	\$750	1
Classic Car Wash	C3830	San Jose	\$1,000	1
Rawson Custom Cabinets	B2636	Morgan Hill	\$250	1

**Total Violations
Closed: 4**

Solano

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Anheuser-Busch, Inc	A0606	Fairfield	\$1,000	1

**Total Violations
Closed: 1**

Sonoma

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
B & G Gas & Food Mart/Fast Lane Gas & Food	D0029	Santa Rosa	\$2,000	2
Dura Glass Products, Inc	A3434	Santa Rosa	\$750	2
Frederick J Schulz	N4392	Santa Rosa	\$750	3
Goebel Paving	N8204	Petaluma	\$1,000	1
Stoesser-Gordon Plastics	Q2215	Santa Rosa	\$500	1

**Total Violations
Closed: 9**

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT AIR	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency
CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide

EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority ("Wheels")
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles per gallon
MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM>10	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day

Ug/m ³	micrograms per cubit meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

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: January 12, 2005

Re: Consider Authorization for An Internal Systems Audit

RECOMMENDED ACTION:

Authorize the Executive Officer/APCO to solicit bids and execute an agreement to perform an internal systems audit and transfer \$200,000 from the General Reserve for this purpose and adjust the Districts' approved FY 2004-05 budget accordingly.

BACKGROUND

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The District manages its finances using instituted processes and controls. Recently the District transferred these processes to the new JD Edwards Financial System. With the District now comfortable in the new system, this is an appropriate time and unique opportunity to consider enhancements to historical processes.

DISCUSSION

The District intends to take advantage of this opportunity to obtain independent input on its internal processes and controls.

The engagement will deliver a systematic report on the financial, operational and budgetary controls and on their reliability in practice, and on their embodiment in the JD Edwards Financial System. The work will also evaluate the relevance of and compliance with established policies, plans and procedures.

Deliverables will include a report detailing:

- Extent to which assets and interests are accounted for, and the extent to which they are safeguarded from losses of all kinds;

- Appropriateness, reliability and integrity of financial and other management information in JD Edwards and other systems and the means used to identify, measure, classify, report and act upon that information; and
- Follow-on of recommendations for enhanced operations.

BUDGET CONSIDERATION/FINANCIAL IMPACT

If approved, \$200,000 will be transferred from the General Reserve for this purpose and an adjustment of the Air Districts' approved FY 2004-05 budget will be made accordingly. Funds for this work will be budgeted not to exceed \$200,000.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay

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: January 11, 2005

Re: Budget & Finance Committee Meeting of December 20, 2004

BACKGROUND

The Budget & Finance Committee met on Monday, December 20, 2004. The Chairperson of the Committee will give an oral report of the meeting.

DISCUSSION

The Committee met and received the First Quarter Financial Report as an informational item.

Staff presented information on teleconferencing for the Board room and the 4th floor conference room. This item was referred to the Budget & Finance Committee from the Executive Committee that met on Monday, November 29, 2004. At that meeting, staff was instructed to continue with the RFP process and provide cost information to the Budget & Finance Committee. Through an informal RFP process, three firms submitted the following proposals:

- Commercial Video \$ 81,910
- SPL Systems \$ 135,881
- Integrated Media Systems \$ 184,859

An additional cost for a T1 line, which is a dedicated digital transmission link to other locations within the building, was estimated to cost \$8,400 annually. Estimated costs for lighting enhancements and sound deadening acoustic materials have been estimated at \$12,000 for the Board Room and \$8,000 for the 4th floor conference room.

After discussing this item, the Committee continued this item to the next meeting. Staff was instructed to provide a comparison of costs between video teleconferencing and audio teleconferencing. Staff was also requested to provide information on the effectiveness - cost per ton of pollutants removed when teleconferencing, potential number of reduced car trips, and what is the purpose/objective of teleconferencing.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. No action was taken.

Respectively submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Wayne Tanaka

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: December 13, 2004

Re: First 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 \$338,805 (2%) of budgeted revenue. Alameda accounted for the majority of the receipts received.
- Permit Fee receipts were \$10,046,461 (54%) of budgeted revenue.
- Asbestos Fees were \$423,704 (33%) of budgeted revenue.
- Penalties and Settlements receipts were \$223,250 (11%) of budgeted revenue.
- Interest Income receipts were \$102,627 (21%) of budgeted revenue.
- Miscellaneous Revenue was \$259,870 (148%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$6,486,277 (20%) of estimated expenditures.
- Operational Services and Supplies were \$1,894,308 (21%) of estimated expenditures.
- Capital Outlay was \$216,621 (6%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

AGENDA: 4

- Total Revenue was \$4,551,385 (74%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$351,062 (23%) of estimated expenditures.
- Operational Services and Supplies were \$845,111 (18%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka

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

REVENUES	Budget FY 2005	Received to Date September 30, 2004	Receipts as % of Budget FY 2005	Received to Date September 30, 2003	Variance Received to Date FY 2005 vs FY 2004	% of Variance
County Revenue						
Alameda County	2,606,040	328,033	13%	324,915	3,118	1%
Contra Costa County	1,752,750	237	0%	3,295	(3,058)	-1290%
Marin County	696,420	2,640	0%	0	2,640	100%
Napa County	428,940	0	0%	0	0	0%
San Francisco County	1,891,080	0	0%	794	(794)	0%
San Mateo County	2,167,830	2,621	0%	8,964	(6,343)	-242%
Santa Clara County	3,708,215	1,735	0%	11,000	(9,265)	-534%
Solano County	370,800	0	0%	0	0	0%
Sonoma County	701,100	3,539	1%	0	3,539	100%
Sub Total	14,323,175	338,805	2%	348,968	(10,163)	-3%
Permit, Title V & AB 2588 Fees	18,488,500	10,046,461	54%	9,433,679	612,782	6%
Asbestos Fees	1,300,200	423,704	33%	368,832	54,872	13%
Hearing Board Fees	37,000	4,285	12%	4,888	(603)	-14%
Penalties & Settlements	2,000,000	223,250	11%	730,813	(507,563)	-227%
Federal Grant Current & Prior Year	1,407,000	142,500	10%	685,153	(542,653)	-381%
Federal - 103 Grant/Supplemental Funding	1,120,300	115,000	10%	0	115,000	100%
CMAQ Funding	1,228,400	0	0%	0	0	0%
State Subvention	1,863,870	0	0%	0	0	0%
CEC/Carl Moyer/Other Grants	0	0	0%	0	0	0%
Interest Income	490,000	102,627	21%	162,758	(60,131)	-59%
Miscellaneous Revenue	175,000	259,870	148%	94,408	165,462	64%
District Service Revenue	10,000	335	3%	478	(143)	-43%
Sub Total Other General Fund	28,120,270	11,318,032	40%	11,481,009	(162,977)	-1%
TOTAL GENERAL FUND	42,443,445	11,656,837	27%	11,829,977	(173,140)	-1%
Transfers In						
Reserve for Best of Breed	1,600,000	0	0%	0	0	0%
Reserve for PERS Superfunding	486,637	0	0%	0	0	0%
Reserve for Capital Expenditures	295,800	0	0%	0	0	0%
TFCA Cost Recover	618,725	0	0%	0	0	0%
TOTAL TRANSFER IN	3,001,162	0	0%	0	0	0%
Transfer Out						
Fund Balance Available	0	0		0	0	0%
TOTAL REVENUE & TRANSFERS	45,444,607	11,656,837	26%	11,829,977	-173,140	-1%

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

EXPENDITURES

	Budget FY 2005	Expended to Date September 30, 2004	Expended as % of Budget FY 2005	Expended to Date September 30, 2003	Variance Expended to Date FY 2005 vs 2004	% of Variance
Personnel Expenditures						
Permanent Salaries	24,883,150	4,547,395	18%	7,020,723	(2,473,328)	-54%
Overtime Salaries	197,425	13,789	7%	4,403	9,386	68%
Temporary Salaries	194,066	3,155	2%	11,448	(8,293)	-263%
Payroll Taxes	243,570	52,501	22%	54,426	(1,925)	-4%
PERS	1,749,387	311,621	18%	3,805	307,816	99%
FICA Replacement Benefits	1,410,395	416,028	29%	293,278	122,750	30%
Group Insurances	3,609,438	890,840	25%	747,281	143,559	16%
Employee Transportation Subsidy	240,742	55,586	23%	43,814	11,772	21%
Worker Compensation	282,389	185,562	66%	91,256	94,306	51%
Fees	114,768	9,800	9%	21,747	(11,947)	-122%
TOTAL PERSONNEL EXPENDITURES	32,925,330	6,486,277	20%	8,292,181	(1,805,904)	-28%
Operation Expenditures						
Transportation and Travel	203,508	13,418	7%	11,960	1,458	11%
Training & Education	293,619	81,698	28%	5,017	76,681	94%
Maintenance of Equipment	359,016	43,211	12%	48,111	(4,900)	-11%
Communications	334,054	58,790	18%	65,649	(6,859)	-12%
Maintenance of Building	296,040	56,457	19%	56,362	95	0%
Utilities	356,066	69,494	20%	96,142	(26,648)	-38%
Postage	137,916	21,022	15%	26,940	(5,918)	-28%
Printing & Reproduction	413,345	25,523	6%	41,244	(15,721)	-62%
Rental of Equipment	183,841	17,543	10%	32,732	(15,189)	-87%
Rents & Leases	925,343	233,917	25%	216,443	17,474	7%
Professional Services	3,969,115	771,090	19%	385,731	385,359	50%
Insurance	517,295	288,995	56%	89,802	199,193	69%
Shop & Field Supplies	248,962	68,155	27%	25,850	42,305	62%
Laboratory Supplies	66,012	22,523	34%	12,047	10,476	47%
Fuels	198,000	28,484	14%	23,610	4,874	17%
Computer Hardware & Software	206,637	32,871	16%	18,420	14,451	44%
Office Supplies	178,050	48,372	27%	27,899	20,473	42%
Books, Journals & Subscriptions	96,812	3,209	3%	4,523	(1,314)	-41%
Minor Office Equipment	40,140	9,536	24%	3,074	6,462	68%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	9,023,771	1,894,308	21%	1,191,556	702,752	37%
Capital Budget						
Office Equipment	0	174	0%	0	174	100%
Computer Equipment	2,610,200	58,631	2%	167,642	(109,011)	-186%
Bulding & Grounds	652,640	76,102	12%	86,524	(10,422)	-14%
Vehicle Fleet	156,570	67,631	43%	0	67,631	100%
Laboratory & Monitoring Equipment	76,096	14,083	0%	26,364	(12,281)	100%
Communications Equipment	0	0	0%	0	0	0%
TOTAL CAPITAL BUDGET EXPENDITURES	3,495,506	216,621	6%	280,530	(63,909)	-30%
TOTAL EXPENDITURES	45,444,607	8,597,206	19%	9,764,267	(1,167,061)	-14%

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

REVENUES	Budget FY 2005	Received to Date September 30, 2004	Received as % of Budget FY 2005	Received to Date September 30, 2003	Variance Received to Date FY 2005 vs 2004	% of Variance
AB 434 Administrative Income	974,244	736,507	76%	168,250	568,257	77%
AB 434 Project Income	5,189,671	3,814,878	74%	903,961	2,910,917	76%
TOTAL REVENUE	6,163,915	4,551,385	74%	1,072,211	3,479,174	76%

EXPENDITURES	Budget FY 2005	Expended to Date September 30, 2004	Expended as % of Budget FY 2005	Expended to Date September 30, 2003	Variance Expended to Date FY 2005 vs 2004	% of Variance
Personnel Expenditures						
Permanent Salaries	1,199,230	276,375	23%	260,690	15,685	6%
Temporary Salaries	12,547	3,441	27%	3,058	383	11%
Overtime Salaries	0	0	0%	0	0	0%
Payroll Taxes	11,633	3,155	27%	2,238	917	29%
PERS	84,824					
FICA Replacement Benefits	69,103	15,010	22%	11,213	3,797	25%
Group Insurances	148,777	38,429	26%	28,689	9,740	25%
Employee Transit Subsidy	13,497	2,201	16%	1,814	387	18%
Workers Compensation	14,044	12,451	89%	3,785	8,666	70%
TOTAL PERSONNEL EXPENDITURES	1,553,655	351,062	23%	311,487	39,575	11%

Operation Expenditures

Transportation & Travel	12,110	1,098	9%	1,023	75	7%
Training & Education	3,500	944	27%	250	694	74%
Communications	5,200	7,368	142%	1,251	6,117	83%
Postage	17,000	0	0%	3,560	(3,560)	0%
Printing & Reproduction	85,000	61,697	73%	18,690	43,007	70%
Rental of Equipment	0	0	0%	0	0	0%
Professional & Special Services	4,482,700	771,589	17%	735,800	35,789	5%
Shop & Field Supplies	200	0	0%	0	0	0%
Computer Hardware & Software	4,000	0	0%	0	0	0%
Office Supplies	100	0	0%	125	(125)	0%
Books & Journals	350	345	99%	25	320	93%
Minor Office Equipment	100	2,070	0%	0	2,070	100%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	4,610,260	845,111	18%	760,724	84,387	10%

Capital Outlay

Motorized Equipment & Radio	0	0	0%	4,500	(4,500)	0%
TOTAL CAPITAL OUTLAY	0	0	0%	0	0	0%
TOTAL EXPENDITURES	6,163,915	1,196,173	19%	1,072,211	123,962	10%

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: December 6, 2004

Re: Teleconferencing - Consider Approval of Purchase Order, Increase FY
2004/2005 Budget and Transfer from Reserve for Contingency

RECOMMENDED ACTION:

If the Committee and full Board desires that staff proceed with this project, staff recommends approval of a purchase order not to exceed \$81,910, to Commercial Video and approval of a request to transfer \$110,310 from the Reserve for Contingency, and amendment to the FY 2004/2005 Capital Budget - \$101,910 and ISS Budget - \$8,400.

BACKGROUND

At its June 14, 2004, meeting, the Public Outreach Committee of the District's Board of Directors directed staff to investigate and report to the Executive Committee on the possibility of holding Board and Board Committee meetings by teleconference on Spare-the-Air days in order to reduce emissions from vehicles used to travel to such meetings at the District's offices. Staff presented a report at the November 29, 2004 Executive Committee meeting and recommended that the Board consider holding all Regular and Committee meetings with teleconferencing available.

DISCUSSION

At the November 29, 2004, meeting of the Board of Director's Executive Committee, staff was directed to continue gathering information through the RFP process and present the information to the Budget & Finance Committee.

Staff has reviewed Brown Act requirements for teleconference meetings in addition to those requirements that are applicable to ordinary meetings. In order to satisfy these requirements, the District will need to obtain teleconferencing equipment for the Boardroom and the commonly used Committee meeting rooms. The equipment will allow participants the best possible experience with both sound and visual communication. Also included in the proposals are costs for an assisted listening system designed for the hearing impaired.

The teleconferencing capabilities will allow Board members and members of the public to participate when direct attendance is not possible. The teleconferencing capabilities will allow staff to participate in offsite meetings and conferences from the District building. This will save money in travel costs and reduce vehicle miles.

Through the Request for Proposal process, three bids for this project were submitted.

<u>Commercial Video</u>	<u>SPL Systems</u>	<u>Integrated Media Systems</u>
<u>\$81,910</u> Total	<u>\$135,881</u> Total	<u>\$184,859</u> Total
\$53,257 Board Room	\$ 63,342 Board Room	\$ 81,731 Board Room
\$26,940 4th Floor Conf	\$ 71,114 4th Floor	\$102,196 4th Floor Conf
\$ 1,713 Assisted Listening	\$ 1,425 Assisted Listening	\$ 932 Assisted Listening

During site visits by the bidders, the lighting and acoustic properties of both rooms were mentioned. Upgrades may be required to get the best video and audio possible. To enhance the lighting and add sound deadening acoustic materials will cost an estimated \$12,000 for the Board Room and \$8,000 for the 4th Floor Conference Room. These costs are additional and not part of the bids.

Additionally, a dedicated T1 line, a digital transmission link to other locations, will be required. The cost of the line is estimated to be \$700 per month - \$8,400 annually. The monthly fee will apply whether the line is used or not as it will be a dedicated line. Other costs, such as those associated with the operating of equipment at the receiving end are unknown at this time.

Should the Committee and Board desire to proceed with this project, staff recommends that Commercial Video be selected as the vendor based on competitive pricing and known reputation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2004/2005 Capital Budget will be increased by \$101,910 and the ISS Budget will increase by \$8,400 with a transfer from the Reserve for Contingency.

Respectfully submitted,

Wayne Tanaka
 Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka

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: January 12, 2005

Re: Report of the Legislative Committee Meeting of December 21, 2004

RECOMMENDED ACTIONS

The Committee recommends the Board of Directors approve the attached proposed Legislative Agenda for 2005.

DISCUSSION

The Legislative Committee met on Tuesday, December 21, 2004. The Committee received a report on potential legislative measures for the 2005 legislative agenda. The Committee also discussed a protocol or criteria for evaluating local county transportation sales tax measures.

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

Prepared by: Mary Ann Goodley

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: December 13, 2005

Re: Potential Legislative Proposals for 2005

RECOMMENDED ACTION

Recommend 2005 legislative agenda to the Board.

DISCUSSION

At its last meeting, the Legislative Committee discussed a wide range of potential legislative proposals for the upcoming year. Staff are proposing that the District focus on the following issues for its 2005 legislative agenda.

The legislation establishing the Transportation Fund for Clean Air (TFCA) is now well over a decade old, and the annual \$4 fee on vehicle registrations has dramatically cut emissions in the Bay Area. The TFCA in many ways is viewed as a model program by the ARB and outside observers. However, staff suggest the Committee consider a statutory change that could significantly increase the public health benefits of the program. Under current law, the TFCA can only be used to provide funding to public agencies. This restriction is unique to the Bay Area. Staff are suggesting that private entities also be eligible for funding. For example, privately-owned heavy-duty vehicles are significant emitters of diesel particulate, and incentive funding for their cleanup is very cost-effective at obtaining emission reductions that would not otherwise occur. Staff believe it would be appropriate to have the District sponsor legislation to authorize adding these types of projects to the eligibility list.

The California Air Pollution Control Officers Association (CAPCOA) has indicated they will be sponsoring additional legislation this year to augment existing funding for incentive-based air quality programs such as the Carl Moyer and Low Emission School Bus programs. Furthermore, the Administration, along with both environmental and business groups, have expressed strong interest in such an effort. Staff are suggesting that part of the District's 2005 legislative agenda should be to actively engage in these efforts, and ensure that any resulting statewide legislation fairly benefit Bay Area residents.

Emissions from rail operations are significant in the Bay Area. Unlike both on-road motor vehicles or stationary sources which have a long history of control, rail emissions controls are in relative infancy. Trains (along with planes and ships) are so-called federal sources, whose emissions are regulated by the U.S. EPA. The U.S. EPA has recently initiated rule development to propose new emission standards for locomotives. Staff propose that the District co-sponsor, with the South Coast Air Quality Management District, a joint resolution from the California Legislature to Congress on this issue. The

AGENDA: 4

resolution would encourage the U.S. EPA to adopt the most stringent new standards on locomotive emissions that are both feasible and cost effective, and to implement such regulations as early as possible.

There will undoubtedly be many bills introduced in 2005 that will either harm or benefit air quality that the District will adopt positions on. As discussed in detail at the last Legislative Committee meeting, there are a wide range of potential bills that the District could sponsor. Staff anticipate legislation on smog check and illegally registered hotrods, 'streamlining' of the refinery permitting process, federal sources of air pollution, and many other topics. Because of our very visible sponsorship of AB 2683 (Lieber) in 2004, we will need to devote some time to further involvement in smog check legislation in the coming year.

However, staff anticipate that the three items discussed above will constitute an ambitious legislative agenda, and are recommending that the Legislative Committee recommend this agenda to the full Board.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None

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: December 13, 2004

Re: Discussion of Future Transportation Sales Tax Measures

RECOMMENDED ACTION

Consider whether to recommend criteria for District endorsement of future local transportation sales tax measures.

INTRODUCTION

Historically, the District has never adopted a position on any local transportation sales tax ballot measure. Several months ago, this Committee and subsequently the Board considered whether to endorse any of the five local transportation sales tax measures on the November 2004 ballot. After substantial deliberation, both the Committee and the Board declined to weigh in on any of these measures.

This item is before the Committee now to consider whether to establish a protocol or specific criteria for evaluating future transportation sales tax measures, and determining whether the District should endorse such future measures.

DISCUSSION

Because mobile sources are the greatest source of emissions in the Bay Area, transportation projects can significantly affect air quality, both in the short and long term. Within the set of five measures on the November ballot, some were better and some were worse from a strictly air quality perspective. Measures that devote substantial resources to successful alternatives to single-occupant vehicle travel are better at improving air quality than measures that are focused primarily on expanding the roadway network or speeding travel times.

However, it can be very difficult to determine quantitatively what the air quality impacts are from a specific set of transportation measures, or even if the package on balance is beneficial or detrimental to air quality. In part, this is because transportation measures can have variable effects over time on travel behavior, land use, and thus emissions. The best way to try to determine these impacts is through use of regional or sub-regional transportation, land use, and air quality models. This process not only involves

substantial assumptions, and thus some uncertainty, but more importantly takes significant time and money.

Thus staff are not recommending that the Committee pursue quantitative evaluation criteria for future transportation ballot measures. However, if the Committee chooses, staff will pursue the issue further, and can present a range of criteria for the Committee to consider at a future date.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No direct impact.

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: January 12, 2005

Re: Report of the Public Outreach Committee Meeting of January 10, 2005

RECOMMENDED ACTIONS

The Committee recommends the Board of Directors move approval of the attached staff recommendations to extend contracts for a one year period to the Air District's media relations, advertising, youth outreach, employer, research and measurement and community outreach programs.

DISCUSSION

The Public Outreach Committee met on Monday, January 10, 2005. The Committee received the following attached reports:

- A.) An Update on Wintertime Outreach;
- B.) Status of Spring Lawn-Mower Buy-Back Programs;
- C.) Recommendations for Contractors for Public Outreach Programs;
- D.) Update on the Air District's 50th Anniversary; and
- E.) Referrals from the Committee.

Committee Chairperson Mark Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Ross and
Members of the Public Outreach Committee

From: Teresa Lee
Director of Public Information & Outreach

Date: December 30, 2004

Re: Update on Wintertime Outreach

RECOMMENDED ACTION

Information.

BACKGROUND

The Air District began a wintertime outreach program in November focused on curtailing wood burning in fireplaces and woodstoves, and driving less. The campaign will run through February 2005. In addition to media and outreach on the Spare the Air Tonight campaign, the Air District continues a change out program for wood burning fireplaces and old pre-EPA certified woodstoves in Santa Clara County, using mitigation funding from the Pico and Los Esteros power plants. Finally, a localized change out program for old woodstoves and wood burning fireplaces is taking place in Rodeo, with funding provided by a Supplemental Environmental Project (SEP) settlement.

DISCUSSION

The following activities have taken place:

Media Outreach:

- The *Spare the Air Tonight* season was launched with a press release in mid-November.
- An additional press release was issued during the week of December 20th. Radio coverage included KCBS, KLIV, KSRO and a half-hour interview with Gimmy Park Li, public affairs director of KNBR/KFOG/KSAN/KTCT.
- A broadcast segment with KGO-TV's "7 On Your Side" on the dangers of wood smoke aired on Thanksgiving eve. The segment featuring Public Information Officer Luna Salaver having her wood burning fireplace changed out to burn natural gas.
- The *Contra Costa Times* ran tips on wood burning in their Home section.
- The *Napa Sentinel* wrote an article on the dangers of wood smoke that appeared on 11/26.
- An article and picture of the Smogzilla performances in San Leandro and Hayward appeared in the Hayward Daily Review and the San Leandro Times.

Advertising:

The advertising campaign includes two television spots on wood burning, one with Executive Officer Jack Broadbent and the second featuring a family "reality" scenario. The radio component of the program includes a spot with Jack Broadbent. The advertising also includes a "real time" buy in the event that a Spare the Air Tonight advisory is issued.

AGENDA NO. 4

The advertising buy has included radio and television spots during Thanksgiving week. The majority of the media “buy” is taking places beginning Monday, December 27th through the first week in January when many residents are taking time off during the holidays.

Santa Clara County – Outreach for Woodstove/Fireplace Changeout Program - Specialized outreach in Santa Clara County related to the woodstove/fireplace change out program kicked off in November. Thus far it has included:

- Distribution of a bill stuffer on the program,
- On-going outreach to cities and the county,
- Outreach to employers in the Santa Clara Valley,
- A press release,
- In-store advertising with participating dealers, and
- Participation in local community events such as the Jingle Jam Holiday Party sponsored by Radio Disney and upcoming participation in the South Bay Home and Garden show in January.

Response to the change out program has been strong and the Air District has received almost 900 requests. The goal is to change out 1500 to 1700 fireplaces and old wood stoves. This program is the first of its kind in an urban/suburban area of California.

Other Related Activities:

Employers continue to play an active role in the wintertime program. Employers were asked to distribute Woodburning Handbooks and related materials to employees and several hundred responded with orders for materials. In addition, op-eds on wood burning have been written and are being distributed in English, Spanish and Chinese for publication. Staff is also working on a direct mail campaign to residents of Rodeo that offers rebates for changing out old woodstoves and wood burning fireplaces to natural gas.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funds were allocated for the *Spare the Air Tonight* activities in the 2004-05 budget. Funding for the wood smoke/fireplace change out program is being provided by Calpine and Santa Clara Power and Light as part of the California Energy Commission’s (CEC’s) approval to build and operate power plants in Santa Clara County.

Respectfully submitted,

Teresa Lee
Director of Public Information & Outreach

FORWARDED: _____

Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Ross and
Members of the Public Outreach Committee

From: Teresa Lee
Director of Public Information & Outreach

Date: December 30, 2004

Re: Lawn Mower Buyback Programs – Spring 2005

RECOMMENDED ACTION

Give direction to staff on whether to fund lawn mower buy-back programs in 2005.

BACKGROUND

Staff will give a status report on the 2005 lawn mower buy-back programs and discuss funding issues.

DISCUSSION

For several years, the Air District has co-sponsored lawn mower buy-back programs in the Bay Area. Generally, a \$100 rebate is available to local residents who wish to exchange their old gas-powered mower for a new cleaner electric one. The programs have been co-sponsored with local waste management agencies, Home Depot and Black and Decker. In recent years, approximately \$150,000 in District funding has been expended on the programs. Last year, nine community events were held and approximately 2300 electric lawn mowers were exchanged for old gasoline mowers in the Bay Area. The old mowers are crushed and recycled. Public response to the programs has been very positive and there is a net air quality benefit to the community as a result of the reduced emissions.

Because of budget cuts due to the state fiscal crises, all funding for lawn mower buy-back programs in 2005 was eliminated from the District budget. Two small programs of \$10,000 each will be held in Rodeo and East Palo Alto as a result of Supplemental Environmental Program (SEP) settlements. If the Committee wishes to continue the lawn mower buy-back programs in 2005, funding would have to be transferred from the Reserves for Contingencies. Given the budgetary cut backs that the District may experience due to the state fiscal crises, the program could take place on a more modest scale than the 2004 program for \$100,000. If the committee recommends that the transfer be made, the item will be forwarded to the Budget and Finance committee and the Board of Directors for concurrence.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

An authorization of \$100,000 from the Reserve for Contingencies would reduce the reserves by a corresponding amount.

Respectfully submitted,

Teresa Lee
Director of Public Information & Outreach

FORWARDED: _____

Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Ross and
Members of the Public Outreach Committee

From: Teresa Lee
Director of Public Information & Outreach

Date: December 30, 2004

Re: Recommendations for Contractors for Public Outreach Programs

RECOMMENDED ACTION

Recommend that the committee approve staff recommendations to extend for a one year period the contracts that assist with the Air District's media relations, advertising, youth outreach, employer, measurement and community outreach programs.

BACKGROUND

The Air District has six contracts to assist with various aspects of its public affairs and outreach programs. Contracts were awarded in March 2004 for a one-year period, with the possibility of continuing the contracts for two additional one-year time frames. The contractors have successfully fulfilled the work plans outlined in the existing contracts in an efficient and timely manner and have given good value for the amount of funding expended on the contracts. Staff is recommending that the existing contracts be extended including:

Youth Outreach - Communications West
Advertising - O'Rorke Advertising
Media Relations - Allison & Partners
Research and Measurement - True North Research
Community Outreach - Community Focus
Employer Program – RIDES Inc.

Youth Outreach – Communications West

Communications West has been under contract to the Air District for three years and they have assisted in developing an Air District presence in Bay Area schools. Communications West has facilitated the introduction of the *Clean Air Challenge*, a 7 to 10th grade curriculum that meets the State Education Department Standards. They have also sought grant and private sector funding to support the program. In addition, they have assisted in the development of the National Children's Theater interactive play called "Smogzilla" which has been successfully carrying the clean air message into the lower grades.

Staff recommends that Communications West be retained to continue the current program in schools and expand it, as funding allows. The extension of Communications West contract would be for a one-year period.

Advertising – O’Rorke Advertising Inc.

O’Rorke Inc. is recommended to continue as the contractor for advertising the *Spare the Air*, *Spare the Air Tonight* and *Smoking Vehicle* programs. O’Rorke has a solid background in social marketing and advertising. Their 2004 campaign was effective and challenged the public to become involved in the Spare the Air campaign in a personal way. The creative approach also included “branding” the Air District’s message to be consistent throughout the three major campaigns. O’Rorke has been flexible and creative and has helped to raise the Spare the Air program to a new level. They are also certified as a Disadvantaged Business Enterprise (DBE) firm. Staff recommends extending O’Rorke’s contract for another one-year term.

Media Relations – Allison and Partners

Allison and Partners has given strategic counsel and media assistance to the District for both the major outreach programs as well as for issues such as the Title V permit for the PG&E power plant in San Francisco and the Clean Air Plan. Their communications strategy includes developing messages and programs that tap into the Bay Area’s sense of independence and community. Their staff includes both Hispanic and Asian personnel with strong backgrounds in ethnic outreach. Staff recommends that Allison and Partners be retained for the media outreach part of the campaign for another one-year term.

Research – True North Research

True North Research evaluates the methodology and design of the summer and winter Spare the Air surveys, collects interviews, processes data and provides top line reports. In collaboration with staff, they also process and analyze survey data and prepare detailed study reports. The reports are used to assess public awareness of the Spare the Air program, including the percentage of the public who change behavior on Spare the Air days.

True North has performed all work in a professional manner, adhering to principles and best practices of modern survey technology. They also recommend and implement the most precise and accurate methods to acquire valid data. They deliver timely, thorough and comprehensive reports that meet or exceed the expectations of the Air District. Staff recommends that the contract for True North be extended for a one-year period.

Community Outreach – Community Focus

Community Focus is recommended to continue to assist with the community outreach component of the program. They presently facilitate eight resource teams in the Bay Area - six Spare the Air teams and two environmental justice teams. The Spare the Air teams are centered in Napa County, the Santa Clara Valley, southern Alameda County, the Tri-Valley, Marin/Sonoma and in San Francisco/San Mateo counties. The environmental justice teams include north Richmond and East Palo Alto. These grass roots teams have allowed the Air District to spread the clean air message on the community level, to find allies for clean air efforts (like the adoption of the model wood smoke ordinance) and to form partnerships around a variety of issues. The teams also do local projects to benefit air quality. Staff recommends that Community Focus continue to facilitate the existing resource teams and develop other grass-roots opportunities for the Air District. It is recommended that their contract be extended for a one-year period.

AGENDA NO. 6

Employer Program – RIDES Inc.

RIDES Inc. manages the Employer Spare the Air and Spare the Air Tonight programs which include 2200 employers and 550 schools. RIDES is responsible for recruiting employers and schools, managing the data base, holding employer workshops, developing materials for the employer portion of the spare the air website and supporting the program through on-site events. In addition, RIDES has sought opportunities to bring more participants into the program through partnering with local Chambers of Commerce. This year RIDES has begun to reach out to hospitals to become part of the Spare the Air network.

RIDES has consistently delivered quality services and has been innovative and resourceful in “growing” the program. Staff recommends that RIDES contract be extended for another one-year period.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for these activities for 2004-05 has been included in the current budget. The funding for the motor vehicle related activities covered by these contracts comes from the Congestion Mitigation Air Quality (CMAQ) or the Transportation Fund for Clean Air (TFCA) programs. The remainder of the funds comes from General Revenues.

Respectfully submitted,

Teresa Lee
Director of Public Information & Outreach

FORWARDED: _____

Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Ross and
Members of the Public Outreach Committee

From: Lucia Libretti, Supervising Public Information Officer

Date: December 30, 2004

Re: Update on District's 50th Anniversary Celebration

RECOMMENDED ACTION

Information.

BACKGROUND

On September 7, 1955 California Governor Knight signed the bill that established the District as the state's first regional air pollution control agency. To mark this auspicious milestone, the District is planning a celebration event as well as other activities to highlight the District's many accomplishments and pioneering leadership in the field of air quality.

DISCUSSION

- Date and venue: Friday, September 30th 2005 - sit down dinner "gala" at the Grand Hyatt Union Square Hotel.
- Program would include a short visual presentation on the history and accomplishments in Bay Area air quality over the last 50 years. The presentation would be posted on the District's website and linked to other state and national sites. Portions of this presentation will also be used for a video news release to be sent to local and national media outlets.

Respectfully submitted,

Lucia Libretti,
Supervising Public Information Officer

FORWARDED: _____

Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Ross and
Members of the Public Outreach Committee

From: Teresa Lee
Director of Public Information & Outreach

Date: December 30, 2004

Re: Referral from Committee

RECOMMENDED ACTION

Information.

BACKGROUND

Staff response to referral from the last meeting of the Public Outreach Committee.

DISCUSSION

There was one referral from the last meeting of the Public Outreach Committee. The committee requested a breakdown by county of performances of the National Children's Theatre's "Smogzilla."

The spreadsheet for performances is attached. The spreadsheet also includes the teachers trained and students reached with the Air District's Clean Air Challenge. This school year (2004-2005) is the first full year of the student education program, following a year in which the programs were piloted. The "reach" of the program depends on the amount of funding available. Thus far this has consisted of grants from private industry, Supplemental Environmental Program (SEP) and Air District funds. For the current fiscal year, the funding available is \$200,000. The grants and SEP funds have generally been used in the locations in which the funds were generated to benefit those particular communities. Staff and the consultant continue to pursue funding for the program and will seek to introduce the program in all nine Bay Area counties.

**Air District Youth Outreach Program
2002 – 2005 Academic Years**

	Theater Performances		Clean Air Challenge	
	Performances	Students	Teacher*	Students
San Francisco	10	3,000		
San Mateo	5	1,500	25	2,500
Santa Clara	35	10,500	139	13,900
Contra Costa	23	6,900	27	2,700
Alameda	49	14,700	62	6,200
Marin				
Sonoma	1	300	45	4,500
Napa				
Solano	4	1,200		
Clean Air Curriculum			298	29,800
National Children's Theater	127	38,100		

** Projected teachers; workshop seats now being filled*

Respectfully submitted,

Teresa Lee
Director of Public Information & Outreach

Reviewed by: Jean Roggenkamp

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: January 12, 2005

Re: Presentation on the California Fuel Cell Partnership

RECOMMENDED ACTIONS

None.

DISCUSSION

At the September 29, 2004 meeting of the Executive Committee, staff requested Board of Director approval for the Air District to join the California Fuel Cell Partnership and the allocation of \$90,000 from Program 104 to cover dues for one year. The Executive Committee requested staff to provide additional information on the California Fuel Cell Partnership before considering the allocation of funding for membership dues.

Catherine Dunwoody, Executive Officer of the California Fuel Cell Partnership, has been invited to present an overview of the history, structure and purpose of the Partnership.

The California Air Resources Board and the California Energy Commission started the California Fuel Cell Partnership in January of 1999 to promote the development of fuel cells for motor vehicles. There are currently 31 member organizations representing government agencies, non-profits, oil companies and automobile manufacturers. Additional information is available at www.cafcp.org.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2005/2006 budget may reflect additional resources to cover membership dues and participation costs for the California Fuel Cell Partnership.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael Murphy