



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

March 16, 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
MARCH 16, 2005

BOARD ROOM
7TH FLOOR

9:45 A.M.

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Commendation/Proclamation

Marland Townsend, Chairperson
Clerk of the Boards

PUBLIC COMMENT PERIOD

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

CONSENT CALENDAR (ITEMS 1 – 4)

Staff/Phone (415) 749-

1. Minutes of February 16, 2005

M. Romaidis/4965
mromaidis@baaqmd.gov
2. Communications
Information only

J. Broadbent/5052
jbroadbent@baaqmd.gov
3. Report of the Advisory Council

B. Zamora/4962
Bzamora@co.sanmateo.ca.us
4. Monthly Activity Report
Report of Division Activities for the month of February 2005.

J. Broadbent/5052
jbroadbent@baaqmd.gov

COMMITTEE REPORTS AND RECOMMENDATIONS

5. Report of the **Legislative Committee** Meeting of February 23, 2005

CHAIR: B. WAGENKNECHT

J. Broadbent/5052
jbroadbent@baaqmd.gov

Action(s): The Committee recommends the Board of Directors adopt positions on seven bills as indicated in the attached Committee report.
6. Report of the **Budget and Finance Committee** Meeting of March 2, 2005

CHAIR: J. MILLER

J. Broadbent/5052
jbroadbent@baaqmd.gov

PRESENTATION

7. 2005 Air District Video Preview

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will view the Air District's 2005 video.

OTHER BUSINESS

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

OPEN SESSION

10. 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)

11. Time and Place of Next Meeting - 9:45 a.m., Wednesday, April 6, 2005 -939 Ellis Street, San Francisco, CA 94109
12. 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 Townsend and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 3, 2005

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of February 16, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the February 16, 2005 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 – February 16, 2005

Call To Order

Opening Comments: Vice-Chairperson Gayle B. Uilkema called the meeting to order at 9:48 a.m.

Roll Call: Present: Gayle B. Uilkema, Vice-Chair, Harold Brown, Roberta Cooper, Chris Daly, Mark DeSaulnier, Dan Dunnigan (9:52 a.m.), Scott Haggerty, Jerry Hill, Liz Kniss (9:52 a.m.), Patrick Kwok, Jake McGoldrick, Julia Miller, Mark Ross, Tim Smith, Pam Torliatt, Brad Wagenknecht, Shelia Young.

Absent: Erin Garner, Nate Miley, John Silva.

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

Commendation/Proclamation: There were none.

Swearing in of New Board Member: Danville Councilperson Michael Shimansky, representing Contra Costa County, was sworn in as a Board Member.

Public Comment Period: There were none.

Commendation/Proclamations: The Board of Directors presented a plaque to Director Erling Horn in recognition of his service on the Air District's Board of Directors.

Consent Calendar (Items 1 – 7)

1. Minutes of January 19, 2005
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council. There was no report.
4. Monthly Activity Report
Report of Division Activities for the month of January 2005.
5. Quarterly Report of the Clerk of the Boards
6. Quarterly Report of the Air Resources Board Representative
7. Consider Authorizing the Executive Officer/APCO to Accept Congestion Mitigation and Air Quality (CMAQ) Improvement Program Funds

The Board of Directors considered a resolution authorizing the Executive Officer/APCO to accept CMAQ Improvement Program funds for the District's Solid Waste Collection Vehicle Incentive Program.

Board Action: Director Haggerty moved approval of the Consent Calendar; seconded by Director Kwok; carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, DeSaulnier, Haggerty, Hill, Kwok, McGoldrick, Miller, Ross, Shimansky, Smith, Torliatt, Uilkema, Wagenknecht, Young.

NOES: None.

ABSENT: Dunnigan, Garner, Kniss, Miley, Silva, Townsend.

Adopted Resolution No. 2005-01: Resolution of the Bay Area Air Quality Management District Board of Directors Authorizing District Participation in the Congestion Mitigation and Air Quality (CMAQ) Improvement Program for the San Francisco Bay Area

Directors Liz Kniss and Dan Dunnigan arrived at 9:52 a.m.

Committee Reports and Recommendations

8. Report of the Stationary Source Committee Meeting of January 24, 2005

Director DeSaulnier presented the report and stated that the Committee met on Monday, January 24, 2005.

Staff provided a progress report on the Air District's proposed flare control rule. The presentation included information on progress of the workgroup; control strategy; elements of a Flare Management Plan; and the Rule development process.

Staff presented a status report on the District's Air Toxics New Source Review (NSR) rule development project. The report included the background of the existing Air Toxics NSR Program; a summary of the goals, the District staff's proposal and public comments; and a review of the work that remains to be done. The revised Rule proposal will be issued the first quarter in calendar year 2005, additional workshops will be held, and the District staff will evaluate and respond to additional public comments. It is anticipated the Rule will be before the Board for adoption in mid-2005.

The Committee received an update on the Community Air Risk Evaluation (CARE) Program. The report included information on the Program goals and objectives; public outreach and input; emission inventory and emission density maps; and the technical and analytical quality assurance. The Program will perform a cumulative risk analysis for a pilot project neighborhood, evaluate risk reduction opportunity and then implement a risk reduction plan. Staff reviewed the status of the CARE Advisory Committee.

The next meeting of the Committee is scheduled for Monday, March 28, 2005.

Board Action: Director DeSaulnier moved that the Board approve the report of the Stationary Source Committee; seconded by Director Young; carried unanimously without objection.

9. Report of the Budget and Finance Committee Meeting of January 26, 2005

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

- A) Contract with Commercial Sound & Video in the amount of \$28,653 for the implementation of Phase 1 video-conferencing equipment in the 4th floor conference room;*
- B) Funding in the amount of \$100,000 for the 2005 Lawn Mower Buy-Back Program; and*
- C) Transfer of \$137,053 from the Reserve for Contingency, and Increase the FY 2004/2005 Capital Budget \$28,653, the ISS Budget \$8,400, and Public Information Program 303-Professional Services and Contracts Budget \$100,000*

Director Miller presented the report and stated that the Committee met on Wednesday, January 26, 2005.

Staff provided information on the Governor's proposed 2005/2006 state budget. Staff reviewed the time line for the state budget and noted there is no initial proposal to cut subvention funds this year and that there is no proposal to further reduce the property taxes the District receives. Funding and staff are slated to be increased for the California Air Resources Board (CARB) due to a number of new programs.

Staff presented a report and recommendation to the Committee that the Board approve phase one implementation of video-conferencing in the 4th floor conference room. This would include approval of a purchase order not to exceed \$28,653 to Commercial Video and the transfer of \$37,053 from the Reserve for Contingency. Staff also requested that the Committee recommend Board approval to amend the fiscal year 2004/2005 Capital Budget by \$28,653 and the ISS Budget by \$8,400. The Committee approved the staff recommendation.

Staff requested and the Committee recommended Board approval of a transfer of funds not to exceed \$100,000 from the Reserve for Contingencies to fund the Spring 2005 Lawn Mower Buyback Programs.

The next meeting of the Committee is scheduled for 9:45 a.m., Wednesday, March 2, 2005.

Board Action: Director Miller moved that the Board approve the recommendation of agenda item 9A; seconded by Director Torliatt; carried on the following roll call:

AYES: Brown, Daly, DeSaulnier, Dunnigan, Haggerty, Hill, Kniss, Kwok, McGoldrick, Miller, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Young.

NOES: Cooper, Uilkema.

ABSENT: Garner, Miley, Silva, Townsend.

Board Action: Director Miller moved that the Board approve the recommendations of agenda items 9B and 9C; seconded by Director Kwok; carried unanimously without objection.

10. Report of the Executive Committee Meeting of February 4, 2005

Director Ross presented the report and stated that the Committee met on Friday, February 4, 2005 and received and filed the Report of the Hearing Board. Brian Zamora, Advisory Council Chairperson, presented the Report of the Advisory Council and noted the Council would be working on its By-Laws and a Code of Conduct this year. In addition, the Council has five issues on its agenda this year: indoor air pollution, climate change and greenhouse gases, the clean up of existing diesel sources, the hydrogen highway blue print, and the District's CARE Program.

Staff presented a report on the Bay Area Ozone Strategy and updated the Committee on the work done to date. Staff discussed the National 1-hour ozone standard and the transition from a national 1-hour to 8-hour ozone standard. Due to legal challenges regarding EPA's 8-hour implementation rule, the District is pausing release of the Ozone Strategy pending clarification of national ozone planning requirements. Staff reviewed the next steps to be taken and they include the following:

- Track the transition from a national 1-hour standard to an 8-hour standard.
- Release the draft Ozone Strategy and draft EIR for public review and comment.
- Prepare the final Ozone Strategy and EIR for Board consideration.
- Rule development and emission reductions are ongoing.

Staff presented a summary of the January 28th Northern California Air Quality Coordinating Group meeting. There was discussion at the meeting on areas of mutual concern with regard to the downwind Districts, 8-hour ozone planning, incentive programs, and smart growth.

Ted Droettboom, Regional Planning Program Director of the Joint Policy Committee (JPC), briefed the Committee on the background, mandate and work program of the JPC.

Staff presented a status report on the District's Community Risk Evaluation (CARE) Program and reviewed the Program goals and objectives. Staff also updated the Committee on the CARE Task Force membership.

Staff presented a status report on the District's production system and IRIS/databank replacement.

The Committee met in Closed Session in a conference with the District's labor negotiators. The Committee provided overall direction to the Executive Officer/APCO.

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

Board Action: Director Ross moved that the Board approve the report of the Executive Committee; seconded by Director Wagenknecht; carried unanimously without objection.

11. Report of the Mobile Source Committee Meeting of February 10, 2005

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

- A) Proposed Revisions to the Transportation Fund for Clean Air (TFCA) Policies and Evaluation Criteria to govern allocation of FY 2005/2006 TFCA funds;*
- B) Reallocation of Lower-Emission School Bus Program funds;*
- C) Continued Participation in Implementing the California Air Resources Board FY 2004/2005 Carl Moyer Program in the Bay Area; and*
- D) Amendment to the TFCA Alameda County Program Manager Expenditure Program for FY 2004/2005.*

Director Haggerty presented the report and stated that the Committee met on Thursday, February 10, 2005 and Staff presented a report on proposed revisions to the Transportation Fund for Clean Air (TFCA) Policies and Evaluation Criteria for fiscal year 2005/2006. The Committee recommends Board approval of the following:

- Adopt policies 1 through 35 and the evaluation criteria as proposed;
- Adopt proposed policy number 36 but reinstate incident management as an eligible project type; and
- Adopt proposed policy number 37, but include pedestrian projects as an eligible project type.

The proposed revisions, along with a memorandum from Jack Broadbent, are at Board members' places. The Committee discussed taking a more in-depth review of policy numbers 36 and 37 during the next year.

The Committee received reports on and recommended Board approval of the following:

- Reallocation of 2004 Lower-Emission School Bus Program funds;
- Continued participation in the Carl Moyer Program, which includes authorizing the APCO to enter into necessary contracts with the California Air Resources Board (CARB) and Moyer project applicants, and Board approval of procedures to allocate Year 7 Moyer funds;
- Amendment to the TFCA Alameda County Program Manager Expenditure Program for fiscal year 2004/2005 in the amount of \$75,000 for a City of Hayward project.

The next meeting of the Committee is scheduled for 9:30 a.m., Thursday, March 10, 2005.

Board Action: Director Haggerty moved that the Board approve the recommendation of the Mobile Source Committee; seconded by Director Brown; carried unanimously without objection.

Other Business

12. Report of the Executive Officer/APCO – Jack Broadbent, Executive Officer/APCO, reported on the following items:
 1. The District is concluding its winter Spare the Air Tonight program. There was one exceedance on Christmas day in Concord.
 2. The District is in the process of working with the Metropolitan Transportation Commission (MTC) to expand the Spare the Air program so there is free transit on

work day Spare the Air Days on all transit systems. Mr. Broadbent noted in today's *Chronicle* there was an article entitled "Spare the Fare".

13. Chairperson's Report: Vice-Chairperson Uilkema announced that the March 2, 2005 Board meeting is cancelled and the next meeting will be on March 16th.

Closed Session The Board convened to Closed Session at 10:06 a.m.

14. Conference with District's Labor Negotiators
(Government Code § 54957.6(a))

*Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
Michael Rich, Human Resources Officer*

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

Open Session The Board reconvened to Open Session at 10:25 a.m.

Brian Bunger, District Counsel, reported that the Board met in Closed Session on agenda item 14 and the Board gave general direction to Mr. Broadbent to continue discussions on negotiations.

15. Board Members' Comments – There were none.
16. Time and Place of Next Meeting – 9:45 a.m., Wednesday, March 16, 2005.
17. **Adjournment – The meeting adjourned at 10:26 a.m.**

**Mary Romaidis
Clerk of the Boards**

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Townsend and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 16, 2005

Re: Report of Division Activities for the month of February 2005

ADMINISTRATIVE SERVICES DIVISION – W. TANAKA, DIRECTOR

Staff with budget responsibilities have been gathering and entering preliminary budget data for the FY 2004/2005 budget. Development of the Fiscal Year 2005/2006 budget proceeded with no additional news on the States proposed budget. Staff is faced with the challenge of preparing a balanced budget with a second year of reduced property tax revenue.

Work on the annual audit continued during the month. The final report will be presented to the Budget & Finance Committee at a future meeting.

Status of various capital projects in process:

	<u>Started</u>	<u>% Complete</u>	<u>Completion Date</u>
➤ Phase II Fire Alarm System	11/2003	70%	6/2005
➤ Executive Offices	12/2004	90%	3/2005
➤ Phase IV HVAC Upgrade	Costs to be submitted in 2005/2006 budget proposal.		

COMPLIANCE & ENFORCEMENT DIVISION – K. WEE, DIRECTOR

Enforcement Program

On February 23rd the District filed a request for a Conditional Order of Abatement against the Tesoro Refinery in Martinez. The refinery had experienced a series of breakdowns from a boiler in recent months that has resulted in coke dust emissions and violations of Air District regulations. Staff has been conducting investigations into equipment and procedure failures which have lead to the breakdowns. The investigation into the January 12th incident is nearly complete with only a few additional interviews remaining.

Staff made a presentation to members of the Coordinated Environmental Agency Task Force in San Francisco on February 16 regarding naturally occurring asbestos and the District's related enforcement policies. The City and County of San Francisco is conducting several development projects that have naturally occurring asbestos on site.

Compliance and Enforcement Division staff met with the Legal Division on February 17 to discuss status of several ongoing enforcement cases, including failure to notify asbestos violations and violations documented at three bulk terminals.

Compliance Assurance Program

California Air Resources Board (CARB) staff is developing training on chrome plating operations and has requested District assistance regarding the chrome industry in the Bay Area. Staff will arrange visits to hard chrome, decorative chrome and anodizing chrome platers for CARB staff.

A meeting with Staff and Tesoro occurred on February 8, 2005 at District Offices to discuss Tesoro's proposal to begin an engineering project to eliminate or reduce the duration of future compliance problems in the event #5 Boiler has problems.

Compliance Assistance Program

Staff participated at a Re-Powering/Idling Truck Workshop held by the Port of Oakland on Saturday, February 26, 2005 at the Port of Oakland. Staff answered truckers questions regarding truck Idling. The Port of Oakland is organizing another workshop on March 5, 2005 and staff will participate and answer questions regarding truck idling.

Staff attended the Golden Gate Pollution Prevention (G2P2) Committee meeting on February 1, which included a tour of the West Coast Recycling Center at Pier 96, San Francisco (Site #B6278). Issues covered at the business meeting included: A report on lithographic alternatives and concerns about the exemption for other waste (besides computer monitors) expiring in one year. This waste restriction would make items like cell phones subject to the Universal Waste rule and unable to be accepted at landfills.

Staff attended the Bay Area Green Business Coordinators meeting at ABAG headquarters in Oakland on February 8. The group will be hosting a statewide summit meeting on the Green Business Program in April 2005. The focus of the meeting will be to assure statewide uniformity in implementing and administering similar programs, after legislation to standardize it was vetoed by the governor.

Telephone calls requesting translation for Spanish were received during the month of January.

Training

Training was conducted on February 9 and 10 by California Air Resources Board (CARB) staff on general Graphic Arts Operations. Following the CARB presentation, a District engineer gave a presentation on Regulation 8, Rule 20, "Graphic Arts Printing and Coating Operations." The latter concentrated on permitting issues at these types of facilities and how inspectors can provide compliance assistance to solve them.

Operations

Staff has assumed responsibility for the graphing and posting of Flare Data received under Regulation 12, Rule 11 (Flare Monitoring). Staff has finalized an updated mail distribution list that will formalize use of existing and several new Mail stops. When this process is complete, an AOP will also be developed and an advisory will be sent to affected industries. These changes will improve productivity and decrease misrouted documents.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Title V Program

The initial Title V permit for Commercial Pattern (Hayward) was issued, as were the Title V renewal permits for Mirant Delta (Pittsburg) and Mirant Potrero (San Francisco). Staff provided comments to the Title V Permit Program Advisory Committee at a hearing in San Francisco to gather public comments regarding the effectiveness of the Title V program.

Permit Evaluation Program

Staff participated in a STAPPA/ALAPCO permitting committee meeting. Staff also provided testimony at a CEC workshop on best permitting practices for petroleum infrastructure projects (i.e., refineries, marine terminals, pipelines).

Toxics Program

The Toxic Evaluation Section completed a total of 33 risk screens during February. The majority of these risk screens were for diesel engine emergency generators and gas stations. Work continued on a revised proposal for the Air Toxics New Source Review Rule. This revised proposal will be issued in March, with a workshop to discuss the proposal to be held in April. District staff hosted the initial meeting of the CARE Program Task Force in February. The fourteen Task Force members bring a wide array of expertise in community advocacy, public health/medicine, emissions characterization and industrial operations as well as experience working on programs having goals in common with the CARE program.

Cost Recovery Study

The District's consultants Stonefield Josephson, Inc. (SJ) continued work on the Cost Recovery Study, which will analyze the District's fee revenue and regulatory program activity costs. District staff provided SJ with additional data, and SJ met with the Study's Steering Committee to provide an update and get further input. An update on the Study was also provided to the Board of Directors' Budget and Finance Committee in February. A draft report is scheduled to be issued by SJ in early March, with the final report due by the end of the month.

INFORMATION SYSTEMS DIVISION – J. McKAY, DIRECTOR

Toolsets for Permits/Enforcement/Legal

The District is preparing to move forward with design of pilot projects for platform vendors. Likely participants in the pilot include OpenText and other ECM. An update of the extensive requirement documentation that was previously developed continues. The design methodology for replacement of IRIS and Databank has started 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.

Infrastructure

User migration is approximately 60% complete. The upgrade is motivated by security needs and equipment obsolescence.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 89 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 97 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 28 Final 30 Day Letters regarding civil penalties for 41 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$46,850 in civil penalties for 68 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 59 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$335,750 in civil penalties for 40 Violations.

(See Attachment for Penalties by County)

PLANNING DIVISION – G. KENDALL ACTING DIRECTOR

Grant Programs

On February 18, staff attended a meeting with Metropolitan Transportation Commission (MTC) and Bay Area Congestion Management Agencies (CMAs) staff to discuss administrative and reporting improvements for the Regional Rideshare Program. Staff attended the February 23rd MTC meeting in which funding for the Clean Air in Motion (CAM) program was approved. CAM is a new regional clean air program focused on mobile source emissions reduction that was developed jointly by Air District and MTC staff. CAM will provide funding for several programs that will be administered by the Air District, including \$2 million in Congestion Mitigation and Air Quality Improvement (CMAQ) funds for the Solid Waste Collection Vehicles Incentive Program. Staff attended the Calstart Heavy-Duty Vehicle Conference that took place February 22 -25 in Southern California. On February 25, staff met with the Directors of the Bay Area CMAs to discuss the Transportation Fund for Clean Air (TFCA) policies and evaluation criteria for fiscal year 2005-2006, which were approved by the Board on February 16. Staff also participated in an informational workshop organized by the Port of Oakland in relation to the Truck Repowering project, funded with Carl Moyer Program funds. A total of 529 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back (VBB) Program contractors.

Rule Development Program

Staff hosted a flare control technical workgroup meeting on February 8 in the District office. Staff participated in the CARE Task Force meeting on February 17. On February 23, staff met with consultants to review flux chamber sampling for the further study measure regarding refinery wastewater treatment systems, and on February 24, met with Regional Water Quality Control Board and CARB staff to review refinery NPDES (discharge standards) permits.

Staff issued public workshop notices regarding draft Regulation 12, Rule 12: Flares at Petroleum Refineries. The workshops will be held from 6:30 – 8:30 pm on March 16 in

Martinez, CA and on March 24 in Richmond, CA. The Rule Development Section is currently recruiting for an Air Quality Engineer and an Air Quality Specialist.

Research and Modeling

Staff participated in several conference calls of the Northern California Agencies SIP/Transport Workgroup to discuss the status of 8-hour ozone modeling. Currently two 8-hour ozone episodes are being simulated (July 8-13, 1999 and July 28-August 3, 2000). The San Joaquin Valley APCD and Sacramento Metro AQMD have proposed to simulate an additional 8-hour ozone episode. The group will make its recommendation on the proposal soon. Staff participated in a national air quality conference organized by the U.S. EPA in San Francisco. The main topics were ambient air quality measurements, and SIP requirements for ozone and particulate matter. Staff also participated in the Central California Air Quality Studies' Policy Committee meeting. The main topic was initial results obtained from the analysis of data collected during the 1999-2001 particulate matter field campaign. Also discussed was the difficulty of defining an emissions control strategy that effectively reduces both summer time ozone and winter time PM. The Research and Modeling Section is currently recruiting for a Senior Atmospheric Modeler.

Air Quality Planning Program

On February 4, staff discussed with the Executive Committee the decision to pause in the release of the public review draft of the Bay Area Ozone Strategy pending clarification of legal requirements regarding the transition from the national 1-hour ozone standard to the national 8-hour standard. Staff submitted to ARB the Annual Progress Report on the Implementation Status of the 2000 Clean Air Plan. Staff consulted with MTC staff on the Air Quality Conformity Analysis for Transportation 2030 (RTP). Staff attended a California PUC roundtable on California climate change programs. Staff wrote one comment letter regarding air quality impacts of development projects and plans in the Bay Area: Brentwood Downtown Specific Plan. Three new staff members began working in the Air Quality Planning Section: two Environmental Planners and one Principal Environmental Planner.

PUBLIC INFORMATION & OUTREACH – T. GALVIN LEE, DIRECTOR

In February the wintertime Spare the Air Tonight media relations and outreach program drew to a close, and planning for the summer Spare the Air program commenced. This year the free morning commute promotion will expand to include all Bay Area transit agencies. A combination of Federal CMAQ and local TFCA dollars will be used to pay the operators.

On February 23, the District issued an abatement order against Tesoro to force the refinery to fix a boiler that has emitted soot three times over the past year. On the same day a critical report from the West County Toxics was also released. The combination of stories resulted in six TV stories with District staff as well as numerous radio and print coverage.

Agilent Technologies has pledged an additional \$100,000 to continue supporting the clean air challenge curriculum. Staff exhibited and presented at the EPA "Quality of Air Means Quality of Life" conference which was held in San Francisco. The City of Monte Sereno adopted the woodsmoke ordinance. 1629 smoking vehicles were reported during the month.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Monitoring

Particulate monitors for PM_{2.5} continued their enhanced wintertime sampling schedules at all designated stations. Ozone monitors at eight stations are shut down during the low ozone winter period as authorized under a waiver granted by the EPA.

Meteorology

February 3rd and 4th were the only days in February that exceeded Moderate particulate levels. Those days had Unhealthy for Sensitive Groups (USG) particulate levels of 102 AQI at Vallejo, and 117 AQI at Concord. For the remainder of the month, particulate levels stayed in the Good category during the numerous rainy periods, and in the Moderate category between storms. There were 14 days of rainfall recorded in the District in February.

Quality Assurance

The Quality Assurance group continued its regular, ongoing assessment of the District's air monitoring network by conducting performance audits on 36 separate monitors at 14 of the District's air monitoring sites. Staff also audited H₂S and SO₂ monitors at three of ConocoPhillips Refinery's Ground Level Monitoring stations.

Air Quality

Quality Assurance of the November 2004 air quality data was completed and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality and burn forecasts. Forecasters began making daily acreage allocations in the Suisun Marsh area for the spring Marsh Burn season, which runs between February 1 and March 31. Staff attended the EPA 2005 National Air Quality Conference in San Francisco. One staff member presented a paper at the EPA conference describing the District's new air quality database system that is being developed.

Laboratory

In addition to the ongoing, routine analyses, six fallout samples collected at various locations near Tesoro Refinery on February 2nd were microscopically examined for the presence of petroleum coke particles. The percent free phenol in a raw molding sand sample from US Pipe in Union City was determined.

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 monitor monthly report for the month of January 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: February 1, 2005 – February 28, 2005

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
11/16/04	A8009	Advanced Printing	Pleasanton	Failure to Meet Permit Conditions Authority to Construct; Permit to Operate
11/5/04	B6669	Bonner Metal Processing	Livermore	Perc & Synthetic Solvent Dry Cleaning Operations
11/19/04	B0887	C & C Drycleaner	Berkeley	Gasoline Dispensing Facilities
8/5/04	C0214	Chevron Station #95795	Fremont	

1/12/05	C0733	Chevron Stevenson	Newark	Failure to Meet Permit Conditions
12/21/04	C9849	Foothill Chevron	Hayward	Failure to Meet Permit Conditions
11/9/04	G2972	Karcher Environmental	San Leandro	Asbestos Demolition, Renovation & Mfg.
1/19/05	A0030	Owens-Brockway Glass Container Inc	Oakland	Particulate Matter & Visible Emissions
12/1/04	A2451	Pleasanton Garbage Service, Inc	Pleasanton	Surface Coating of Misc Metal Parts & Products
1/4/05	C9998	Portola Food and Liquor	Livermore	Gasoline Dispensing Facilities
1/11/05	C0667	Quik Stop #67	Oakland	Gasoline Dispensing Facilities
10/7/04	A3921	Seagate Recording Media Operations	Fremont	Parametric Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions
12/1/04	B2984	XOMA (US) LLC	Berkeley	Failure to Meet Permit Conditions

Contra Costa County

Received Date	Site #	Site Name	City	Regulation Title
5/20/04	Q5494	Andreas Castaneros	San Pablo	Asbestos Demolition, Renovation & Mfg.
2/3/05	A0010	Chevron Products Company	Richmond	Flare Monitoring at Petroleum Refineries; Failure to Meet Permit Conditions; Major Facility Review (Title V)
11/2/04	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Public Nuisance; Failure to Meet Permit Conditions; Equipment Leaks; Storage of Organic Liquids
2/7/05	Q5462	Contra Costa County Public Works	Brentwood	Open Burning
1/10/05	A0227	Criterion Catalysts Company LP	Pittsburg	Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V)
12/2/04	A0031	Dow Chemical Company	Pittsburg	Major Facility Review (Title V); Process Vessel Depressurization
1/25/05	C0253	Equilon Enterprises	Antioch	Gasoline Dispensing Facilities
11/17/04	A2180	Gaylord Container Corporation	Antioch	Failure to Meet Permit Conditions
12/29/04	A3246	GWF Power Systems,LP (Site 5)	Pittsburg	Failure to Meet Permit Conditions
1/24/05	C1124	Lone Tree Gas & Food	Antioch	Gasoline Dispensing Facilities
12/21/04	Q5233	Marty Murray	Discovery Bay	Open Burning
2/3/05	A5515	Metallics Refining Inc	Antioch	Open Burning
11/17/04	A0745	Shore Terminal LLC	Richmond	Authority to Construct; Permit to Operate; Failure to Meet Permit Conditions; Equipment Leaks
1/3/05	A7034	Shore Terminals - Martinez	Martinez	Parametric Monitoring & Recordkeeping Procedures; Major Facility Review (Title V); Equipment Leaks; Marine Vessel Loading Terminals
11/10/04	A0581	Shore Terminals - Selby	Crockett	Equipment Leaks; Storage of Organic Liquids;
11/30/04	B2758	Tesoro Refining and Marketing Company	Martinez	Public Nuisance; Failure to Meet Permit Conditions; Major Facility Review (Title V); Particulate Matter & Visible Emissions; Process Vessel Depressurization; Equipment Leaks; Storage of Organic Liquids; Sulfur Dioxide
10/6/04	Q3317	Todd Armstrong	Walnut Creek	Asbestos Demolition, Renovation & Mfg.
1/3/05	A0022	Tosco Refining Company	Rodeo	Continuous Emission Monitoring & Recordkeeping Procedures
1/10/05	C7345	Tri-Convenience Store	Martinez	Gasoline Dispensing Facilities
12/20/04	C9518	US Gasoline	Antioch	Permit to Operate
12/7/04	Q5489	Zweite NORDCAP	Richmond	Particulate Matter & Visible Emissions

Marin County

Received Date	Site #	Site Name	City	Regulation Title
1/14/05	B5682	Graphic Arts Management	Novato	Graphics Arts Printing & Coating Operations

Napa County

Received Date	Site #	Site Name	City	Regulation Title
2/1/05	N4972	Larry Gragg	Napa	Open Burning
1/6/05	B6750	Marinco	Napa	Authority to Construct; Permit to Operate
1/24/05	Q5339	Peter Roll	Napa	Open Burning

San Francisco County

Received Date	Site #	Site Name	City	Regulation Title
1/25/05	Q5674	AMEC Construction Management Inc.	San Francisco	Authority to Construct; Permit to Operate
8/13/04	Q2980	DeJager & Reilly Plumbing	San Francisco	Asbestos Demolition, Renovation & Mfg.
9/2/04	P2454	Express Hauling Francisco Bay Cleaners & Laundry	San Francisco	Asbestos Demolition, Renovation & Mfg. Perc & Synthetic Solvent Dry Cleaning Operations
1/21/05	A4899	Manni Li	San Francisco	Asbestos Demolition, Renovation & Mfg.
7/14/04	Q1463	Manni Li	San Francisco	Surface Coating of Misc Metal Parts & Products
1/27/05	A8120	Meyers Sheet Metal Box, Inc	San Francisco	Failure to Meet Permit Conditions
2/14/05	B2517	The Presidio Trust	San Francisco	Failure to Meet Permit Conditions

San Mateo County

Received Date	Site #	Site Name	City	Regulation Title
10/25/04	Q5230	Camino Diablo Ranch	Stockton	Open Burning
1/27/05	A8362	A Silvestri Corp	South San Francisco	Authority to Construct
1/27/05	A8362	A Silvestri Corp	South San Francisco	Permit to Operate
9/29/04	N1517	Bay Area Asbestos Removal	South San Francisco	Asbestos Demolition, Renovation & Mfg.
1/6/05	A9565	Hatcher Trade Press Inc	San Carlos	Graphics Arts Printing & Coating Operations
12/8/04	Q4752	J. D. Steinberger	San Bruno	Asbestos Demolition, Renovation & Mfg.
12/1/04	A2877	L-3 Communications Randtron Antenna Systems	Menlo Park	Aerospace Assembly & Component Coating Operations
10/26/04	B1104	Memry Corporation	Menlo Park	Failure to Meet Permit Conditions
10/25/04	Q3880	Peninsula Hauling & Demo	San Carlos	Asbestos Demolition, Renovation & Mfg.
2/9/05	Q5678	Singapore Airlines	San Francisco	Authority to Construct; Permit to Operate

Santa Clara County

Received Date	Site #	Site Name	City	Regulation Title
2/1/05	Q5496	A-1 Machine Manufacturing, Inc	Santa Clara	Authority to Construct; Permit to Operate; General Solvent Y Surface Coating Operations
11/3/04	Q5234	Airdrome Orchards	San Jose	Open Burning
1/28/05	A8894	Anderson Behel, Inc	Santa Clara	Motor Vehicle & Mobile Equip Coating Operations
1/18/05	B6862	Cabinet Supply Co	San Martin	Wood Products Coatings
1/24/05	C3690	Chevron #9-6377	Mountain View	Gasoline Dispensing Facilities
1/4/05	C3873	Chevron SS# 3029	San Jose	Gasoline Dispensing Facilities
12/6/04	A2740	City of Mountain View (Shoreline)	Mountain View	Solid Waste Disposal Sites
1/4/05	A2721	City of Palo Alto Landfill	Palo Alto	Solid Waste Disposal Sites
10/20/04	Q5508	Henry Lo	Cupertino	Asbestos Demolition, Renovation & Mfg.
12/2/04	Q4964	Robert F. Barlow	San Jose	Open Burning

12/3/04 A0548 Spectra-Physics Lasers Mountain View Failure to Meet Permit Conditions

Solano County**Received**

Date	Site #	Site Name	City	Regulation Title
1/25/05	B4415	Gilroy Energy Center LLC for Lambie Energy Center	Suisun City	Continuous Emission Monitoring & Recordkeeping Procedures: Major Facility Review (Title V)
2/9/05	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V); Storage of Organic Liquids

Sonoma County**Received**

Date	Site #	Site Name	City	Regulation Title
2/16/05	P8069	Kamal Azari	Petaluma	Open Burning
2/17/05	B1833	Mesa Boogie	Petaluma	Failure to Meet Permit Conditions
1/12/05	Q5396	Molly Rodgers	Cotati	Open Burning
1/13/05	A7645	O'Dell Printing Co Inc	Rohnert Park	Graphics Arts Printing & Coating Operations
2/4/05	Q5388	Reis Ranch	Penngrove	Open Burning
1/18/05	B5694	Santa Rosa Recycling and Collection	Cotati	Surface Coating of Misc Metal Parts & Products
2/8/05	Q5571	Waldie Scheffler	Santa Rosa	Open Burning

Outside Bay Area**Received**

Date	Site #	Site Name	City	Regulation Title
6/23/04	M2174	Randazzo Enterprises, Inc	Castroville	Asbestos Demolition, Renovation & Mfg.
10/25/04	Q5230	Camino Diablo Ranch	Stockton	Open Burning
1/27/05	N1032	Beneto Tank Lines	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
1/24/05	F0612	Fredricksen Tank Lines	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

February 2005 Closed NOVs with Penalties by County**Alameda**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
7-Eleven	C0138	Livermore	\$1,000	1
Bayview Environmental	G2974	Oakland	\$4,000	3
Berumen's Body Shop	B0274	Fremont	\$2,250	5
Morton International Inc	A0079	Newark	\$3,000	1
Orcon Corporation	A1675	Union City	\$4,000	1
Quality Asbestos Control, Inc	F2490	Union City	\$1,000	1

SBC Advanced Solutions Inc	B5352	Dublin	\$450	2
SGS Recycling Enterprises	N4071	Pleasanton	\$1,000	1
Unocal #7003	D0456	Newark	\$500	1

Total Violations Closed: 16

Contra Costa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Central Valero	D0518	Richmond	\$500	2
Chevron Shipping LLC/Colorado	P0041	Richmond	\$1,000	1
El Sobrante Shell Food Mart	C1355	El Sobrante	\$500	1
SFPP, L P	A4022	Concord	\$309,500	16
Unocal #3766	C1620	Richmond	\$500	1
Valero Refining Co SS#7208	C9380	Danville	\$500	1

Total Violations Closed: 22

Marin

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Chevron Station #94390	C1824	Mill Valley	\$2,500	1
Tadgh Mc Sweeney dba Mc Sweeney Construction Inc	P8089	Mill Valley	\$400	9

Total Violations Closed: 10

Napa

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Jim Talcott	Q4213	Saint Helena	\$3,000	1
Napa Valley Wine Train	A4044	Napa	\$500	1

Usibelli Ranch	Q4215	Saint Helena	\$250	1
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Total Violations Closed: 3

San Francisco

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Bell Cleaners	A1147	San Francisco	\$1,000	2
DeJager & Reilly Plumbing	Q1909	San Francisco	\$1,500	3
Golden Gate Tank Removal	Q4484	San Francisco	\$500	1
J & J SHEET METAL	N6386	San Francisco	\$1,750	1
Juan Baltazar	Q1220	San Francisco	\$2,000	3
Leon Taylor	N4399	San Francisco	\$2,000	4
Unique Laundry & Cleaners	B2604	San Francisco	\$250	1

Total Violations Closed: 15

San Mateo

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
SFPP, LP	A4021	Brisbane	\$5,000	3
Hilltop Cleaners	A4235	Daly City	\$400	1
Memry Corporation	B1104	Menlo Park	\$1,000	1
Gary Construction	Q1524	Millbrae	\$4,000	4
Chris Yee & Nicole Arguello	Q1003	Pacifica	\$2,400	6
Granite Rock	A0068	Redwood City	\$1,000	1
Spacesonic	B0275	San Carlos	\$350	1
Charles Graphics	B1136	South San Francisco	\$500	1

Total Violations Closed: 18

Santa Clara

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
ARCO Facility #02121-GOLDEN CROWN FINANG	C3568	Milpitas	\$500	1
ARCO Facility #06111 - HABIB H KHAYYAT	C7031	Cupertino	\$500	1
Bernal Shell Carwash-Shell Oil Products	C0548	San Jose	\$500	1
Cortez Machine Saw	Q0487	San Jose	\$650	1
Dept of Convention & Cultural Affairs-San Jose	A2060	San Jose	\$1,500	2
Hanson Permanente Cement	A0017	Cupertino	\$2,500	1
M/A-Com, Inc	B2966	San Jose	\$500	1
Robert F. Barlow	Q4964	San Jose	\$400	1
SFPP, LP	A4020	San Jose	\$1,000	1
Stout Roofing of California, Inc	Q2683	San Jose	\$1,000	1
Strongwell	A2918	San Jose	\$4,000	1
Valero Refining Co SS#7263	D0374	San Jose	\$650	1

Total Violations Closed: 13

Solano

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Beneto Tank Lines	B2611	Benicia	\$2,500	1
Britton's Mini Mart	C9572	Vallejo	\$300	1
Philip West Industrial Services, Inc	B0737	Benicia	\$2,750	2
Road Runner Gas	C4735	Vallejo	\$450	1

Total Violations Closed: 5

Sonoma

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
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Derek Stimple	Q4219	Santa Rosa	\$400	1
John Balleto	F8082	Sebastopol	\$500	1
Rich Dunah	Q4337	Sebastopol	\$400	1
Stan Denner	Q4771	Santa Rosa	\$200	1
Ted Williams	Q4217	Santa Rosa	\$400	1
USA Petroleum	C8362	Cotati	\$1,000	1

Total Violations Closed: 6

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 cubic 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 Townsend and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 8, 2005

Re: Report of the Legislative Committee Meeting of February 23, 2005

RECOMMENDED ACTIONS

The Committee recommends the Board of Directors adopt positions on seven bills as indicated in the table below.

DISCUSSION

The Legislative Committee met on February 23, 2005, and discussed a number of bills. Descriptions of the bills and the Committee's recommendations are given in the table below.

Bill	Brief Description	Committee Recommendation
SB 44 (Kehoe)	Extends statewide a San Joaquin Valley requirement that local governments incorporate air quality issues into general plans	Support
SB 109 (Ortiz)	Extends sunset for program on minor air violations, and changes current air penalty language to allow civil and criminal penalties for a single violation	Oppose unless amended
SB 153 (Chesbro <i>et alia</i>)	Establishes California Clean Water, Clean Air, Safe Neighborhood Park, and Coastal Protection Act bond measure	Watch
AB 694 (Chan)	Would authorize the BAAQMD to expand TFCA eligibility to private vehicles	Support
SB 225 (Soto)	Provides additional Carl Moyer funding for heavy-duty diesel vehicles	Support
SB 497 (Simitian)	Establishes a Low-Emissions Contractor Incentive Program	Support
AB 1101 (Oropeza)	Establishes notification requirement for the largest sources of diesel emissions with significant public health risks	Support in Concept

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: Tom Addison

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Townsend and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 3, 2005

Re: Budget & Finance Committee Meeting of March 2, 2005

BACKGROUND

The Budget & Finance Committee met on March 2, 2005. The Chairperson of the Committee will give an oral report of the meeting.

DISCUSSION

The Committee met and received the attached Second Quarter Financial Report as an informational item. The Committee requested future reports include information on designated reserve accounts and a report on exceptions. Also requested was a summary of unexpended funds from Fiscal Year 2003/2004.

Staff also presented an update to the Cost Recovery Study. Staff presented information on:

- The purpose of the study
- Outputs from the study
- Background on District fees
- The Districts fee assessment authority
- The fee categories
- Recoverable activities through fees
- Program costs that are recoverable
- Study timelines

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Wayne Tanaka

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Inter Office Memorandum

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

From: Wayne Tanaka
Director of Administrative Services

Date: February 14, 2004

Re: Second 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 \$7,242,935 (51%) of budgeted revenue. Alameda, San Francisco, and Santa Clara counties accounted for the majority of the receipts received.
- Permit Fee receipts were \$12,214,825 (66%) of budgeted revenue.
- Asbestos Fees were \$770,599 (59%) of budgeted revenue.
- Penalties and Settlements receipts were \$1,019,346 (51%) of budgeted revenue.
- State Subvention, 1st apportionment was \$874,026, 47% of budgeted revenue.
- Interest Income receipts were \$222,004 (45%) of budgeted revenue.
- Miscellaneous Revenue was \$274,560 (157%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$15,381,867 (47%) of estimated expenditures.
- Operational Services and Supplies were \$4,543,748 (49%) of estimated expenditures.
- Capital Outlay was \$492,089 (14%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$1,726,831, (28%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$806,939 (52%) of estimated expenditures.
- Operational Services and Supplies were \$919,892 (20%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

**STATEMENT OF REVENUE
GENERAL FUND
As of December 31, 2004 and December 31, 2003**

REVENUES	Budget FY 2005	Received to Date	Receipts as % of	Received to Date	Variance Received	
		December 31, 2004	Budget FY 2005	December 31, 2003	to Date FY 2005 vs FY 2004	% of Variance
County Revenue						
Alameda County	2,606,040	1,572,930	60%	1,592,024	(19,094)	-1%
Contra Costa County	1,752,750	878,903	50%	1,063,302	(184,399)	-21%
Marin County	696,420	422,940	61%	422,393	547	0%
Napa County	428,940	0	0%	0	0	0%
San Francisco County	1,891,080	1,034,571	55%	1,055,622	(21,051)	-2%
San Mateo County	2,167,830	970,884	45%	1,086,424	(115,540)	-12%
Santa Clara County	3,708,215	1,718,204	46%	1,770,533	(52,329)	-3%
Solano County	370,800	235,494	64%	208,243	27,251	12%
Sonoma County	701,100	409,009	58%	390,135	18,874	5%
Sub Total	14,323,175	7,242,935	51%	7,588,676	345,741	-5%
Permit, Title V & AB 2588 Fees	18,488,500	12,214,825	66%	11,862,850	351,975	3%
Asbestos Fees	1,300,200	770,599	59%	704,362	66,237	9%
Hearing Board Fees	37,000	9,354	25%	21,985	(12,631)	-135%
Penalties & Settlements	2,000,000	1,019,346	51%	1,281,722	(262,376)	-26%
Federal Grant Current & Prior Year	1,407,000	520,606	37%	482,405	38,201	7%
Federal - 103 Grant/Supplemental Funding	1,120,300	0	0%	0	0	0%
CMAQ Funding	1,228,400	0	0%	666,785	(666,785)	0%
State Subvention	1,863,870	874,026	47%	855,000	19,026	2%
CEC/Carl Moyer/Other Grants	0	0	0%	84,600	(84,600)	0%
Interest Income	490,000	222,004	45%	306,433	(84,429)	-38%
Miscellaneous Revenue	175,000	274,560	157%	190,118	84,442	31%
District Service Revenue	10,000	2,633	26%	8,096	(5,463)	-207%
Sub Total Other General Fund	28,120,270	15,907,953	57%	16,464,356	(556,403)	-3%
TOTAL GENERAL FUND	42,443,445	23,150,888	55%	24,053,032	(902,144)	-4%
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%
Reserve for Contingencies	250,000	0	0%	0	0	0%
TFCA Cost Recover	618,725	0	0%	0	0	0%
TOTAL TRNSFER IN	3,251,162	0	0%	0	0	0%
Transfer Out						
Fund Balance Available	0	0	0%	0	0	0%
TOTAL REVENUE & TRANSFERS	45,694,607	23,150,888	51%	24,053,032	(210,662)	-4%

**STATEMENT OF EXPENDITURES
GENERAL FUND
As of December 31, 2004 and December 31, 2003**

EXPENDITURES

	Budget FY 2005	Expended to Date December 31, 2004	Expended as % of Budget FY 2005	Expended to Date December 31, 2003	Variance Expended to Date FY 2005 vs 2004	% of Variance
Personnel Expenditures						
Permanent Salaries	24,883,150	11,806,029	47%	11,446,387	359,642	3%
Overtime Salaries	197,425	35,565	18%	74,215	(38,650)	-109%
Temporary Salaries	194,066	11,792	6%	29,248	(17,456)	-148%
Payroll Taxes	243,570	112,954	46%	135,160	(22,206)	-20%
PERS	1,749,387	822,987	47%	7,008	815,979	99%
FICA Replacement Benefits	1,410,395	544,815	39%	553,587	(8,772)	-2%
Group Insurances	3,609,438	1,724,162	48%	1,392,977	331,185	19%
Employee Transportation Subsidy	240,742	109,651	46%	94,583	15,068	14%
Worker Compensation	282,389	185,962	66%	258,013	(72,051)	-39%
Fees	114,768	27,950	24%	29,700	(1,750)	-6%
TOTAL PERSONNEL EXPENDITURES	32,925,330	15,381,867	47%	14,020,878	1,360,989	9%
Operation Expenditures						
Transportation and Travel	203,508	50,253	25%	29,432	20,821	41%
Training & Education	293,619	176,769	60%	16,327	160,442	91%
Maintenance of Equipment	359,016	102,063	28%	112,756	(10,693)	-10%
Communications	334,054	136,776	41%	172,052	(35,276)	-26%
Maintenance of Building	296,040	173,319	59%	127,991	45,328	26%
Utilities	356,066	156,253	44%	171,702	(15,449)	-10%
Postage	137,916	41,793	30%	71,272	(29,479)	-71%
Printing & Reproduction	413,345	84,742	21%	80,499	4,243	5%
Rental of Equipment	183,841	35,877	20%	66,781	(30,904)	-86%
Rents & Leases	925,343	438,673	47%	439,127	(454)	0%
Professional Services	4,219,115	2,225,043	53%	1,368,403	856,640	38%
Insurance	517,295	401,698	78%	305,788	95,910	24%
Shop & Field Supplies	248,962	108,170	43%	64,507	43,663	40%
Laboratory Supplies	66,012	42,974	65%	28,005	14,969	35%
Fuels	198,000	64,470	33%	62,887	1,583	2%
Computer Hardware & Software	206,637	169,583	82%	46,545	123,038	73%
Office Supplies	178,050	85,048	48%	66,886	18,162	21%
Books, Journals & Subscriptions	96,812	27,441	28%	26,719	722	3%
Minor Office Equipment	40,140	22,803	57%	4,938	17,865	78%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	9,273,771	4,543,748	49%	3,262,617	1,281,131	28%
Capital Budget						
Office Equipment	0	0	0%	0	0	100%
Computer Equipment	2,610,200	176,843	7%	505,017	(328,174)	-186%
Bulding & Grounds	652,640	169,856	26%	397,948	(228,092)	-134%
Vehicle Fleet	156,570	117,060	75%	86,471	30,589	26%
Laboratory & Monitoring Equipment	76,096	28,330	0%	0	28,330	100%
Communications Equipment	0	0	0%	0	0	0%
TOTAL CAPITAL BUDGET EXPENDITURES	3,495,506	492,089	14%	989,436	(497,347)	-101%
TOTAL EXPENDITURES	45,694,607	20,417,704	45%	18,272,931	2,144,773	11%

**STATEMENT OF REVENUE and EXPENDITURES
TRANSPORTATION FUND FOR CLEAN AIR
As of December 31, 2004 and December 31, 2003**

REVENUES	Budget FY 2005	Received to Date		Received as % of Budget FY 2005	Variance Received to Date FY 2005 vs 2004		% of Variance
		December 31, 2004	December 31, 2003		2004		
AB 434 Administrative Income	974,244	368,878	343,848	38%	25,030	7%	
AB 434 Project Income	5,189,671	1,357,953	1,466,604	26%	-108,651	-8%	
TOTAL REVENUE	6,163,915	1,726,831	1,810,452	28%	(83,621)	-5%	

EXPENDITURES	Budget FY 2005	Expended to Date		Received as % of Budget FY 2005	Variance Received to Date FY 2005 vs 2004		% of Variance
		December 31, 2004	December 31, 2003		2004		
Personnel Expenditures							
Permanent Salaries	1,199,230	632,890	479,583	53%	153,307	24%	
Overtime Salaries	12,547	18,204	3,611	145%	14,593	80%	
Payroll Taxes	11,633	6,222	4,945	53%	1,277	21%	
PERS	84,824	34,444	0	41%	34,444	100%	
FICA Replacement Benefits	69,103	28,050	22,082	41%	5,968	21%	
Group Insurances	148,777	68,798	55,971	46%	12,827	19%	
Employee Transit Subsidy	13,497	5,880	4,686	44%	1,194	20%	
Workers Compensation	14,044	12,451	12,718	89%	(267)	-2%	
TOTAL PERSONNEL EXPENDITURES	1,553,655	806,939	583,596	52%	223,343	28%	

Operation Expenditures							
Transportation & Travel	12,110	823	1,436	7%	(613)	-74%	
Training & Education	3,500	0	250	0%	(250)	0%	
Communications	5,200	4,116	3,861	79%	255	6%	
Postage	17,000	0	3,560	0%	(3,560)	0%	
Printing & Reproduction	85,000	31,117	54,350	37%	(23,233)	-75%	
Rental of Equipment	0	0	0	0%	0	0%	
Professional & Special Services	4,482,700	883,778	1,163,224	20%	(279,446)	-32%	
Shop & Field Supplies	200	0	0	0%	0	0%	
Computer Hardware & Software	4,000	0	0	0%	0	0%	
Office Supplies	100	58	105	58%	(47)	-81%	
Books & Journals	350	0	70	0%	(70)	0%	
Minor Office Equipment	100	0	0	0%	0	0%	
Depreciation and Amortization	0	0	0	0%	0	0%	
Allocated Indirect Cost	0	0	0	0%	0	0%	
TOTAL OPERATION EXPENDITURES	4,610,260	919,892	1,226,856	20%	(306,964)	-33%	

Capital Outlay							
Motorized Equipment & Radio	0	0	0	0%	0	0%	
TOTAL CAPITAL OUTLAY	0	0	0	0%	0	0%	
TOTAL EXPENDITURES	6,163,915	1,726,831	1,810,452	28%	(83,621)	-5%	

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Inter Office Memorandum

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

From: Brian Bateman
Director of Engineering

Date: February 22, 2005

Re: Status Update on Cost Recovery Study

RECOMMENDED ACTION:

Receive and file. Staff will provide an update on the Cost Recovery Study that is currently underway to the Budget and Finance Committee meeting on March 2, 2005.

BACKGROUND

The District collects fees to help pay for the costs of implementing and enforcing air pollution control programs. The District has the authority to collect fees sufficient to recover the direct and indirect costs associated with regulatory program activities. In October of 2004, the District contracted with the firm Stonefield Josephson, Inc. to complete a Cost Recovery Study that examines fee revenue and regulatory program activity costs.

Stonefield Josephson, Inc. has recently completed the data analysis phase of the Cost Recovery Study, and a draft report should be issued soon. The report will be finalized after District staff and the study's Steering Committee have had the opportunity to review and comment. The District intends on using the results of this study in preparing fee amendments to the District's fee regulation for the upcoming fiscal year. The consultants will present the final report to the Budget and Finance Committee at its next meeting.

Respectfully submitted,

Brian Bateman
Director of Engineering

FORWARDED _____

Prepared by: Brian Bateman
Reviewed by: Peter Hess