

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

Approved Minutes: Board of Directors' Regular Meeting – June 1, 2005

Call To Order

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

Roll Call: Present: Marland Townsend, Chair, Roberta Cooper, Chris Daly (9:55 a.m.), Mark DeSaulnier, Scott Haggerty, Patrick Kwok, Nate Miley, Julia Miller, Mark Ross, Michael Shimansky, John Silva, Pam Torliatt (9:56 a.m.), Gayle B. Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Harold Brown, Dan Dunnigan, Erin Garner, Jerry Hill, Liz Kniss, Jake McGoldrick, Tim Smith.

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

Commendation/Proclamation: There were none.

Public Comment Period: There were none.

Consent Calendar (Items 1 – 3)

1. Minutes of May 18, 2005
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council. There was no report.

Board Action: Director Miller moved approval of the Consent Calendar; seconded by Director Cooper; carried unanimously with no objection.

Committee Reports and Recommendations

4. Report of the Budget and Finance Committee Meeting of May 18, 2005

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

- A) *Increase the District's approved FY 04/05 Penalties and Settlements Revenue budget by \$800,000 to \$2,800,000 and County Revenue budget by \$638,000 to \$14,961,175 for a total increase of \$1,438,000;*
- B) *Correspondingly, increase the FY 04/05 Capital Outlay for Building and Grounds by \$1,090,600, the Outlay for Motorized Equipment by \$130,000,*

the Outlay for Lab & Monitoring Equipment by \$171,400, and the Outlay for Computer & Network Equipment by \$46,000 for a total increase of \$1,438,000;

- C) Add a new line item in the FY 04/05 Public Information and Outreach Professional Services budget for costs related to the 50th Anniversary Symposium in the amount of \$250,000, and correspondingly add a revenue line item of \$250,000 to recognize sponsorship income for this event;*
- D) Approval of Proposed amendments to the fee schedules and adoption of fee regulation; and*
- E) Approval of Fiscal Year 2005/2006 Proposed Budget upon completion of the second public hearing.*

Director Chris Daly arrived at 9:55 a.m. and Director Pamela Torliatt arrived at 9:56 a.m.

Director Miller presented the report and stated that the Committee met on Wednesday, May 18, 2005 and received the Third Quarter Financial Report for Fiscal Year 2004/2005.

Staff presented reports on and the Committee recommends Board approval of the following items:

- A. Increase the District's approved fiscal year 2004/2005 Penalties and Settlements Revenue budget by \$800,00 to \$2,800,000 and County Revenue budget by \$638,000 to \$14,961,175 for a total increase of \$1,438,000;*
- B. Increase the fiscal year 2004/2005 Capital Outlay for Building and Grounds by \$1,090,600, the Outlay for Motorized Equipment by \$130,000, the Outlay for Lab and Monitoring Equipment by \$171,400, and the Outlay for Computer and Network Equipment by \$46,000, for a total increase of \$1,438,000; and*
- C. Add a new line item on the fiscal year 2004/2005 Public Information and Outreach Professional Services budget for costs related to the 50th Anniversary Symposium in the amount of \$250,000, and correspondingly add a new revenue line item of \$250,000 to recognize sponsorship income for this event.*

Staff presented a report on the proposed fee regulation amendments for fiscal year 2005/2006. *The Committee recommends that the Board of Directors adopt the proposed amendments to the fee regulation for fiscal year 2005/2006.*

Staff provided an overview of the fiscal year 2005/2006 budget and reported back to the Committee on several issues. *The Committee recommends approval and adoption by the Board of Directors of the proposed fiscal year 2005/2006 Budget upon completion of the second public hearing.*

The next meeting of the Committee will be at the Call of the Chair.

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

5. Report of the Executive Committee Meeting of May 20, 2005

Action(s): The Committee recommended that the Board of Directors adopt the resolution establishing a climate change program at the Air District.

Chairperson Townsend presented the report and stated that the Committee met on Friday, May 20, 2005. Brian Zamora, Advisory Council Chairperson, presented the Report of the Advisory Council and noted that at its last meeting, the Council passed a resolution encouraging the Air District to address climate change.

Stan Hayes, Chairperson of the Advisory Council Technical Committee, gave a presentation on the background and recent developments of global climate change.

The Committee received a presentation from staff on climate protection and climate change and how these issues relate to the District's core mission to reduce criteria and toxic air pollutants. Staff recommended that the Board of Directors adopt a resolution establishing a Climate Protection Program at the District. The Committee accepted the staff's recommendation.

Ted Droettboom, Regional Planning Program Director of the Joint Policy Committee provided an update on the JPC.

Staff presented a status report on the financial internal systems and controls audit. Work was initiated on April 25, 2005.

Staff sought direction from the Committee regarding development of a plan for cost recovery, capital planning and reserve designations. This item was referred to the Budget and Finance Committee for its consideration.

The Committee received an update on the ongoing work on the Production System replacement. The next meeting of the Executive Committee will be at the Call of the Chair.

Board Action: Chairperson Townsend moved that the Board approve the report and recommendation of the Executive Committee, that the Board of Directors adopt a resolution establishing a climate protection program at the Air District; seconded by Director Uilkema; carried unanimously with the following Board members voting:

AYES: Cooper, Daly, DeSaulnier, Haggerty, Kwok, Miley, Miller, Ross, Shimansky, Silva, Torliatt, Uilkema, Wagenknecht, Young, Townsend.

NOES: None

ABSENT: Brown, Dunnigan, Garner, Hill, Kniss, McGoldrick, Smith.

Adopted Resolution No. 2005-05 – A Resolution Establishing the Bay Area Air Quality Management District's Climate Protection Program

6. Report of the Stationary Source Committee Meeting of May 23, 2005

Director DeSaulnier presented the report and stated that the Committee met on Monday,

May 23, 2005. The Committee received a report on the status of particulate matter control measures. The report included an overview of SB 656 PM requirements for ARB and the District; current District PM activities; staff's evaluation of ARB's list of potential PM control measures; and a summary of the next steps to be taken.

Staff updated the Committee on the development of the Refinery Flare Control Rule. The report included an overview of the rule, comments received, the District's responses, and potential rule revisions. A public hearing on the rule is expected to be held at the July 20, 2005 Board meeting.

The Committee received a status report on the Air Toxics New Source Review rule development project. Staff reviewed the existing Air Toxics NSR program, the risk management policy, the goals of the air toxics NSR rule development, and public comments received on the proposed rule. The public hearing to consider adoption of this rule is set for the June 15, 2005 Board meeting.

The next meeting of the Committee is scheduled for Monday, July 25, 2005.

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

Public Hearing

7. Public Hearing to Consider Approval of Proposed Amendments to Regulation 2, Rule 1: Permits, Section 407: Permit (Authority to Construct) Expiration and approval of the filing of a California Environmental Quality Act (CEQA) Notice of Exemption

The proposed amendments to Regulation 2, Rule 1, Section 407 will allow an Authority to Construct to be renewed by request beyond the four year time limit if the authority to construct has been substantially used or the project is a long term project that is covered by an EIR.

Bill Guy, Assistant Counsel, presented the report and provided background information on the proposed amendments.

Mr. Guy noted that a workshop has been held, two minor comments were received, all legal noticing requirements have been met and the amendments are exempt from CEQA. Staff recommends that the Board adopt the proposed amendments to Regulation 2, Rule 1, Section 407: Permit Expiration and approve the filing of a CEQA Notice of Exemption.

Chairperson Townsend opened the Public Hearing at 10:05 a.m. There were no speakers and the Public Hearing was closed at 10:08 a.m.

Board Action: Director Wagenknecht moved that the Board of Directors approve the staff recommendations; seconded by Director Kwok; carried unanimously with the following Board members voting:

AYES: Cooper, Daly, DeSaulnier, Haggerty, Kwok, Miley, Miller, Ross, Shimansky, Silva,

Torliatt, Uilkema, Wagenknecht, Young, Townsend.

NOES: None.

ABSENT: Brown, Dunnigan, Garner, Hill, Kniss, McGoldrick, Smith.

Adopted Resolution No. 2005-06 – A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending District Regulation 2, Rule 1, Section 407: Permit Expiration

Other Business

8. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following items:
 1. Thanked the Board for its leadership position on the adoption of the Executive Committee’s recommendation on the climate protection program. The Air District will be assisting cities and counties to help them implement measures that will reduce climate change precursors.
 2. The kick-off for the Spare the Air campaign is today.
 3. Today is World Environment Day. The Air District will be showcasing 10 elements of a successful local air quality program at St. Mary’s Cathedral.
 4. The two DaimlerChrysler Fuel Cell cars have been delivered to the District and will be on display.
 5. The Air District’s Symposium is June 20th.
 6. The Air & Waste Management Conference is the same week as the Symposium.
9. Chairperson’s Report: Chairperson Townsend stated that along with Mr. Broadbent and Mr. Kendall, Director of Technical Services, he attended a meeting in Monterey put on by the American Institute for Astronomics and Aeronautics. The topics of discussion were aircraft noise and emissions.
10. Board Members’ Comments – Director Daly requested staff provide a side-by-side comparison of plug-in hybrid technology versus hydrogen fuel cell technology.

Director Young noted that she and Director Cooper have been invited to Salt Lake City for a conference with other Mayors on the climate change issue.

11. Time and Place of Next Meeting – Wednesday, June 1, 2005 – Immediately Following Regular Meeting of the Board - 939 Ellis Street, San Francisco, CA 94109.
12. Adjournment – The meeting adjourned at 10:18 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards