



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS' REGULAR MEETING

March 15, 2006

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7<sup>th</sup> 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' MEETING

## A G E N D A

WEDNESDAY  
MARCH 15, 2006  
9:45 A.M.

BOARD ROOM  
7<sup>TH</sup> FLOOR

### CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance  
Commendations/Proclamations  
Swearing in of New Board Members

Chair, Gayle B. Uilkema  
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 - 5)

Staff/Phone (415) 749-

- Minutes of February 15, 2006 Meeting  
M. Romaidis/4965  
[mromaidis@baaqmd.gov](mailto:mromaidis@baaqmd.gov)
- Communications  
*Information only*  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)
- Monthly Activity Report  
*Report of Division Activities for the month of February 2006.*  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)
- Report of District Personnel on Out of State Business Travel  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)  
*In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memoranda lists District personnel who traveled on out-of-state business.*
- Set Public Hearing for April 5, 2006 to Consider Proposed Amendments to Regulation 12, Rule 12: Flares at Petroleum Refineries and Approval of the Filing of a California Environmental Quality Act (CEQA) Notice of Exemption  
H. Hilken/4642  
[hhilken@baaqmd.gov](mailto:hhilken@baaqmd.gov)  
*The proposed amendments to Regulation 12, Rule 12 would require a causal analysis of flaring at rates lower than the current 500,000 cubic feet per day of vent gas if emissions of sulfur dioxide exceed 500 pounds per day.*

### COMMITTEE REPORT AND RECOMMENDATIONS

6. Report of the **Executive Committee Meeting** of February 16, 2006

**CHAIR: GAYLE B. UILKEMA**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee recommends noticing of proposed amendments to the Administrative Code Division 1, Sections 1– 6: Operating Policies and Procedures of the Board of Directors, Section 7: Advisory Council and Section 8: Hearing Board.*

7. Report of the **Ad Hoc Climate Protection Meeting** of February 23, 2006

**CHAIR: GAYLE B. UILKEMA**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

8. Report of the **Personnel Committee Meeting** of February 28, 2006

**CHAIR: PATRICK KWOK**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee recommends Board of Director approval of the following:*  
A) *Reassignment of Advisory Council member to the Transportation Category; and*  
B) *Appointment of candidates to fill eleven (11) expired terms of office on the Advisory Council effective March 15, 2006 – December 31, 2007.*

9. Report of the **Budget and Finance Committee Meeting** of March 1, 2006

**CHAIR: CHRIS DALY**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee recommends that the Board of Directors approve the following:*  
A) *Amend the Fiscal Year 2005/06 Budget by increasing the Penalties and Settlements General Fund Revenue by \$132,000, increase the Capital Outlay budget for Building Maintenance by \$132,000, and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$82,000; and*  
B) *Amend the Fiscal Year 2005/06 Budget by increasing the Penalties and Settlements General Fund Revenue by \$120,000, as well as increase the Capital Outlay budget for the Building Maintenance Program by \$120,000.*

10. Report of the **Mobile Source Committee Meeting** of March 13, 2006

**CHAIR: TIM SMITH**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee may recommend Board of Director approval of the following:*  
A) *Carl Moyer Program grant allocation of \$2,667,676 in Carl Moyer Program (CMP) funds for eligible projects listed in Attachment 1-A to Committee agenda item 4;*  
B) *Allocation of up to \$13.2 million in Mobile Source Incentive Fund (MSIF) revenues for eligible projects listed in Attachment 1-A, to Committee agenda item 4;*

- C) *Authorization for the Executive Officer to enter into funding agreements with recipients of grants for the projects listed in Attachment 1-A, to Committee agenda item 4; and*
- D) *Amendment to the Transportation Fund for Clean Air (TFCA) Marin County Program Manager expenditure program.*

## **PRESENTATION**

11. Assembly Bill 1234 Compliance Overview and Proposed Administrative Code Revisions  
**B. Bunger/4797**  
[bbunger@baaqmd.gov](mailto:bbunger@baaqmd.gov)

*District Counsel will provide an overview of AB 1234 compliance requirements and will discuss the proposed Administrative Code revisions addressing AB 1234 as proposed by the Executive Committee.*

## **OTHER BUSINESS**

12. Report of the Executive Officer/APCO
13. Report of the Chair
14. 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)

15. Time and Place of Next Meeting - 9:45 a.m., Wednesday, April 5, 2006 - 939 Ellis Street, San Francisco, CA 94109
16. Adjourn

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

**(415) 749-4965**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://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: Chair Uilkema and Members of the Board of Directors  
From: Jack P. Broadbent  
Executive Officer/APCO  
Date: March 1, 2006  
Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of February 15, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the February 15, 2006 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

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

Draft Minutes: Board of Directors' Regular Meeting – February 15, 2006

**Call To Order**

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

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

Roll Call: Present: Gayle B. Uilkema, Chair, Harold Brown, Roberta Cooper, Chris Daly, Dan Dunnigan, Scott Haggerty, Jerry Hill, Liz Kniss (10:38 a.m.), Patrick Kwok, Jake McGoldrick, Nate Miley, Julia Miller, Mark Ross, Michael Shimansky, Tim Smith, Pam Torliatt (9:51 a.m.), Marland Townsend (10:02 a.m.), Brad Wagenknecht, Shelia Young.

Absent: Mark DeSaulnier, Erin Garner, John Silva.

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

Director Pamela Torliatt arrived at 9:51 a.m.

**Commendation/Proclamation** – The Board of Directors acknowledged Jeff Gove, Supervising Air Quality Inspector for receiving the 2005 Rodney Schwartzendruber Award from the California Air Pollution Control Officers Association in recognition of his dedication and service to the cause of clean air in California.

The presentation to the outgoing Board members was deferred.

**Consent Calendar (Items 1 – 5)**

1. Minutes of February 1, 2006 Meeting
2. Communications. Correspondence addressed to the Board of Directors. For Information Only.
3. Monthly Activity Report – *Report of Division Activities for the month of January 2006.*
4. Report of District Personnel on Out of State Business Travel

*In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the memoranda in the meeting packet lists District personnel who traveled on out-of-state business.*

5. Consider Authorization of the Executive Officer/APCO to Accept Fiscal Year 2005/2006 Carl Moyer Program Funds

*The Board of Directors considered authorizing the Executive Officer/APCO to accept fiscal year 2005/2006 Carl Moyer Program funds.*

**Board Action:** Director Miller moved approval of the Consent Calendar; seconded by Director Brown; carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, Dunnigan, Haggerty, Hill, Kwok, McGoldrick, Miley, Miler, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Young, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Garner, Kniss, Silva, Townsend.

**Adopted Resolution No. 2006-03: A Resolution Accepting Carl Moyer Program Funds From the California Air Resources Board**

**Presentation**

6. Status Report on Federal Clean Air Policies and Programs

*Environmental Protection Agency Administrator of Region IX, Wayne Nastri presented a status report on federal clean air policies and program that affect the Bay Area.*

Jack Broadbent, Executive Officer/APCO introduced Mr. Nastri.

Mr. Nastri discussed the challenges associated with air quality and reducing emissions.

Director Marland Townsend arrived at 10:02 a.m.

Topics highlighted included the following:

- Energy production.
- Bio-diesel.
- Particulate Matter (PM).
- The Environmental Protection Agency's enforcement program.
- Education.
- The West Coast Diesel Collaborative.
- Strengthening the PM 2.5 standard.
- Prevention of Significant Deterioration (PSD).
- New source review (NSR).
- Toxic issues.
- Marine emissions, including emissions from ports.
- Agriculture.
- EPA promulgating rules.
- Budget issues.

During discussion, Mr. Nastri noted that the issue of green house gases (GHG) was raised at the conference celebrating EPA's anniversary. Mr. Nastri spoke briefly on renewable fuels, the hydrogen highway, bio-diesel and the railroad MOU. There was also discussion on PM emissions in rural areas.

Chair Uilkema thanked Mr. Nastri for his presentation.

### **Other Business**

7. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following:
  1. The CAPCOA Climate Change conference on March 7-9, 2006 at the Sheraton Fisherman's Wharf. Board members should contact the Executive Office if they wish to attend.
  2. An article in the *Chronicle* on the settlement received from Tesoro in the amount of \$1.1 million.
  3. The change in the location of one door into the 7<sup>th</sup> floor Board room for ADA compliance and a ramp will be built.
8. Report of the Chair - Chair Uilkema reported that changes have been made to the Standing Committee list and they are effective on February 17, 2006.

Director Liz Kniss arrived at 10:38 a.m.

### **Commendations/Proclamations**

The Board of Directors recognized and presented plaques to outgoing Board members Julia Miller, Marland Townsend, and Shelia Young on their outstanding service on the Board of Directors. Chair Uilkema noted that this was the last Board meeting for each of them.

9. Board Members' Comments – Director Hill thanked the three outgoing Board members for their support and strong leadership.

Directors Young, Miller, and Townsend each expressed their thanks to the Board and to Mr. Broadbent. Director Young introduced Mayor Janet Lockhart as her replacement.



Draft Minutes of February 15, 2006 Regular Board Meeting

10. Time and Place of Next Meeting – 9:45 a.m., Wednesday, March 15, 2006 – 939 Ellis Street, San Francisco, CA 94109
11. Adjournment – The meeting adjourned at 10:47 a.m.

Mary Romaidis  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chair Uilkema and Members of the Board of Directors  
From: Jack P. Broadbent  
Executive Officer/APCO  
Date: March 1, 2006  
Re: Board Communications Received from February 15, 2006 through March 14, 2006

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications received by the Air District from February 15, 2006 through March 14, 2006, if any, will be at each Board member's place at the March 15, 2006 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

AGENDA: 3

Memorandum

To: Chair, Gayle B. Uilkema  
and Members of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 15, 2006

Re: Report of Division Activities for the Month of February 2006

**FINANCE, ADMINISTRATION AND  
INFORMATION SERVICES DIVISION – J. McKAY, DIRECTOR**

**Payroll System Replacement**

Completed this Month

- Bay Area Air Quality Management District and Ceridian reviewed and approved the Business Requirements Document.

Scheduled for next Month

- Bay Area Air Quality Management District will complete the documentation of the change to the ETIME to HR/Payroll Web process.
- Bay Area Air Quality Management District and Ceridian will clarify the requirements for the PERS interface.
- Ceridian will configure the payroll and HR/Payroll Web systems and convert the ADP tape from the February 10<sup>th</sup> payroll.

Background: After reviewing the responses to the RFP, and after further interviews, the Budget and Finance Committee approved the selection of Ceridian to replace the District's current ADP payroll system. Work began January 3, 2006 with go-live targeted for new fiscal year July 1, 2006. The Project Management issues associated with this work may have repercussions on other projects (including the Production System) that require senior management oversight.

**Production System**

The Pilot Request For Quote (RFQ) is ready for distribution. The resulting Pilot work will focus on the Authority to Construct process.

**Facilities Projects in Process:**

<b>Project</b>	<b>Start</b>	<b>Complete</b>	<b>Status</b>
Phase IV HVAC Replacement	9/01/05	6/30/06	Delayed due to asbestos findings and abatement. 3 asbestos abatement proposals submitted for review.
Roof Anchors	11/01/05	4/04/06	Cal-Osha Commission has approved drawings set up meeting to review.
Life Safety Fire Alarm upgrade	8/03/04	6/30/06	99.9% completed waiting for final hook up and testing.
New overhead light fixtures above the dais area.	11/18/05	2/29/06	Carpenters are fabricating the maple trim for the light fixture modification. Project on hold until next fiscal year.
West exterior wall sealing and painting	11/29/05	6/30/06	Waiting for weather to clear
New fire doors for stair wells	10/20/05	4/28/06	Delay due to manufacturers production errors. No delivery date.
#1 Passenger elevator car out of service due to mechanical problems.	11/28/05	1/31/06	Back in normal operation. COMPLETED

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

Staff attended a community meeting on February 15, 2006 hosted by Linda Maio, Berkeley City Councilmember, regarding odorous and toxic emissions from Pacific Steel Casting (PSC). There were over 300 persons in attendance at the meeting; most were PSC employees. Effective February 10, 2006, the District is providing PSC management with real-time email notices of any air pollution complaints (without names or addresses) received by the District. This advance notice will allow the company to take proactive steps to reduce odorous emissions as soon as possible. Inspection staff conducted a field audit of October and November 2005 monthly reports from Tesoro's Ammonia Plant Flare. Audit results will be used to determine the best method to characterize sulfur composition for low flow situations subject to Reg. 12-11.

**Compliance Assurance Program**

Staff attended community outreach meetings facilitated by the District for the California Air Resources Board (CARB), Burlington Northern Santa Fe (BNSF) and Union Pacific (UP) Railroads at the Civic Auditorium in Richmond and the Jubilee West Marcus Garvey Hall in Oakland on February 7, 2006 and February 8, 2006 respectively. The purpose of the meeting was to explain CARB's implementation process for and receive input on the 2005 CARB/Railroad Statewide agreement (Railroad MOU) regarding the particulate Emissions Reductions Program. On February 27, 2006 staff attended CARB mandatory training regarding implementation of the Railroad MOU. District GDF staff gave a presentation on February 8, 2006 regarding the District's Vapor Recovery Program at the 8<sup>th</sup> annual California Certified Unified Program Agencies (CUPA) conference in Burlingame.

**Compliance Assistance Program**

Staff prepared a Compliance Advisory extending the Spring Marsh Management Burn season through April 30, 2006. Staff is in the process of permanently shifting the marsh burning season through April. Staff reviewed materials gathered during an internal focus group in preparation for a meeting with the video contractor for Napa County Fire. The video will focus on four main messages: health impacts, safety concerns, personal responsibility for rule knowledge, and legal consequences of non-compliance. Staff attended a meeting on February 23, 2006 of the West Contra Costa County Asthma Coalition in Richmond to hear representatives from BNSF Railroad give a presentation and answer questions from the community regarding particulate emissions. Staff attended Alameda County's annual Green Business (GB) Partners meeting. As a partner in verifying air quality compliance for businesses applying for GB certification, the District participates in the planning aspects conducted by the respective counties.

**Training**

The first quarter In-Service Training Session classes were conducted, including topics on instrumentation, recent rule changes (marine loading, flare rule), wood smoke response changes and reportable compliance activities (RCA) breakdown procedures. Staff gave a presentation on the District's Title V Enforcement Program at CARB's Advanced Air Quality Enforcement Workshop February 14-16 in Sacramento.

**Operations**

The second status report on progress towards fulfilling the Flare Management Plan (FMP) requirements under Reg. 12-12 (Flares at Petroleum Refineries) was submitted by each refinery on schedule. The internal and external refinery flare working groups met to continue discussion of standardization issues, minimum requirements for causal analysis reporting and FMP prevention measure provision. At the Advisory Council Public Health Committee on February 14, 2006 staff presented an overview of the District's wood smoke program efforts and identified "best practices" in other districts, specifically San Joaquin Valley and Puget Sound. Staff held a bidders' conference on February 6, 2006 for the Request for Proposal (RFP) to replace or upgrade the District's Radio Communication system. Over-the-Phone Interpretation for District callers provided Spanish translation in November and Spanish, Mandarin and Cantonese in December.

(See Attachment for Activities by County)

**ENGINEERING DIVISION – B. BATEMAN, DIRECTOR****Toxics Program**

The Toxic Evaluation Section completed a total of 30 health risk screening analyses (HRSAs) during February for new/modified permit applications. Work continued on HRSAs for an Energy & Hydrogen Renewal Project at the Chevron Refinery in Richmond, a Clean Fuels Expansion Project at the ConocoPhillips Refinery in Rodeo, and a Landfill Gas Energy Recovery Project involving six large IC engines/generators at the proposed Ameresco, Inc. facility at the Ox Mountain Landfill in Half Moon Bay. Work continued with Pacific Steel Casting (PSC) and their consultants on the preparation of a Health Risk Assessment, and associated emissions inventory documents, required under the AB2588 Air Toxics Hot Spots Program for the PSC facility in Berkeley. Work continued in conjunction with Occidental College on the Environmental Garment Care Demonstration Project.

**Title V Program**

Significant milestones in February included the end of the public comment period for the draft Title V renewal permits for Owens-Brockway Glass Container in Oakland and Calpine Gilroy Cogen in Gilroy. The evaluation period for proposed revisions to the Synthetic Minor Operating Permit for Pacific Steel Casting in Berkeley was extended for several months pending the results of supplemental source testing being conducted at the facility.

**Permit Evaluation Program**

A total of 116 new permit applications were received during February. Staff met with Valero Refining to discuss an issue related to BACT for small heaters at refineries. Staff participated in a CAPCOA conference call to discuss the State Portable Engine Registration Program (PERP).

**Engineering Special Projects Program**

Engineering Division staff continued work related to the District's Production System database conversion project. A meeting of the inter-divisional Permit Condition Enforceability Workgroup was held. District staff provided industry outreach by speaking at a seminar on diesel engines in San Francisco. This was first of three seminars to be held at various Bay Area locations.

**Community Air Risk Evaluation (CARE) Program**

Work continued on checking and refining the preliminary Bay Area gridded emissions density maps. The District hosted a CARE Task Force Meeting on February 23, 2006. Eric Fujita, a member of the CARE Task Force from the Desert Research Institute, gave a presentation on hydrocarbon molecular markers, which are being used by the District to better characterize emission sources. District staff met with Sonoma Technologies, Inc. to discuss CARE program air quality studies. The Interim CARE Program Manager attended a Golden West Section AWMA Symposium: Community Environmental Monitoring Programs in San Francisco.

**LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL**

The District Counsel's Office received 86 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 99 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 7 Final 30 Day Letters regarding civil penalties for 9 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$36,375 in civil penalties for 53 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 69 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$1,232,600 in civil penalties for 69 Violations.

**(See Attachment for Penalties by County)**

**PLANNING DIVISION – H. HILKEN, DIRECTOR****Rule Development Program**

Rule Development staff and staff of the Legal Division and the Executive Office held a retreat to discuss the rule development process, report formats and assignments and priorities for 2006. Staff met with representatives from the Western States Petroleum Association and Bay Area refineries to discuss potential amendments to Regulation 8, Rule 5: Storage of Organic Liquids. Staff discussed proposed changes to Regulation 12, Rule 12: Flares at Petroleum Refineries with representatives of Communities for a Better Environment. Staff met with the president of the Golden Gate Restaurant Association regarding proposed control of commercial broilers.

**Grant Programs**

Staff attended and provided testimony on the guidelines for the Lower-Emission School Bus Program proposed by California Air Resources Board (CARB) staff at the February 23, 2006 CARB meeting. Staff attended a meeting of the Executive Directors of the Bay Area Congestion Management Agencies and further discussed the performance review of selected TFCA project types being conducted by a consulting firm. Staff completed the evaluation of 149 grant applications, totaling \$24.1 million, for the current funding cycle (Year 7) of the Carl Moyer Program. A total of 517 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back Program contractors.

**Air Quality Planning Program**

Staff made a presentation to the Board of Directors Ad Hoc Committee on Climate Protection on the status of the District's Climate Protection Program. Staff made a similar presentation to a joint meeting of the Advisory Council Air Quality Planning and Technical Committees. Staff prepared five letters regarding the air quality impacts of development projects and plans in the Bay Area: Emeryville General Plan Update NOP – City of Emeryville; High Speed Rail-Bay Area to Central Valley Corridor NOP – High Speed Rail Authority; Las Positas College Development Plan NOP – Chabot-Las Positas Community College District; Oakland Army Base Auto Mall Project NOP – City of Oakland; Parkway Transit Village NOP - City of Richmond.

### **Research and Modeling**

Staff participated in the Central California Ozone Study (CCOS) and the California Regional Particulate Air Quality Study (CRPAQS) Technical and Policy Committee meetings. Staff reviewed and evaluated interim results presented by several CCOS contractors, including evaluation of meteorological and air quality model performance, evaluation of the modeling emission inventory, and characterization of meteorological conditions conducive to high ozone concentrations. Staff organized meetings with researchers from Desert Research Institute and Sonoma Technology, Inc. to discuss how to improve the emissions inventory developed for the District's Community Air Risk Evaluation (CARE) program. Staff participated in a conference call with researchers at the National Oceanic and Atmospheric Administration to discuss their planned ambient measurement campaign in northern California during the summer of 2010.

## **PUBLIC INFORMATION & OUTREACH**

Staff developed a strategic plan for the summertime Spare the Air/Free Transit campaign, including the concept of "2006 Spare the Air/Free Fare." This would enable Bay Area riders to enjoy free transit for the entire day on the first three non-holiday, weekday Spare the Air days.

Staff issued a press release Feb. 14, 2006 announcing more than one million dollars in fines levied against the Tesoro Oil Refinery in Martinez for pollution violations. The release generated numerous media inquiries and coverage from print and electronic news outlets throughout the state.

Staff was interviewed on Feb. 17, 2006 last day of the Spare the Air Tonight winter season, for a KTVU story on the dangers of woodburning. Staff was also interviewed the same day by KLIV radio on PM, health, and woodburning issues.

Staff successfully coordinated and facilitated two community meetings focusing on the recent statewide railyard agreement between ARB and the railroads. Meetings were held in Richmond (Feb. 7, 2006) and West Oakland (Feb. 8, 2006).

Staff participated in a Town Hall meeting with Berkeley Councilperson Linda Maio and local residents concerned about Pacific Steel Casting and emissions from the facility. More than 300 people attended this event. This meeting was a follow-up to an earlier meeting on PSC (Jan. 31, 2006).

"Air Currents" Winter 2006 issue, now available on line and distributed by staff. Articles include the Spare the Air Tonight wood burning season, the Air District's landmark flare regulation, Toxics New Source Review rule, and the 2005 Bay Area Ozone Strategy.

Staff launched the 2006 Clean Air Champions awards program with existing partners.



Staff recorded a woodsmoke interview for local news on Tri-Valley cable access TV 30. The interview could be seen by as many as 68,000 households and 200,000 people living in Dublin, Pleasanton, Livermore and San Ramon.

Staff is currently working on an educational video for Napa residents on agricultural open burning. Staff has coordinated a project kickoff meeting and conducted an internal focus group to determine content. Stakeholders and partners have been identified and the video is expected to be completed by Spring.

Staff completed the data gathering phase for the winter woodsmoke survey. A total of 2,625 people responded (interviewed on 28 dates). Survey data is being analyzed and will be presented to senior management by March 31, 2006.

AirAlerts for February 2006: Total users in database: 30,613 (January: 30,618).

## TECHNICAL DIVISION – G. KENDALL, DIRECTOR

### **Air Quality**

Air quality remained in the Good AQI category during much of February as winter storms passed through the Bay Area. Between the storms, air quality reached Moderate AQI levels on 15 days. There were no days with Unhealthy or Unhealthy for Sensitive Groups (USG) air quality levels. There were no days when the National PM<sub>2.5</sub> standard was exceeded in the Bay Area during the winter of 2005-2006.

### **Air Monitoring**

Twenty-eight of the twenty-nine air-monitoring stations were operating during the month of February 2006. The Crockett station, located at East Bay MUD's water district facility, is shut down for seismic upgrades but will return to service in March.

### **Meteorology and Forecasting**

November 2005 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality and burn forecasts. Staff attended the California and Nevada Air and Smoke Committee workshop in Sacramento.

### **Quality Assurance**

The Quality Assurance (QA) group conducted regular, mandated performance audits of 21 monitors at 9 Air District air monitoring stations. QA Staff also audited H<sub>2</sub>S and SO<sub>2</sub> monitors at the Valero Refinery Ground Level Monitoring network.

### **Laboratory**

In addition to ongoing, routine analyses, five PM<sub>10</sub> samples taken from various locations in the Monterey Bay Unified Air Pollution Control District were analyzed for organic carbon and elemental carbon, chloride, nitrate, sulfate, ammonium, potassium, sodium, magnesium and calcium. Eighteen

sealant and expansion joint samples from the cooling system on the roof of the Air District building were analyzed for asbestos content.

**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 Rodeo Refinery's open path monitor monthly report for the month of January was reviewed. The Source Test Section participated in the District's Rule Development efforts for Refinery Cooling Towers and Gasoline Bulk Terminals.

**These facilities have received one or more Notices of Violations**  
**Report period: February 1, 2006 – February 28, 2006**

**Alameda County**

<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/14/2006	D0425	Alameda Valero	Alameda	Gasoline Dispensing Facilities
2/06/2006	C8334	Dublin Chevron	Dublin	Gasoline Dispensing Facilities
2/21/2006	L3618	Restec Contractors	Hayward	Asbestos Demolition, Renovation & Mfg.
2/14/2006	C9729	Stones Easy Stop	Oakland	Gasoline Dispensing Facilities
2/22/2006	R3061	Synergy Environmental Division	Hayward	Asbestos Demolition, Renovation & Mfg.

**Contra Costa County**

<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/14/2006	A0057	BP West Coast Products, LLC	Richmond	Equipment Leaks
2/16/2006	A0010	Chevron Products Company	Richmond	Flare Monitoring at Petroleum Refineries; Particulate Matter & Visible Emissions; Equipment Leaks
2/14/2006	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Public Nuisance; Major Facility Review (Title V); Equipment Leaks
2/01/2006	A5515	Metallics Refining Inc	Antioch	Open Burning
2/16/2006	A0012	Mirant Delta, LLC	Pittsburg	Metal Container, Closure & Coil Coating
2/06/2006	D0138	Pacific Gas & Market	Pittsburg	Gasoline Dispensing Facilities
2/14/2006	A0581	ST Shore Terminals LLC	Crockett	Storage of Organic Liquids
2/16/2006	B2758	Tesoro Refining and Marketing Company	Martinez	Equipment Leaks; Storage of Organic Liquids

**Marin County**

<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/14/2006	C9950	Gas and Shop	San Anselmo	Gasoline Dispensing Facilities

**Napa County**

<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
NONE				

**San Francisco County**

<b>Received Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/03/2006	C0313	ARCO Facility #444	San Francisco	Gasoline Dispensing Facilities
2/03/2006	C9304	Conoco/Phillips --Peter Papapietro	San Francisco	Gasoline Dispensing Facilities
2/14/2006	B0271	Darling International	San Francisco	Failure to Meet Permit Conditions
2/22/2006	N0607	Granite Excavation & Demolition	San Francisco	Asbestos Demolition, Renovation & Mfg.
2/21/2006	A2075	Veteran's DeLuxe Cleaners	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations

**San Mateo County**

<b>Received Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/14/2006	A1257	Genentech, Inc	South San Francisco	Failure to Meet Permit Conditions
2/21/2006	R3004	Ivo Bonev	Daly City	Asbestos Demolition, Renovation & Mfg.
2/22/2006	Q798	Schlosser Properties	South San Francisco	Asbestos Demolition, Renovation & Mfg.

**Santa Clara County**

<b>Received Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
2/01/2006	B7350	A-1 Plating Inc	Santa Clara	Authority to Construct; Permit to Operate; General Solvent & Surface Coating Operations
2/01/2006	A0049	Chevron Products Company Equilon Enterprises LLC-San Jose	San Jose	Equipment Leaks
2/06/2006	A0064	Terminal	San Jose	Storage of Organic Liquids
2/21/2006	A3628	Evenstar	Santa Clara	Failure to Meet Permit Conditions; General Solvent & Surface Coating Operations
2/01/2006	B1670	Gas Recovery Systems, Inc	San Jose	NOx & CO from Stationary Internal Combustion Engines
2/21/2006	B0438	Headway Technologies Inc	Milpitas	Failure to Meet Permit Conditions
2/01/2006	A2826	Hill Mfg, LLC	Santa Clara	Authority to Construct; Permit to Operate; Solvent Cleaning Operations
2/01/2006	P7577	HSR, Inc	Santa Clara	Aeration of Contaminated Soil & Removal of Underground Storage Tanks
2/01/2006	B1024	JSR Micro, Inc	Sunnyvale	Failure to Meet Permit Conditions
2/01/2006	B3289	Los Esteros Critical Energy Facility	San Jose	Major Facility Review (Title V)
2/06/2006	D0364	Los Gatos Valero	Los Gatos	Gasoline Dispensing Facilities
2/06/2006	A0041	Owens Corning	Santa Clara	Parametric Monitoring & Recordkeeping Procedures

**Santa Clara County  
Continued**

Received Date	Site #	Site Name	City	Regulation Title
2/21/2006	A9851	Radiatorland	Santa Clara	Failure to Meet Permit Conditions
2/14/2006	R1077	Roman Custom Granite	San Jose	Particulate Matter & Visible Emissions
2/01/2006	D0848	Safeway Fuel Center #1891 San Jose/Santa Clara Water Pollution Control	Morgan Hill San Jose	Gasoline Dispensing Facilities Solid Waste Disposal Sites
2/01/2006	A0732	Smurfit-Stone Container Corporation	Santa Clara	Continuous Emission Monitoring & Recordkeeping Procedures
2/06/2006	B1007	Solelectron California (B15)	Milpitas	Failure to Meet Permit Conditions
2/06/2006	D0463	The Garlic Farm Center	Gilroy	Gasoline Dispensing Facilities
2/14/2006	B3350	WebEx Communications, Inc	Mountain View	Failure to Meet Permit Conditions

**Solano County**

Received Date	Site #	Site Name	City	Regulation Title
2/2/2006	B1712	John & Selene Savage Entrprises Inc	Suisun City	Failure to Meet Permit Conditions
2/22/2006	C9389	Suisun Unocal Foodmart	Suisun City	Gasoline Dispensing Facilities
2/02/2006	B5802	Woodline Cabinets	Fairfield	Failure to Meet Permit Conditions

**Sonoma County**

Received Date	Site #	Site Name	City	Regulation Title
2/06/2006	A3992	Dutra Materials/San Rafael Rock Quarry Inc	Petaluma	Particulate Matter & Visible Emissions
2/22/2006	D1541	Mayacama Golf Club Sonoma County Department of Public Works	Santa Rosa Petaluma	Authority to Construct; Permit to Operate Failure to Meet Permit Conditions
2/06/2006	A2254	Sonoma County Department of Public Works	Petaluma	Major Facility Review (Title V)
2/21/2006	A2254	Works	Petaluma	
2/15/2006	C9753	Westside Shell	Petaluma	Gasoline Dispensing Facilities
2/14/2006	B2223	Zelco Cabinet Manufacturing	Santa Rosa	Wood Products Coatings

**Outside Bay Area**

Received Date	Site #	Site Name	City	Regulation Title
2/02/2006	N1032	Beneto Tank Lines	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

**Alameda**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Commercial Casework, Inc	A2656	Fremont	\$1,500	2
Food Depot #3	C0845	Hayward	\$1,000	1
Isola USA Corp	A3024	Fremont	\$3,000	1
LVI Environmental Services, Inc	P7155	San Leandro	\$4,000	4
Mission Valley ROP	P1443	Fremont	\$400	4
Quikrete Northern California	B2001	Fremont	\$1,000	1
SAVE ON GAS	C0279	Oakland	\$500	1
<b>Total Violations Closed:</b>				<b>14</b>

**Contra Costa**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Dow Chemical Company	A0031	Pittsburg	\$18,850	7
Sentinel Transportation	R0790	Richmond	\$500	1
State of California	B2076	Richmond	\$1,000	1
Tesoro Refining and Marketing Company	B2758	Martinez	\$1,000,000	8
Unimin Corporation	A1472	Discovery Bay	\$1,000	1
<b>Total Violations Closed:</b>				<b>18</b>

**Marin**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Chevron Station #90024	C1806	Mill Valley	\$750	1
<b>Total Violations Closed:</b>				<b>1</b>

**Napa**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Bayview Vineyards	R2537	Napa	\$1,000	1
Bryant Morris	R1794	Pope Valley	\$650	1
<b>Total Violations Closed:</b>				<b>2</b>

**San Francisco**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Call and Haul	N9715	San Francisco	\$3,000	1
Paul's Hauling	Q6731	San Francisco	\$4,000	3
<b>Total Violations Closed:</b>				<b>4</b>

**San Mateo**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Alameda Newspaper Group/San Mateo Times	A5070	San Mateo	\$750	1
Bay Area Asbestos Removal	Q5736	South San Francisco	\$1,850	5
New A-1 Cleaners	A4177	San Mateo	\$1,000	2
Quest Collision Center, Inc	B6454	Redwood City	\$1,000	2
Tosco Marketing Facility #4354	C6342	Menlo Park	\$750	1

**Total Violations Closed: 11**

**Santa Clara**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
BK Painting	P0452	Mountain View	\$2,000	1
Delta Queen Car Wash	C3952	Campbell	\$1,000	1
ECS Refining	A1658	Santa Clara	\$3,750	2
Gas Stop and Mini Mart	C8801	San Jose	\$300	1
James Wong	Q9080	Sunnyvale	\$1,000	2
Palisade Gas and Wash	C9779	San Jose	\$2,000	2



**Santa Clara**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Pete's Stop Gas & Auto Service	C9066	San Jose	\$250	1
Raisch Products	A1994	Sunnyvale	\$3,000	1
Roman Custom Granite	R1077	San Jose	\$400	1
Rotten Robbie #24	C8708	San Jose	\$300	1
Sabek	A4020	San Jose	\$500	1
Safeway Fuel Center #1891	D0848	Morgan Hill	\$300	1
Tosco Northwest Company	C9314	Campbell	\$300	1
<b>Total Violations Closed:</b>				<b>16</b>

**Solano**

Site Name	Site Occurrence	City	Penalty	# of Violations Closed
Valero Benicia Asphalt Plant	A0901	Benicia	\$50,500	12
Valero Logistics	B5574	Benicia	\$5,000	1
Valero Refining Company - California	B2626	Benicia	\$148,500	37
<b>Total Violations Closed:</b>				<b>50</b>

**Sonoma**

<b>Site Name</b>	<b>Site Occurrence</b>	<b>City</b>	<b>Penalty</b>	<b># of Violations Closed</b>
Don Dupont	R1587	Kenwood	\$300	1
George Barich	P6304	Cotati	\$25	1
Milton Forman	R2443	Petaluma	\$350	1
Rafael Ortega	R2539	Sonoma	\$350	1
Russ Messana	R2401	Santa Rosa	\$100	1
Sebastiani Vineyard	R1880	Sonoma	\$1,250	1
<b>Total Violations Closed:</b>				<b>6</b>

## ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT	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

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NAAQS	National Ambient Air Quality Standards (federal standards)
NO <sub>x</sub>	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O <sub>3</sub>	Ozone
PM <sub>2.5</sub>	Particulate matter less than 2.5 microns
PM <sub>10</sub>	Particulate matter (dust) less than 10 microns
PM <sub>&gt;10</sub>	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 <sub>2</sub>	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 <sup>3</sup>	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 MANGEMENT DISTRICT**

Memorandum

To: Chair Gayle B. Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 1, 2006

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the following District personnel have traveled on out-of-state business.

DISCUSSION

Ralph Myers, Facilities Maintenance Mechanic, attended the University of Nevada-Las Vegas Maintenance Management Certificate Program in Las Vegas, NV February 13-14, 2006.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Michael White  
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Gayle B. Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 28, 2006

Re: Set Public Hearing on Proposed Amendments to Regulation 12, Rule 12:  
Flares at Petroleum Refineries, and Approve the Filing of a  
CEQA Notice of Exemption

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RECOMMENDED ACTION:

Set public hearing for April 5, 2006 to consider adoption of proposed amendments to Regulation 12, Rule 12: Flares at Petroleum Refineries and approval of a CEQA Notice of Exemption.

DISCUSSION

The District is proposing to amend Regulation 12, Rule 12: Flares at Petroleum Refineries and file a California Environmental Quality Act (CEQA) Notice of Exemption. Regulation 12, Rule 12 requires each Bay Area petroleum refinery to submit a causal analysis of the reasons for flaring for any flaring event where the amount of flare vent gas exceeds 500,000 cubic feet per day. The proposed amendments would, in addition to the above requirement, require a refinery to submit a causal analysis for flaring at less than 500,000 cubic feet per day when the flaring emissions exceed 500 pounds of sulfur dioxide per day. A current requirement for an annual report regarding flaring where 500 pounds of sulfur dioxide per day is emitted would be deleted.

The purpose of requiring these additional causal analyses is to make sure that prevention measures for this lower-volume type of flaring are incorporated into the initial Flare Minimization Plans required by the rule, which are due in August, 2006. The District has determined that these requirements are exempt from the provisions of CEQA. The proposed amendments are administrative in nature and can be seen with certainty to have no possibility of causing significant environmental effects. The District intends to file a CEQA Notice of Exemption.

A public hearing notice, the proposed amendments, and a staff report are available on the web at [http://www.baaqmd.gov/pln/ruledev/regulatory\\_public\\_hearings.htm](http://www.baaqmd.gov/pln/ruledev/regulatory_public_hearings.htm).

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Daniel Belik  
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 6, 2006

Re: Report of the Executive Committee Meeting of February 16, 2006

RECOMMENDED ACTION

The Committee recommends notification of proposed amendments to the Administrative Code Division 1, Sections 1-6: Operating Policies and Procedures of the Board of Directors, Section 7: Advisory Council, and Section 8: Hearing Board for adoption at the April 5, 2006 meeting. The proposed amendments are attached for your review and consideration.

BACKGROUND

The Executive Committee met on Thursday, February 16, 2006. Tom Dailey, M.D., Chairperson of the Hearing Board, presented the Hearing Board Quarterly Report for the fourth quarter of 2005.

The Committee received a report from the Executive Officer/APCO on the Advisory Council activities.

Staff presented reports and updates on the following items:

- Open, Ethical Leadership: Assembly Bill 1234 Compliance Overview; and
- An update on the business processes and controls underway at the District.

The Committee discussed the attached proposed amendments to the Administrative Code.

Chairperson Gayle B. Uilkema will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO



Proposed Amendments to Division I, Section 1.-6: Operating Policies and Procedures, Section 7: Advisory Council, and Section 8: Hearing Board

**SECTION 1 BOARD OF DIRECTORS, MEETINGS**

**1.1 MEETING DATES. (Revised 11/06/2002)**

Regular meetings of the Bay Area Air Quality Management District Board of Directors shall be held on the first and third Wednesday of each month, beginning at the hour of 9:45 a.m., with either meeting being subject to cancellation by the APCO with the concurrence of the Chairperson if there is insufficient District business to warrant such meeting. When the day, or the day preceding the day, fixed for a regular meeting of the District Board falls upon a legal holiday, that meeting shall be held at the same hour seven (7) days later not on a holiday.

**1.2 COMPENSATION - MEETING ATTENDANCE.**

Board members shall receive compensation of one hundred dollars (\$100) for each day attending meetings of the District Board and of Board Committees, or upon authorization of the Board while on official business of the District, but such compensation shall not exceed six thousand dollars (\$6,000) in any one fiscal year. Attendance at meetings other than Board and Committee meetings may include but are not limited to:

- (a) educational seminars designed to improve officials' skill and information levels;
- (b) participating in regional, state and national organizations whose activities affect the Air District's interest with a District staff member in attendance;
- (c) attending Air District events; and meetings to discuss community and business concerns with regard to air quality in the region; and
- (d) these meetings exclude any out of state travel, which requires prior approval by the Board.
- (e) report on meetings that members have attended at the Air District's expense will be given at the next regular board meeting.
- (f) legislative and other regional state, federal official business is conducted over meals; this is acceptable, each meal expenditure must comply with the limits and reporting requirements of local, state and federal law and considered necessary and reasonable.

Unless excused by the Chairperson, a Board member shall receive such compensation for attending meetings of the Board only if:

- (g) the Board member arrives for the meeting within 30 minutes of the scheduled beginning of the meeting; and
- (h) the Board member misses no more than 30 minutes of the meeting plus, in the event a meeting continues beyond noon, the time between noon and adjournment.
- (i) Compensation will not be given to members in attendance at Committee meetings to which they are not assigned.

**1.3 BOARD MEETING LOCATION.**

All regular meetings of the Board of Directors and all regular meetings of Board Committees shall be held at the offices of the District located at 939 Ellis Street, San Francisco, California,

unless at a previous regular Board meeting or committee meeting some other place was designated.

**1.4 SPECIAL MEETINGS.**

Whenever the business of the District may require special meetings, in the opinion of the Chairperson of the Board of Directors or at the express written request of any three (3) members of the Board, such meetings shall be called. Whenever a special meeting shall be called, notice shall be given to each member of the Board of Directors at least twenty-four (24) hours in advance, and to others as required by law, stating the date and hour of the meeting and the purpose for which such meeting is called. No business shall be transacted thereat except such as is stated in the notice.

**1.5 AGENDA.**

All reports, communications, resolutions, contract documents or other matters to be submitted to the Directors shall be delivered to the APCO one (1) week prior to the Board meeting. The APCO shall thereupon arrange a list of such matters according to the order of business. The Clerk of the Boards shall furnish each Board Director with a copy of the same no later than the Friday prior to the meeting and as far in advance of the meeting as is feasible.

**SECTION 2 BOARD OF DIRECTORS, OFFICERS - DUTIES**

**2.1 OFFICERS OF THE BOARD. (Revised 1/21/04)**

The presiding officer of the Board is the Chairperson of the Board of Directors. The Chairperson, Vice Chairperson and Secretary shall, no later than the first meeting in December of each year, be elected by the Board of Directors and assume office January 1, (effective January 1, 2005). The Chairperson shall preserve order and decorum at regular and special meetings of the Board. The Chairperson shall state each question, shall announce the decision, shall decide all questions of order subject to an appeal to the Board. The Chairperson shall vote on all questions, last in order of the roll, and shall sign all ordinances and resolutions adopted by the District Board while the Chairperson presides. (see Section II-4.3)

In the event that the Chairperson is unable, for whatever reason, to fulfill his or her one-year term of office, the Vice-Chairperson shall succeed the Chairperson and the Secretary shall succeed the Vice-Chairperson. Section 2.3 below shall determine the filling of the Secretary vacancy. In any event, no Board Officer shall serve more than three (3) years in any one Board office (Chairperson, Vice-Chairperson, or Secretary).

**OFFICERS OF THE BOARD. (Revised 10/1/03)**

The presiding officer of the Board is the Chairperson of the Board of Directors. The Chairperson, Vice Chairperson and Secretary shall, no later than the first meeting in December of each year, be elected by the Board of Directors and assume office January 1, (effective January 1, 2005). The Chairperson shall preserve order and decorum at regular and special meetings of the Board. The Chairperson shall state each question, shall announce the decision, shall decide all questions of order subject to an appeal to the Board. The Chairperson shall vote on all questions, last in order of the roll, and shall sign all ordinances and resolutions adopted by the District Board while the Chairperson presides. (see Section II-4.3)

In the event that the Chairperson is unable, for whatever reason, to fulfill his or her one-year term of office, the Vice-Chairperson shall succeed the Chairperson and the Secretary shall succeed the Vice-Chairperson. Section 2.3 below shall determine the filling of the Secretary vacancy. In any event, no Board Officer shall serve more than three (3) years in any Board office.

**2.2 CHAIRPERSON.**

The Chairperson shall take the chair at the hour appointed for the meeting and call the District Board to order. In the absence of the Chairperson, the Vice-Chairperson shall call the Board to order and serve as temporary Chairperson. Upon arrival of the Chairperson, the Vice-Chairperson shall relinquish the chair upon the conclusion of the business then pending before the Board. In the absence, or self-determined inability to act, of the Chairperson, or the Vice-Chairperson when the Chairperson is absent, the Board Secretary shall call the Board to order and serve as temporary Chairperson. Upon arrival of the Chairperson or Vice-Chairperson, the Secretary shall relinquish the Chair upon the conclusion of the business then pending before the Board. In the absence, or self-determined inability to act, of the Chairperson, Vice Chairperson or Secretary, members of the Board of Directors shall, by an order on the Minutes, select one of their members to act as temporary Chairperson. Upon the arrival or resumption of ability to act, the Chairperson or Vice-Chairperson shall resume the Chair, upon the conclusion of the business then pending before the Board.

**2.3 VICE CHAIRPERSON.**

If, for any reason, the Chairperson ceases to be a member of the Board, the Vice-Chairperson shall automatically assume the office of Chairperson and the Board Secretary shall automatically assume the office of Vice-Chairperson. If, for any reason, the Vice-Chairperson ceases to be a member of the Board, the Board Secretary shall automatically assume the office of Vice-Chairperson. In either eventuality, the Board Nominating Committee shall, upon the request of the Chairperson, make a recommendation at the Board meeting following such request to fill the office of Board Secretary. An election will then immediately be held for that purpose.

**2.4 BOARD SECRETARY.**

The Board Secretary shall be official custodian of the Seal of the District and of the official records of the District and shall perform such secretarial duties as may require execution by the Board of Directors. The Board Secretary may delegate any of these duties to the APCO, or to the Clerk of the Boards.

**2.5 MEETING ROLL CALL.**

Before proceeding with the business of the Board, the Clerk of the Boards shall call the roll of the members, and the names of those present shall be entered in the

Minutes. The names of members who arrive after the initial roll call shall be noted in the Minutes at that stage of the Minutes.

**2.6 QUORUM.**

A majority of the members of the Board constitutes a quorum for the transaction of business, and may act for the Board.

**2.7 OFFICER ROTATION.**

It is intended that the positions of Chairperson, Vice Chairperson, and Board Secretary be rotated among the members in a manner to assure participation in the affairs of the District from a wide representation of the membership. In making its recommendations, the Nominating Committee shall take into account such factors as representation by those members appointed by Boards of Supervisors, those members appointed by City selection committees, those members from large counties, and those from small counties.

**SECTION 3 BOARD OF DIRECTORS, ORDER OF BUSINESS**

**3.1 PUBLIC MEETING.**

All meetings of the Board of Directors shall be open to the public, except when in a closed session as permitted by the Brown Act.

**3.2 ORDER OF BUSINESS.**

The following shall be the ordinary Order of Business for meetings of the Board of Directors:

- (a) Roll Call
- (b) Public Presentation
- (c) Approval of Minutes of previous meeting plus consent calendar
- (d) The agenda items as prepared by the APCO
- (e) Special items may be introduced by a Board Member with the consent of a three-fourths vote of the Board Members present, if the requirements of the Brown Act are satisfied.

**3.3 READING OF MINUTES.**

Unless a reading of the Minutes of a previous meeting is requested by a member of the Board, such Minutes may be approved without reading if the APCO has furnished each member with an advance copy thereof per Section I-1.5.

**3.4 COMMUNICATIONS TO THE BOARD.**

The Clerk of the Boards shall furnish to the members of the Board and to the APCO a synopsis of communications received for consideration by the Board up to twenty-four (24) hours prior to the time scheduled for the meeting. Later communications may be considered as new business.

**SECTION 4 BOARD OF DIRECTORS, CONDUCT OF BUSINESS**

**4.1 ROBERT'S RULES OF ORDER.**

Robert's Rules of Order, Latest Edition, except where inconsistent with express provisions of law, this Code or other resolutions of the Board of Directors of the Bay Area Air Quality

Management District, shall govern the conduct of meetings of the Bay Area Air Quality Management District Board of Directors.

**4.2 MOTIONS.**

A Director moving the adoption of an ordinance or resolution shall ordinarily have the privilege of closing debate thereon.

**4.3 RECONSIDERATION.**

A motion to reconsider any action taken by the Board of Directors may be made only on the day such action was taken or at the next succeeding regular or special meeting. It may be made either immediately during the same session or at a recessed or adjourned session thereof. It may be made only by a Director who voted on the prevailing side, but may be seconded by any member. It may be made at any time and have precedence over all other motions, or while a member has the floor, and shall be considered as is provided in Robert's Rules of Order, Latest Edition. If such a motion is to be brought at a succeeding meeting the Director bringing the motion must notify the Chairperson or the Board Secretary at least ninety-six (96) hours in advance of the meeting.

**4.4 SUBSTITUTE MOTION.**

The Chairperson may, at his or her discretion, allow a substitute motion to take the place of a main motion pending before the Board if the Chairperson determines that the substitute motion clarifies and furthers the intent of the main motion and does not constitute a drastic deviation from the main motion. The Chairperson's determination to allow a substitute motion may be overruled by a majority of the Board.

**4.5 MINUTES - BOARD COMMENTS.**

A Director may request through the Chairperson, the privilege of having an abstract of his statement on any subject under consideration entered in the Minutes. If the Board consents thereto, such statement shall be entered in the Minutes. The Director so requesting shall furnish the APCO and Clerk of the Boards, with an abstract or transcript of his statement.

**4.6 ADDRESSING THE BOARD.**

Persons who are not members of the Board of Directors desiring to address the Board shall first secure permission of the Chairperson to do so. The Chairperson shall ordinarily recognize for the purpose of address to the Board:

- (a) Persons who have addressed written communications to the District may be recognized in regard to the matters under discussion,
- (b) Persons who have made written request for permission to address the Board on any matter outlined in their request, and
- (c) Persons interested in matters under discussion who have appeared for the purpose of protest, petition, or other presentation.

**4.7 CLOSE OF PUBLIC HEARING.**

After a motion to close a public hearing has been made by a member of the Board, no person shall address the Board until the motion is disposed of.

**4.8 PUBLIC PRESENTATIONS TO THE BOARD.**

Each person addressing the Board shall step up to the speaker's podium, shall give his or her name and address in an audible tone of voice for the record, and, if appearing in a representative capacity, shall state the party represented or, if appearing in a professional

capacity such as attorney-at-law or registered engineer, shall state that fact to the Board. Unless further time is granted by the Board Chairperson, remarks shall be limited as set forth in Section I-4.9. All remarks shall be addressed to the Board as a body and not to any individual member thereof. No person, other than members of the Board and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Board, without the permission of the Chairperson. No questions shall be asked of a member of the Board except through the Chairperson.

**4.9 PRESENTATION TIME LIMITS.**

Persons addressing the Board shall limit their remarks as follows:

- (a) Persons wishing to speak on items not on the agenda may do so under a time reserved for "public presentation" and shall be limited to five minutes for any single item. Although the Board may refer any issues raised by these speakers to District staff for review, no action may be taken by the Board on these items until they are agendized.
- (b) Persons speaking on agendized items shall be limited to three minutes or a time limit at the discretion of the Chair.

**4.10 DECORUM.**

- (a) **By Directors.** While the Board of Directors is in session the members shall preserve order and decorum and shall not, either by conversation or otherwise, delay or interrupt the proceedings of the Board nor disturb any member while speaking, or refuse to obey the orders of the Board or its Chairperson, except as may be otherwise expressly provided.
- (b) **By Other Persons.** Any person making personal, impertinent, slanderous or indecorous remarks, or who shall become boisterous while addressing the Board, shall be barred by the Chairperson from further discussion before the Board unless permission to continue is granted by a majority vote.

**4.11 SERGEANT-AT-ARMS.**

At the request of the Chairperson of the Board, the APCO shall obtain the services of a Peace Officer to perform the duties of Sergeant-at-Arms at the meetings of the Board. Whenever necessary, additional Peace Officers may be employed to serve as assistant Sergeants-at-Arms.

**SECTION 5 BOARD OF DIRECTORS, VOTING**

**5.1 VOICE VOTE.**

The usual method of taking a vote is by voice; provided, however, that the Chairperson may, and when requested to do so by two (2) Directors, shall, take a vote by roll call.

**5.2 ROLL CALL.**

All ordinances, rules, regulations or amendments thereto and any matters involving the disbursement of money shall be adopted by roll call, except where a voice vote is declared by the Chairperson to be unanimous, and shall require the affirmative vote of the majority of the

members of the Board. In addition, all proposals to settle any pending litigation in which the District is a defendant in a judicial action, whether approved in open session or in closed session, shall require the affirmative vote of the majority of the members of the Board.

**5.3 CONFLICT OF INTEREST.**

When one or more members determines that participation by the member(s) is prohibited by Section 87100 of the Government Code, because of the member(s) financial interest, the total membership of the Board shall be deemed to be reduced by the number of members prohibited from participation for the purpose of determining the number of affirmative votes required pursuant to Section I-5.2.

**5.4 FAILURE TO VOTE.**

If a Director shall remain silent on a voice vote or on a roll call, the Director shall be deemed to have voted with the prevailing side. It shall be the duty of the Directors to vote when present. A Director who has an interest in the matter being voted upon shall announce the fact that the Director has an interest and request permission from the Chairperson to be excused from voting. In such case, the failure to vote shall not be deemed a vote on either side.

**SECTION 6 BOARD OF DIRECTORS, COMMITTEES**

**6.1 SPECIAL COMMITTEES.**

All special committees shall be appointed by the Chairperson, unless otherwise directed by the Board.

**6.2 STANDING COMMITTEES. (Revised 5/3/00)**

Standing Committees of the Board of Directors shall be the following:

- (a) Executive Committee, consisting of the Chairperson of the Board, who shall be Chairperson of the Committee, the Vice-Chairperson of the Board, the Board Secretary, the last past Chairperson and five (5) other Directors appointed by the Chairperson.
- (b) Budget and Finance Committee, consisting of nine (9) Directors appointed by the Chairperson.
- (c) Personnel Committee, consisting of nine (9) Directors appointed by the Chairperson.

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**OPERATING POLICIES & PROCEDURES**

- (d) Legislative Committee, consisting of nine (9) Directors appointed by the Chairperson.
- (e) Mobile Source Committee, consisting of nine (9) Directors appointed by the Chairperson.
- (f) Public Outreach Committee, consisting of (9) Directors appointed by the Chairperson.
- (g) Stationary Source Committee, consisting of nine (9) Directors appointed by the Chairperson.
- (h) The Chairperson shall be an ex-officio member of all Standing Committees of the Board of Directors.
- (i) Each Standing Committee shall have authority to make recommendations to the Board of Directors for action regarding matters within the scope of the Committee's jurisdiction. A standing committee may discuss but may not make recommendations to the Board of Directors regarding issues outside of its jurisdiction and shall refer such matters to the appropriate committee. Except as specified in this Division or as otherwise specified by the Board of Directors, Standing Committees are not delegated decision-making authority.

**6.3 ROTATION OF COMMITTEES.**

The membership on committees shall ordinarily be rotated among the Counties so as to secure participation in the work of the District by as broad a representation as may be possible.

**6.4 DUTIES OF EXECUTIVE COMMITTEE.**

It is the function of the Executive Committee to consider such matters of policy affecting the affairs of the District as may arise from time to time when the Board of Directors is not in session. The Executive Committee shall consult with the officers of the District and, within the scope and limitations of resolutions or other policies adopted by the Board of Directors, shall implement and make more specific the policies and programs of the District and, within such limits determine policies for the officers of the District. The Executive Committee shall not have authority to authorize the expenditure of any moneys otherwise than is appropriated by the budget adopted by the Board of Directors or to alter, change or reverse any policy established by the Board of Directors. (See Section I-6.7) The Executive Committee shall have the responsibility for overseeing and guiding staff activities relative to long range planning and for receiving short range and long range plan proposals submitted by the District staff, as well as goals and objectives of the District; and for endorsing each year a long range plan to be submitted to the Board for its approval, and to the Budget and Finance Committee for its use in reviewing the Budget. The Executive Committee should review the goals and objectives, short and long range plans of the California Air Resources Board to the extent that they are known. The Executive Committee may receive and consider staff reports, presentations by staff members or other persons, and any other matter not requiring action by the Board. The Executive Committee shall subsequently report on such matters to the Board at a regular meeting of the Board.

**6.5 BUDGET AND FINANCE COMMITTEE. (REVISED 5/3/00)**

It is the function of the Budget and Finance Committee to assist in the preparation of the annual budget for the District and to present the annual budget with recommendations to the District Board of Directors. The Budget and Finance Committee also is responsible for approving administrative policy proposed by the



APCO in the area of finance, procurement, insurance and related matters. At Budget review time each year the Committee shall evaluate District goals and objectives and recommend to the Board of Directors any changes, deletions and additions which it determines to be appropriate.

**6.6 PERSONNEL COMMITTEE.**

It is the function of the Personnel Committee to consider and recommend policies of the District relating to procurement of officers and employees, employment of officers and employees, discharge of officers and employees, salaries and working conditions, and the retaining of consultants. The Personnel Committee shall keep itself informed as to the work of the Advisory Council and Hearing Board, to be informed about persons in the community who may be qualified to serve on the Advisory Council and Hearing Board, and to recommend to the Board of Directors selection of such persons whenever vacancies may from time to time occur in the Advisory Council and Hearing Board.

**6.7 LEGISLATIVE COMMITTEE.**

It is the function of the Legislative Committee to consider and recommend legislative proposals for the District and to consider and recommend a District position on all proposed legislation affecting the District. The Legislative Committee, in conjunction with District staff and the District Legislative Advocate, will keep itself informed on pending legislative matters and will meet and/or confer with appropriate legislators as necessary.

**6.8 NOMINATING COMMITTEE. (Revised 10/4/95)**

The Nominating Committee will consist of the Chairperson of the Board, the past Chairperson of the Board and three (3) appointees of the Chairperson of the Board, or in the event the past Chairperson of the Board is no longer serving on the Board, four (4) appointees of the Chairperson of the Board. The Nominating Committee shall be appointed no later than the second Board Meeting in November of each year and shall serve until the appointment of a new Committee. It is the function of the Nominating Committee to recommend to the Board the officers for each calendar year. In making its recommendation, the Committee shall not be bound by a recommendation of a previous Nominating Committee. The Committee need not follow a strict rule of rotation between supervisor and city members but may take into account their proportionate membership on the Board of Directors. Additionally, the Committee shall take into account the provisions of Section I-2.7.

**6.9 QUORUM FOR COMMITTEES. (Revised 5/3/00)**

There is no quorum requirement for a Committee meeting to be held, except that, for the purpose of making a Committee recommendation to the Board of Directors, there is established a quorum of five (5) Committee members.

**6.10 COMMITTEE PROCEDURE. (Revised 5/3/00)**

- a) Voting. Only members of the Committee shall be allowed to vote on Committee recommendations .
- b) Minority Report. Any Committee member can submit a Minority Report to accompany the Committee recommendation submitted to the Board of Directors, but may not use District staff to prepare such report.

**6.11 MOBILE SOURCE COMMITTEE. (Revised 3/18/98)**

It is the function of the Mobile Source Committee to consider and recommend policies and positions of the District relating to transportation planning and funding,

on-road and off-road mobile sources, and mobile source fuels. The Mobile Source Committee will keep itself informed on actions or proposed actions by local, regional, state and federal agencies affecting air pollutant emissions from mobile sources.

**6.12 PUBLIC OUTREACH COMMITTEE**

It is the function of the Public Outreach Committee to give overall direction to the District's public outreach program. In addition, the Committee hears proposals and makes recommendations to the Board of Directors regarding the selection of a contractor(s) to assist the District with aspects of the public outreach program. The Committee consists of Board members who vote on issues that come before the Committee.

**6.13 STATIONARY SOURCE COMMITTEE. (Revised 2/19/03)**

It is the function of the Stationary Source Committee to consider and recommend policies to the Board of Directors relating to stationary sources. The Committee shall recommend to the Board of Directors stationary source policy issues affecting the implementation of the State and Federal Air Quality Management Plans and key planning policy issues such as federal and State Air Quality Management Plan development and air quality and economic modeling. The Stationary Source Committee shall review and make recommendations to the Board of Directors regarding major stationary source programs including: permitting, compliance, small business assistance, toxics, source education, and rule development. The Stationary Source Committee shall recommend to the Board of Directors positions concerning federal and state regulations that affect stationary sources. The Stationary Source Committee shall recommend policies to the Board of Directors for disbursement of supplemental environmental project grants.

## **SECTION 7           ADVISORY COUNCIL**

### **7.1           ACTIVITIES OF COUNCIL.**

The Advisory Council shall meet at such times and occasions as the Advisory Council, itself, shall determine. The Advisory Council shall make recommendations and reports to the Board of Directors on such matters as the Council determines to be advisable and in such manner and form as the Council determines advisable. The Advisory Council shall consider and report to the Board on specific matters which may be referred to the Council by the Board of Directors or by the Executive Committee. The members of the Advisory Council are selected because of their eminence in their professions and fields of endeavor and as representatives of interest groups in the community. The Advisory Council shall consider for the Board of Directors matters which come before the Council to arrive at the best advice upon which the Council may agree, which advice may include the technical, social, economic, environmental and fiscal aspects of such issues.

### **7.2           TERM OF OFFICE.**

The terms of office for members of the Advisory Council are fixed by Health and Safety Code Section 40263.

### **7.3           LIMITS ON TERM OF OFFICE.**

Effective with appointments for terms on the Advisory Council commencing on January 1, 1992, and thereafter, it is the policy of the Board of Directors that members with twelve (12) consecutive years of membership on the Council not be re-appointed to the Council, except that such members who were serving on the Council on the date of adoption of this policy may be appointed to one additional term. A member not re-appointed because of having

served twelve (12) consecutive years on the Council shall again be eligible for appointment after an absence of two years from the Council.

### **7.4           EXPENSE REIMBURSEMENT.**

Members of the Advisory Council shall be reimbursed for actual and necessary expenses incurred by them in attending meetings of the Advisory Council and meetings and public hearings conducted by the Board of Directors. Mileage, tolls, parking fees, meals and other incidental expenses will be allowed at the same rate as is allowed to Directors provided that receipts are presented pursuant to Section II-5.6.

### **7.5           OTHER EXPENSES.**

Other expenses may be allowed after prior specific approval of a majority of the Executive Committee or the Board.

### **7.6           CLERK CERTIFICATION OF ATTENDANCE AND EXPENSES.**

The Clerk of the Boards shall certify to the Director of Administrative Services the attendance and the expense reports of members of the Advisory Council.

## **SECTION 8           HEARING BOARD**

### **8.1           RULES OF PROCEDURE.**

The Hearing Board shall, from time to time, as it may deem necessary, adopt, re-adopt, or amend rules of procedure for the conduct of its hearings and for the

conduct of matters which may be submitted to it and which are not inconsistent with law.

**8.2 EXPENSE REIMBURSEMENT. (Revised 10/04/00)**

Members of the Hearing Board may be paid for actual and necessary expenses incurred by them in attending meetings of the Hearing Board, the Board of Directors, Advisory Council and public hearings conducted by the Board of Directors. Mileage, tolls, parking fees, meals and other incidental expenses will be allowed at the same rate as is allowed to the Directors provided that receipts are presented pursuant to Section II-5.6). They shall be allowed a per-diem of one hundred dollars (\$100) for each day attending a meeting, other than meetings of the Hearing Board, when requested to do so by the Board or APCO. They shall be allowed a per diem of four hundred dollars (\$400) for each day attending meetings of the Hearing Board. The Hearing Board Chairperson shall be allowed a per diem of four hundred fifty dollars (\$450) for each day attending meetings of the Hearing Board.

**8.3 CLERK OF HEARING BOARD.**

The Clerk of the Boards shall be ex-officio the Clerk of the Hearing Board to perform clerical duties for the Hearing Board and to keep and maintain its records.

**8.4 CERTIFICATION OF ATTENDANCE AND EXPENSES.**

The Clerk of the Hearing Board shall certify to the Director of Administrative Services the attendance and the expense reports of the members of the Hearing Board.

**8.5 OTHER EXPENSES.**

Other expenses may be allowed after prior specific approval of a majority of the Executive Committee or the Board.

**8.6 LIMITS ON TERM OF OFFICE. (Revised 3/16/94)**

Effective with appointments for terms on the Hearing Board commencing on May 1, 1994, and thereafter, members with twelve (12) consecutive years of membership on the Hearing Board shall not be re-appointed to the Hearing Board, without exception. A member not re-appointed because of having served twelve (12) consecutive years on the Hearing Board shall again be eligible for appointment after an absence of three years from the Hearing Board.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Gayle B. Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 6, 2006

Re: Report of the Ad Hoc Climate Protection Committee Meeting February  
23, 2006

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RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Ad Hoc Committee on Climate Protection met on Thursday, February 23, 2006. At this meeting staff reported on six major climate protection initiatives District staff will be implementing in the near term. These six initiatives include the following.

- Climate Protection Summit -- Tentatively planned for mid-2006, the summit will be a high profile event on climate change and climate protection in the Bay Area. District staff has convened a Summit Steering Committee comprised of individuals currently active in today's climate protection efforts at the local, regional, and state level to ensure a robust and effective summit.
- GHG Technology RFP -- This initiative will fund research (through a competitive request for proposal process) into greenhouse gas emission reduction technologies or processes that could be implemented at stationary sources.
- Bay Area GHG Emission Inventory -- District staff has developed a preliminary greenhouse gas emissions inventory for the region. The inventory will serve as a technical resource and for educational purposes. An emission inventory could assist local governments and others in identifying important sources of greenhouse gases, setting emission reduction targets, and developing programs to reduce emissions. A regional inventory could encourage regional collaboration in reducing greenhouse gas emissions and could provide indicators to track the Bay Area's progress as a region.
- Promotion of Energy Efficiency -- This initiative would promote and facilitate implementation of energy efficiency projects and development of an energy

efficiency model ordinance. As part of this initiative, staff may develop technical guidance and/or best practices documents and other resources, sponsor energy efficiency projects at the household/neighborhood level, conduct urban heat island effect mitigation projects, and conduct educational campaigns.

- In-house GHG Emission Reductions -- District staff will evaluate and implement measures to reduce electricity and fuel consumption, and therefore greenhouse gas emissions, associated with District operations.
- Green Schools -- This initiative would identify the sources of greenhouse gas emissions typical of schools, develop strategies to reduce a school's carbon footprint, and provide for educational opportunities on climate protection to students.

Additionally, District staff will continue to seek integration of climate protection with District activities. For example:

- Consideration of greenhouse gas emission reductions as a criterion in Transportation Fund for Clean Air grant awards
- Integration of climate protection in District CEQA guidelines
- Integration of climate protection in District general plan guidelines
- Greenhouse gas emissions tracking through permitting processes

Attached are the staff reports to the Committee for your review. Chair Uilkema will give an oral report of the meeting.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

A substantial portion of the staff resources required to implement the proposed initiatives of the Climate Protection Leadership Program is expected to be absorbed into current District activities. Staff may seek some additional resources to implement the climate protection initiatives. Potential funding levels for longer-term implementation are being considered as part of the FY06/07 budget currently under preparation.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ana Sandoval  
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Gayle B. Uilkema and Members  
of the Ad Hoc Committee on Climate Protection

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 16, 2006

Re: Presentation on the Initiatives of the District's Climate Protection  
Leadership Program

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RECOMMENDED ACTION

None. For information only.

BACKGROUND

The first meeting of the Ad Hoc Committee on Climate Protection was held on December 14, 2005. At this meeting staff reported on recent climate protection activities at the District and on the integration of climate protection activities in existing District programs. Among the recent climate protection activities presented by staff were:

*Outreach and Education Activities*

- Development of a District climate protection web site
- Educational presentations by staff to outside organizations, District staff, Board members, and Advisory Council
- Preliminary plans for a climate protection summit in mid-2006

*Collaboration with and Participation in Local Efforts*

- Participation in Sustainable Silicon Valley and the California Climate Action Registry
- Participation in numerous climate protection meetings and conferences
- Funding of a study prepared by the Sonoma County Climate Protection Campaign and the Community Clean Water Institute. Ann Hancock, Coordinator for the Sonoma County Climate Protection Campaign, made a presentation summarizing this work at the Ad Hoc Committee meeting.

*Regional Emissions Inventory*

- Development of a region wide inventory of greenhouse gas emissions from stationary, area, and mobile sources

Staff also described possible future activities and additional options to integrate air quality management and climate protection. These included:

*Future Activities*

- Climate protection summit in mid-2006
- Further public education and outreach through existing partnership channels and new educational material
- Continued collaboration with the local governments through model ordinances and/or guidance documents
- Continued collaboration with State agencies on climate protection efforts

*Additional Options*

- Grants programs for emission reduction projects
- Greenhouse gas emissions tracking
- Regional emissions inventory publication
- In-house energy efficiency programs

Ad-hoc Committee members provided direction on staff activities and proposals, expressed support for continued outreach through existing partnerships and a regional summit, and suggested additional ideas for climate protection activities.

DISCUSSION

Staff has identified a set of priority climate protection initiatives on which to focus resources in the near term, roughly the next one to two years. These initiatives are described below and will be discussed at the Ad-hoc Committee meeting.

Initiative # 1: Climate Protection Summit

The District will host a high-profile summit on climate change and climate protection in the Bay Area. By educating locally elected officials, government staff, and representatives from private businesses, non-profit organizations and academic institutions on the possible impacts of climate change and on strategies for mitigating/preventing these impacts, the summit will be designed to:

- Inspire participants and the organizations they represent to begin or expand climate protection programs;
- Improve coordination of climate protection activities among all levels of government, private businesses, non-profit organizations and academia;
- Identify where stronger State or federal actions on climate change are needed to help achieve regional and local objectives.

Content design for the summit will be chosen with input from a regional steering committee comprised of individuals and organizations active in climate protection and climate change science. Attendance at the summit is expected to be approximately 300 individuals including locally elected officials and staff, leaders of local businesses, and



staff in existing climate protection programs in the Bay Area. Agenda Item 5 covers the summit in greater detail.

Initiative # 2: GHG Emission Reductions from Stationary Sources

This initiative will fund research (through a competitive request for proposal process) into greenhouse gas emission reduction technologies or processes that could be implemented at stationary sources. This initiative is expected to last 12 months.

Initiative # 3: Bay Area GHG Emission Inventory

District staff has developed a preliminary greenhouse gas emissions inventory for the region. Under this initiative, emissions information will be made available to the public as a technical resource and for educational purposes. Emission inventory estimates may be made available at the county level. An emission inventory could help local governments and others in identifying important sources of greenhouse gases, setting emission reduction targets, and developing programs to reduce emissions. A regional inventory could encourage regional collaboration in reducing greenhouse gas emissions and could provide indicators to track the Bay Area's progress as a region.

Staff will explain and highlight differences between the methodology used to calculate the region's emission inventory and the methodology used by other organizations, such as cities participating in the Cities for Climate Protection Program who also calculate greenhouse gas emissions inventories.

Release of the initial Bay Area greenhouse gas emission inventory is expected to occur in spring 2006. Periodic updates to this inventory would occur in the future.

Initiative # 4: Promotion of Energy Efficiency

This initiative involves implementation of Stationary Source Control Measure 15, "Promote Energy Efficiency" in the 2005 Ozone Strategy. This control measure is intended to educate the public as well as public and private entities about the links among air quality, greenhouse gas emissions and energy conservation, and on taking steps to reduce energy use. This initiative would promote and facilitate implementation of energy efficient projects and development of an energy efficiency model ordinance. Potential projects under this initiative include:

- Development of technical guidance and/or best practices documents and other resources
- Sponsoring of energy efficiency projects at the household/neighborhood level
- Urban heat island effect mitigation projects
- Facilitation of interagency communication (e.g., summit and follow-up forums)
- Educational campaigns

Some local energy efficiency projects have already been funded by the District. Development of technical guidance documents is targeted for early 2007. The outreach to jurisdictions would be ongoing and specific energy efficiency projects would have their own timelines.

Initiative # 5: In-house GHG Emission Reductions

Through this initiative District staff will evaluate and implement measures to reduce electricity and fuel consumption, and therefore greenhouse gas emissions associated with District operations. Strategies will be developed using the in-house inventory prepared by District staff for the California Climate Action Registry. Potential strategies may include:

- More energy-efficient HVAC equipment and use
- Strategies for reduction of vehicle miles traveled on fleet vehicles (e.g., trip chaining, carpooling) and use of more fuel-efficient vehicles
- Use of more energy-efficient office equipment and lighting
- Modification of appliance use (turning off certain office equipment, etc.)

Initiative # 6: Green Schools

This initiative would identify the sources of greenhouse gas emissions typical of schools, develop strategies to reduce a school's carbon footprint, and provide for educational opportunities on climate protection to students. This program could operate in partnership with the California Energy Commission's Bright Schools Program and/or EPA's Energy Star for Schools Program. This initiative could also include a financing or incentive program that would make funds available on a competitive basis to elementary schools in the region for implementation of emission reduction strategies. These strategies could include installation of solar photovoltaic cells, solar hot water heaters, energy efficient devices in buildings and other alternate energy devices.

The first phase of this initiative, evaluation of greenhouse sources at elementary schools and identification of reduction strategies, is targeted for completion in mid 2007.

Further Integration with Current District Activities

In addition to these specific initiatives, staff will continue to look for ways to integrate climate protection into ongoing District activities. Examples of integration include:

- Consideration of greenhouse gas emission reduction benefit as criteria in Transportation Fund for Cleaner Air grant awards
- Integration of climate protection in District CEQA guidelines
- Integration of climate protection in general plan guidelines
- Greenhouse gas emissions tracking through permitting processes

BUDGET CONSIDERATION / FINANCIAL IMPACT:

A substantial portion of the staff resources required to implement the proposed initiatives of the Climate Protection Leadership Program is expected to be absorbed into current District activities; at the moment, program implementation should not require additional staff resources.

Currently no designated funding sources exist for the potential grant programs suggested under initiatives numbers two, four and six. One approach is for the District to set aside a

modest amount of monies from the general fund, on the order of \$150,000, for awarding of competitive climate protection grants or demonstration projects during FY06/07. Potential funding levels are being considered as part of the FY06/07 budget currently under preparation.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ana Sandoval  
Reviewed by: Dave Vintze

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Gayle B. Uilkema and Members  
of the Ad Hoc Committee on Climate Change

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 16, 2006

Re: Status Report on the Upcoming Bay Area Climate Protection Summit

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RECOMMENDED ACTION

None. For information only.

BACKGROUND

The first meeting of the Ad Hoc Committee on Climate Protection was held on December 14, 2005. At this meeting staff reported on recent climate protection activities at the District and on the integration of air quality management and climate protection.

Among the recent climate protection activities presented by staff was an update on the preparation for a District-hosted Climate Protection Summit to be held in mid-2006. Committee members expressed interest and support for this initiative. Staff will present to the Committee an update on plans for the summit.

DISCUSSION

The District will host a high-profile summit on climate change and climate protection in the Bay Area.

*Target Audience*

The targeted audience would include locally elected officials, government staff, and leaders from private businesses, non-profit organizations and academic institutions. Attendance at the summit is expected to be approximately 300 individuals.

*Desired Summit Outcomes*

The summit will be designed to:

- Inspire participants and the organizations they represent to begin or expand climate protection programs
- Improve coordination of climate protection activities among all levels of government, private businesses, non-profit organizations and academia

- Identify where stronger State or federal actions on climate change are needed to help achieve regional and local objectives.

*Potential Summit Activities*

The summit may include activities such as:

- Speaker(s) on overall climate change and climate protection issues including:
  - Science
  - Urgency
  - Possible future scenarios
  - Mitigation
- Speakers, panels, displays, handouts, and presentations on impacts of climate change in the Bay Area, including effects on:
  - Health
  - Air quality
  - Water resources
  - Flooding
- Speakers, panels, displays, handouts, and presentations on:
  - State and federal Climate Protection activities
  - Local climate protection plans and planning processes, e.g., Alameda, Marin, San Francisco, Sonoma, Berkeley, Oakland, and the Air District
  - Local Sustainability/Energy Efficiency/Climate Change efforts, e.g., Sustainable Silicon Valley, Cities for Climate Protection Program, Stopwaste, Kyoto USA, Local Government Energy Partnership
  - Options for Climate Protection measures/mitigation
  - Overcoming barriers to implementation faced by business, governments, and non-profits
- Recognition of governments and organizations already in action

*Summit Preparations*

Content for the summit will be chosen with input from a regional steering committee comprised of individuals and organizations active in climate protection and climate change science, such as representatives from state agencies involved in climate protection, regional partner agencies like ABAG and MTC, local governments that have undertaken climate protection programs, and nonprofit organizations like the International Council for Local Environmental Initiatives and Sustainable Silicon Valley. The kickoff meeting of the summit steering committee is scheduled for March 1.

Summit logistics, such as catering arrangements, space accommodations, and speaker arrangements will be will handled by an experienced events organizer.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

The FY05/06 budget includes funds for this event.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ana Sandoval  
Reviewed by: Dave Vintze

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 2, 2006

Re: Report of the Personnel Committee Meeting of February 28, 2006

RECOMMENDED ACTION:

The Committee recommends Board of Director approval of the reassignment to the Transportation Category for one Advisory Council Member to fill an unexpired term of office ending December 31, 2006.

The Committee recommends Board of Director approval of appointments of candidates to fill expired terms of offices for eleven Advisory Council positions. The appointments will be for a 2-year term of office ending December 31, 2007.

BACKGROUND:

Pursuant to Section 40261 of the California Health and Safety Code the District is required to maintain an Advisory Council consisting of 20 members. Further, Section 40262 requires that the member categories consist of at least three representative of public health agencies; at least four representatives of private organizations active in conservation or protection of the environment within the bay district; at least one representative of colleges or universities in the state; and at least one representative of each of the following groups within the bay district: regional park district, park and recreation commissions or equivalent agencies of any city, public mass transportation system, agriculture, industry, community planning, transportation, registered professional engineers, general contractors, architects, and organized labor. To the extent that suitable persons cannot be found for each of the specified categories, council members may be appointed from the general public.

DISCUSSION:

The Personnel Committee met February 28, 2006 to conduct interviews of candidates for the reassignment to the transportation category and to fill specific categories for those Advisory Council positions where the terms expired December 31, 2005. Based on the Committee's review of each candidate's background and responses to interview questions, the Personnel Committee will recommend to the full Board of Directors a slate of candidates that will be included in the oral report given by Director Kwok. The recommended selections are from a pool of 32 candidates, of which 21 were scheduled to be interviewed.

Director Kwok will give an oral report of the meeting which will include the candidates recommended for appointment and their associated category. Attached are the staff reports received by the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACTS:

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Romaidis  
Reviewed by: Mary Ann Goodley



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chair Young and  
Members of the Personnel Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 22, 2006

Re: Consider Recommending Board of Director Approval of A Reassignment to the Transportation Category for (1) One Advisory Council Member

RECOMMENDED ACTION:

Consider recommending Board of Director approval to reassign a current Advisory Council member to fill an unexpired term of office in the Transportation category.

BACKGROUND:

Pursuant to Section 40261 of the California Health and Safety Code the District is required to maintain an Advisory Council consisting of 20 members. Further, section 40262 requires that the member categories consist of at least three representatives of public health agencies; at least four representatives of private organizations active in conservation or protection of the environment within the bay district; at least one representative of colleges or universities in the state; and at least one representative of each of the following groups within the bay district: regional park district, park and recreation commissions or equivalent agencies of any city, public mass transportation system, agriculture, industry, community planning, transportation, registered professional engineers, general contractors, architects, and organized labor. To the extent that suitable persons cannot be found for each of the specified categories, council members may be appointed from the general public.

DISCUSSION:

The current appointee to the transportation category, Kevin Shanahan, has announced his intention to resign. Mr. Shanahan's term of office on the Advisory Council expires December 31, 2006. Louise Bedsworth has requested reassignment to the Transportation category as that category is better suited to her experience. Currently Ms. Bedsworth is listed as a member of the Advisory Council. If the Committee recommends and the Board of Directors concurs with the recommendation to reassign Ms. Bedsworth to the Transportation category to fill the unexpired term of office, there will be one vacancy on the Advisory Council. Staff is recommending that an additional position in the Public Health Agency category be added.

If the Transportation position is not filled by Louise Bedsworth, there will be no additional vacancies on the Advisory Council.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Young and  
Members of the Personnel Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 22, 2006

Re: Conduct Interviews and Consider Recommending Board of Director Approval  
of Candidates for Appointments to the District Advisory Council

RECOMMENDED ACTION:

Conduct interviews and consider recommending Board of Director approval of appointments of candidates to fill expired terms of offices for ten Advisory Council positions.

BACKGROUND:

Pursuant to Section 40261 of the California Health and Safety Code the District is required to maintain an Advisory Council consisting of 20 members. Further, section 40262 requires that the member categories consist of at least three representatives of public health agencies; at least four representatives of private organizations active in conservation or protection of the environment within the bay district; at least one representative of colleges or universities in the state; and at least one representative of each of the following groups within the bay district: regional park district, park and recreation commissions or equivalent agencies of any city, public mass transportation system, agriculture, industry, community planning, transportation, registered professional engineers, general contractors, architects, and organized labor. To the extent that suitable persons cannot be found for each of the specified categories, council members may be appointed from the general public.

DISCUSSION:

The terms of office for the following categories expired on December 31, 2005: conservation organization (two positions open), park and recreation, transportation, general contractor, agriculture, industry, regional park district, organized labor, public health agency, and public mass transportation. Thirty-two persons applied for the vacancies that were noticed in Bay Area newspapers. As directed by the Personnel Committee screening of the applications was conducted and yielded 20 candidates to be interviewed for these positions, including the ten incumbents. The new terms would expire on December 31, 2007.

The Advisory Council Applicant Selection Working Group, a Deputy APCO, Peter Hess and the Human Resources Officer, Michael Rich screened the candidates as requested by the Committee. Interviews of candidates will take place on Tuesday, February 28, 2006 and will begin at 9:40 am. The length of each interview will be approximately fifteen minutes.

As requested by the Personnel Committee, a complete set of applications is included for your information and review.

A list of the open positions and the candidates to be interviewed is listed below. The name of the incumbent who currently holds the position has been highlighted in bold letters.

Public Health Agency	<b>Brian Zamora</b> Janice Kim Walter Kruse
Transportation	<b>Louise Bedsworth*</b> Bradley Edgar
Conservation Organization (two positions open)	<b>Diane Bailey</b> -not available for interview <b>Emily Drennen</b> Karen Farnkopf
Park and Recreation	<b>Jeff Bramlett</b> Julia Miller
General Contractor	<b>Fred Glueck</b> Ernest Freeman
Agriculture	<b>William Hanna</b> (no other applicants applied for this position)
Industry	<b>Kraig Kurucz</b> Steve Ziman
Regional Park District	<b>Ken Blonski</b> Anthony Mendicino
Organized Labor	<b>Victor Torreano</b> Edward Proctor
Public Mass Transportation	<b>Harold Brazil</b> Ludwik Bednarz

\* Incumbent to Advisory Council, presently assigned to the Public-at-Large category.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 12, 2005

Re: Report of the Budget & Finance Committee Meeting of March 1, 2006

RECOMMENDED ACTION

The Budget and Finance Committee recommends Board of Directors approval of the following items:

- A) Amend the FY 2005/2006 Budget by increasing the Penalties and Settlements General Fund Revenue by \$132,000 and correspondingly increase the Capital Outlay budget for Building Maintenance (Program 102) by \$132,000, and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$82,000 for ceiling replacement.
- B) Amend the FY 2005/2006 Budget by increasing the Penalties and Settlements General Fund Revenue by \$120,000 and correspondingly increase the Capital Outlay budget for Building Maintenance (Program 102) by \$120,000.

BACKGROUND

The Budget & Finance Committee met on March 2, 2006. Staff presented updates and recommendations on the following items:

- Second Quarter Financial Report;
- Analysis of State and Federal Proposed 2006-07 Budgets;
- Request to Approve a Purchase Order and Amend FY 2005/2006 Budget for Ceiling Replacement and Asbestos Abatement;
- Request to Amend the FY 2005/2006 Budget for Building Maintenance.

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

Chairperson, Chris Daly will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Capital Outlay budget for Building Maintenance (Program 102) will be increased by \$132,000 with a corresponding increase of \$132,000 to the FY 2005/2006 Penalties and Settlements General Fund Revenue budget.

The Capital Outlay budget for Building Maintenance (Program 102) will be increased by \$120,000 with a corresponding increase of \$120,000 to the FY 2005/2006 Penalties and Settlements General Fund Revenue budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay  
Reviewed by: Mary Ann Goodley

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Chris Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 14, 2006

Re: Second Quarter Financial Report – Fiscal Year 2005-06

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$7,511,294 (49.9%) of budgeted revenue.
- Permit Fee receipts were \$12,668,239 (74.5%) of budgeted revenue.
- Title V Permit Fees were \$981,768 (48.7%) of budgeted revenue.
- Asbestos Fees were \$800,036 (49.5%) of budgeted revenue.
- Toxic Inventory Fees were \$330,825 (64.9%) of budgeted revenue.
- Penalties and Settlements were \$1,469,750 (73.5%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$260,696 (144.8%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$19,046,610 (50.9%) of estimated expenditures.
- Operational Services and Supplies were \$4,488,444 (49.1%) of estimated expenditures.
- Capital Outlay was \$160,038 (38.9%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$3,966,444 (39.0%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$756,833(39.4%) of estimated expenditures.
- Operational Services and Supplies were \$3,209,611 (38.9%) of estimated expenditures.

FUND BALANCES

FUND BALANCES	6/30/2004 Audited	6/30/2005 Projected	6/30/2006 Projected
<b>SPECIAL RESERVES:</b>			
Reserve for Imprest Cash (Cash Revolving Fund)	1,200	1,200	1,200
Reserve for Building and Facilities	2,894,175	2,894,175	2,186,035
Reserve for PERS Funding	3,500,000	3,500,000	3,100,000
Reserve for Radio Replacement	3,500,000	3,500,000	3,500,000
Reserve for State Ozone Modeling Plan	350,000	350,000	0
Reserve for Production System (Best of Breed)	2,100,000	1,960,000	1,710,000
Reserve for Prior Year Adjustments	15,000	15,000	15,000
Reserve for Capital Equipment	378,000	378,000	925,500
Reserve for Contingencies	265,000	265,000	298,000
Reserve for Workers Compensation Self Funding	1,000,000	1,000,000	1,000,000
<b>TOTAL SPECIAL RESERVES:</b>	<u>14,003,375</u>	<u>13,863,375</u>	<u>12,735,735</u>
<b>UNRESERVED:</b>			
Undesignated	8,125,285	8,125,285	7,143,814
<b>TOTAL FUND BALANCES</b>	<u><u>22,128,660</u></u>	<u><u>21,988,660</u></u>	<u><u>19,879,549</u></u>

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on Fiscal Year 2005/2006 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Michael White  
Reviewed by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Chris Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 14, 2006

Re: Analysis of State and Federal Proposed 2006-07 Budgets

**RECOMMENDED ACTION:**

Receive and file.

**DISCUSSION:**

Last month Governor Schwarzenegger released his initial budget proposal for California's 2006-07 fiscal year, as well as his Strategic Growth Plan. Staff have reviewed both proposals, and highlight the aspects most relevant to the District below. Note however, that both documents are merely initial proposals from the Administration. A second budget proposal (the "May Revise") will likely be issued over three months from now. The final budget is due to be adopted by June 15, 2006 (although in practice the actual adoption date is typically weeks or months later). The budget ultimately adopted is the result of negotiations between the Legislature and the Governor. Similarly, content of the Strategic Growth Plan is the subject of legislative hearings currently, and what ultimately is presented to the electorate will be a result of negotiation between the Legislature and the Administration.

On the budget front, local air districts historically receive state funding to carry out the districts' mission. These funds, called state subvention, come from the Motor Vehicle Account of the State Transportation Fund. The Governor's proposal would continue the Air District's state subvention at the same level as for the last four years.

In the lean budget years of 2004-05 and 2005-06, 10% of the property tax revenues the District received were taken by the State. Per changes to the State constitution made by Proposition 1A of the November 2004 ballot, this 10% takeaway is scheduled to end in the upcoming fiscal year. Accordingly, the Governor's budget includes no State taking of the District's local property tax revenues. While expected, this is still very positive financial news for the District.

The Air Resources Board (ARB) fares quite well in the Governor's budget proposal. ARB is slated to receive roughly 42 new positions, focused on reducing climate change emissions, enforcement, and cutting goods movement emissions.

The Strategic Growth Plan has been the subject of extensive press coverage, and extensive testimony and debate in the Legislature. Staff notes that the \$107 billion plan contains \$2



billion to cut goods-movement related pollution, with an emphasis on air pollution from moving cargo, particularly through the ports. Of the \$2 billion, half is planned to be raised through bond funds, while the additional half is in as-yet undefined matching funds. It is also not yet clear if the \$1 billion in bond funds would be generated in the first bond proposal before the voters, or if it is a cumulative figure to be generated over time through multiple proposals. Staff has heard from ARB management that these funds are planned for a Carl Moyer-like program to be administered by ARB rather than local air districts.

The President released a draft Federal Fiscal Year 2006-07 budget last week. Staff notes that this is also only a preliminary document, and adoption of a Federal budget is many months away. However, the President's budget would cut Federal air quality grants to state and local air agencies by 16%. Federal funding for fine particle monitoring through Section 103 grants would be cut, as well as Section 105 grants. Since the District currently receives roughly \$2.23 million in Section 103 and 105 grants, the President's proposal could potentially cut district funding by \$357,000.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on current (2005-06 budget). Potential impacts on next year discussed above.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Addison  
Reviewed by: Brian Bunger

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Chris Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 22, 2006

Re: Ceiling Replacement and Asbestos Abatement for HVAC Replacement

RECOMMENDED ACTION:

Consider recommending that the Board of Directors amend the FY 2005/2006 Budget by increasing the Penalties and Settlements General Fund Revenue by \$132,000 and correspondingly increase the Capital Outlay budget for Building Maintenance (Program 102) by \$132,000, and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$82,000 to Ben Bolles.

BACKGROUND

The District is in the fourth and final phase of its multi-year HVAC upgrade. This work includes the replacement of old junction ductwork with variable volume air mixing boxes. These boxes reside in the ceilings of the areas they service. However, the ceiling on the second floor west is a fixed ceiling and it must be replaced with a suspended ceiling to allow installation and servicing of the boxes.

In addition, a recent asbestos survey of the roof area shows that asbestos abatement is required for the demolition associated with the HVAC replacement.

DISCUSSION

**Ceiling**

New variable volume air mixing boxes will be installed along with new ductwork. A T-bar drop-in ceiling is the most economic replacement for the existing hard ceiling and offers ease of access to service the new mixing boxes. In addition, the new light fixtures associated with the new ceiling will be brighter with fewer fixtures and will meet Title 24 of the State Energy Savings Standard. Cost for this work will not exceed \$82,000.

**Asbestos Abatement**

A survey of the demolition area shows that there is asbestos associated with the HVAC ducting. A vendor will be retained to perform abatement of asbestos containing material. This work will occur over approximately ten days. Costs associated with this work are estimated at \$50,000.

**Funding**

Current year Penalties and Settlements collections already exceed the full year budget of \$2 million by over \$500,000.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Capital Outlay budget for Building Maintenance (Program 102) will be increased by \$132,000 with a corresponding increase of \$132,000 to the FY 2005/2006 Penalties and Settlements General Fund Revenue budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Chris Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 22, 2006

Re: Carpet and Furniture Acquisition

RECOMMENDED ACTION:

Consider recommending that the Board of Directors amend the FY 2005/2006 Budget by increasing the Penalties and Settlements General Fund Revenue by \$120,000 and correspondingly increase the Capital Outlay budget for Building Maintenance (Program 102) by \$120,000.

BACKGROUND

The District has substantial deferred requirements for maintenance to office space over the years. In particular, cubicle, furniture and carpet replacement will be featured in the District’s five year capital plan presented with the budget for the new fiscal year. Therefore, District staff has prepared for standardization and centralization of furniture and carpet purchasing. Current-year office space needs provide the first opportunity to use these negotiated cost savings.

DISCUSSION

**Carpet**

The District has historically used a light-to-medium duty broadloom woven carpet. Substantial savings can be obtained with an alternate selection. In particular, the District intends to use high stain resistant, high-to-extreme duty carpet squares. There are multiple sources of savings with this selection. The cost of the carpet itself is substantially less. No padding is required. The cost of installation is less. The life of the carpet (lifetime guarantee) is much greater. The cost of repair and replacement is less. A summary table of these attributes is presented below.

(\$ per yard)	<u>Cost</u>	<u>Pad</u>	<u>Installation</u>	<u>Grade</u>	<u>Total</u>
<b>Broadloom (recent 7th floor)</b>	36.31	3.00	25.00	Light-to-Medium	64.31
<b>Mannington Carpet Squares</b>	22.62	-	22.31	High-to-Extreme	44.93

The cost for the carpet squares was negotiated directly with the manufacturer and is below the General Services Administration (GSA) cost of \$25.33 per square yard.

**Furniture Sets**

The District has historically used multiple sources to meet its furniture requirements. However, District requirements for both standard offices and cubicles can be met by a single vendor. A furniture set includes a corner desk, a 30” return, a 72” credenza, two under mount filing cabinets

(pedestals size), two overhead storage bins, a personal storage tower, a task light (mounted under overhead storage bins), and a tack board (mounted under overhead storage bins).

After negotiation with various vendors the District considered three offerings presented below.

(\$ / office or cubical)	Cost
<b>Sierra Furniture</b>	3,217
<b>Corner Office</b>	2,264
<b>Commercial Services Group</b>	2,024

Commercial Services Group was selected based on cost and superior support infrastructure. The product supplied is Allsteel brand with a lifetime warranty. The negotiated cost is 64% off list. GSA cost is 63.5 % off list.

**Funding**

Current year Penalties and Settlements collections already exceed the full year budget of \$2 million by over \$500,000.

**Application of Funds**

These funds will provide furniture for up to twelve offices and nine cubicles, and will also provide carpet for one half of the west half of the 6<sup>th</sup> floor and several offices.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

The Capital Outlay budget for Building Maintenance (Program 102) will be increased by \$120,000 with a corresponding increase of \$120,000 to the FY 2005/2006 Penalties and Settlements General Fund Revenue budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chair Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 6, 2006

Re: Report of the Mobile Source Committee Meeting of March 13, 2006

RECOMMENDED ACTIONS

The Mobile Source Committee may recommend Board approval of the following:

1. Carl Moyer Program grant allocation of \$2,667,676 in Carl Moyer Program (CMP) funds for eligible projects listed in Attachment 1-A. to Committee agenda item number 4
2. Allocation of up to \$13.2 million in Mobile Source Incentive Fund (MSIF) revenues for eligible projects listed in Attachment 1-A to Committee agenda item number 4.
3. Authorization for the Executive Officer to enter into funding agreements with recipients of grants for the projects listed in Attachment 1-A to Committee agenda item number 4.
4. Amendment to the Transportation Fund for Clean Air (TFCA) Marin County Program Manager expenditure program.

DISCUSSION

The Mobile Source Committee will meet Monday, March 13, 2006. The attached agenda items listed above will be presented by staff during that meeting. In addition, staff will provide a status report on the Carl Moyer Program Funding Allocation, and a Biodiesel Feasibility Study and Pilot Project.

Chairperson Tim Smith will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Smith and  
Members of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 2, 2006

Re: Carl Moyer Program Grant Allocations

RECOMMENDED ACTIONS

1. Recommend Board of Directors (Board) approval of allocation of \$2,667,676 in Carl Moyer Program (CMP) funds for eligible projects listed in Attachment 1-A.
2. Recommend Board approval of allocation of up to \$13.2 million in Mobile Source Incentive Fund (MSIF) revenues for eligible projects listed in Attachment 1-A.
3. Recommend Board authorization for the Executive Officer to enter into funding agreements with recipients of grants for the projects listed in Attachment 1-A.

BACKGROUND

The purpose of the Carl Moyer Program is to provide funds for the implementation of projects that reduce emissions from heavy-duty diesel engines. Heavy-duty diesel engines are major sources of oxides of nitrogen (NO<sub>x</sub>), ozone precursors, and particulate matter (PM). Diesel PM has been identified by the California Air Resources Board (CARB) as a toxic air contaminant.

CARB administers the CMP in partnership with local air districts. CARB develops CMP guidelines and criteria, and allocates funds to the local air districts on an annual basis. Local air districts are responsible for soliciting applications, selecting projects consistent with CARB guidelines and criteria, and administering the awarded grants. The most common types of projects funded via the CMP are: 1) the repowering of existing diesel vehicles or equipment by installing newer, cleaner engines; and 2) the installation of CARB-verified retrofit systems or devices to reduce emissions from existing diesel engines. The types of vehicles and equipment eligible for CMP funding include on-road heavy-duty vehicles, off-road equipment, marine vessels, locomotives, stationary agricultural irrigation pumps, forklifts, and airport ground support equipment. CMP funds can only be awarded to implement projects that will result in *surplus* emission reductions, i.e., emission reductions that are not required by adopted regulations or standards.

## DISCUSSION

### **Guidelines and Procedures**

On September 30, 2003, CARB issued the guidelines and criteria for local air districts to follow to implement the fiscal year (FY) 2004/2005 CMP, which corresponds to the Year 7 CMP funding cycle. In February 2005, the District Mobile Source Committee (Committee) and the Board approved staff-recommended procedures for the allocation of funds for the Year 7 CMP funding cycle. Additionally, under the terms of Health & Safety Code Section 43023.5 (AB 1390, Lowenthal), the District is required to allocate at least 50 percent of its CMP funds to projects that will reduce emissions in communities with the most significant exposure to air pollution, including, but not limited to communities of minority or low-income populations. On October 24, 2005, staff presented to the Committee a revised methodology for the purpose of selecting projects to comply with the AB 1390 requirement (AB 1390 methodology).

### **Solicitation and Outreach**

District staff issued a call for Year 7 CMP grant applications on November 4, 2005. Staff performed extensive outreach to encourage the submittal of CMP grant applications, including four public workshops in San Francisco, Oakland, Vallejo, and San Jose. A total of 85 interested parties attended the four workshops, as listed below.

<b>Workshop Site</b>	<b>Date</b>	<b>Number of Attendees</b>
San Francisco – District Boardroom	November 15, 2005	20
West Oakland – Jubilee West	November 16, 2005	21
Vallejo – Dan Foley Community Center	November 17, 2005	26
San Jose – Santa Clara VTA Auditorium	November 22, 2005	18

The deadline for submittal of CMP grant applications was December 22, 2005. The District received 145 applications<sup>1</sup> requesting a total of \$24 million in incentive funds to reduce emissions from 533 diesel engines.

### **Grant Applications Evaluation**

District staff reviewed and evaluated the Year 7 CMP grant applications based upon:

- The CMP guidelines issued by CARB on September 30, 2003;
- The Year 7 CMP procedures approved by the Committee and the Board in February, 2005; and
- The AB 1390 methodology presented to the Committee and the Board in October, 2005.

The key steps in staff's review of the CMP grant applications are summarized below.

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<sup>1</sup> Project sponsors submitted 145 grant applications. Many grant applications included multiple vehicles and/or engines. In some cases, staff divided these multi-unit grant applications into separate grant applications in order to more accurately analyze the emission reductions and cost-effectiveness for each vehicle or engine. Therefore, the total number of grant applications evaluated increased from 145 to 177.



*Step 1:* Staff reviewed the CMP grant applications for consistency with CARB and Board-adopted procedures for the Year 7 CMP funding cycle.

*Step 2:* Staff calculated the cost-effectiveness for all eligible grant applications, utilizing CARB guidelines and data provided by the project sponsors. Cost-effectiveness was determined by dividing the amount of CMP funding requested by the estimated lifetime emission reductions for each project. For the Year 7 CMP funding cycle, PM emission reductions were included for the first time in the calculation of cost-effectiveness. The PM emissions were weighted by a factor of ten, per CARB guidelines, to account for the public health impacts related to exposure to diesel PM emissions, as shown in the formula below:

$$\text{Emission Reductions} = [NO_x \text{ reduced} + (PM \text{ reduced} \times 10)] \times \text{years of project life}$$

*Step 3:* For each grant application that met the CMP cost-effectiveness threshold established by CARB of \$13,600 (CMP funds) per ton of emissions reduced, staff analyzed its potential to reduce emissions in impacted communities, based upon the District's AB 1390 methodology. The scores for applications that fulfilled the District's AB 1390 criteria are summarized in the shaded portion of Attachment 1-A and described in greater detail in Attachment 2. The District's AB 1390 methodology is shown in Attachment 3.

*Step 4:* All eligible grant applications were ranked, as shown in Attachment 1-A, based upon 1) AB 1390 scores and 2) cost-effectiveness. The projects that qualify for the purpose of AB 1390 are shaded in gray.

Fourteen (14) grant applications, requesting a total of \$1,786,752, were withdrawn by their respective project sponsors. In addition, nine (9) applications, requesting a total of \$1,437,536, were deemed ineligible by staff because they did not comply with the applicable guidelines and criteria. In most cases, applications were deemed ineligible because the project would not provide *surplus* emission reductions. A list of the withdrawn and ineligible applications, and the reason each application was deemed ineligible, is provided in Attachment 4.

CARB guidelines require that each project achieve a cost-effectiveness of \$13,600 or less per ton of emissions reduced to be eligible for CMP funding. The District received a total of 110 applications, requesting an aggregate \$15,849,235 in incentive funds, which achieved the CMP cost-effectiveness threshold. 67 applications which did not achieve the requisite cost-effectiveness threshold and are not recommended for funding are listed in Attachment 1-B.

### **Available Carl Moyer Program Funds**

CARB allocated a total of \$2,478,161 to the District for the implementation of the Year 7 CMP funding cycle. Of this amount, at least 50% (\$1,239,081) must be awarded to projects that will reduce emissions in impacted communities, as required by AB 1390. In addition, the District has \$189,515 in remaining available funds from the Year 6 CMP funding cycle due to the cancellation of previously awarded grants. At least \$114,946 of these remaining Year 6 CMP funds must be awarded to projects that will reduce emissions in impacted communities, in order to fulfill the AB 1390 requirement for the Year 6 CMP funding cycle.

As shown in the table below, a total of \$2,667,676 in Year 6 and Year 7 CMP funds are available for allocation at this time, of which at least \$1,354,027 must be awarded to projects that will reduce emissions in impacted communities, as required by AB 1390.

<b>CMP Funding Cycle</b>	<b>Total Funds Available for Allocation</b>	<b>Funds to Allocate to AB 1390 Projects</b>
Year 6	\$189,515	\$114,946
Year 7	\$2,478,161	\$1,239,081
<b>Total</b>	<b>\$2,667,676</b>	<b>\$1,354,027</b>

### **Supplement CMP Funds with Mobile Source Incentive Fund Revenues**

As noted above, a total of 110 applications, requesting an aggregate \$15,849,235 in incentive funds, achieved the CMP cost-effectiveness threshold of \$13,600 or less per ton of emissions reduced. However, only \$2,667,676 in CMP funding is available for allocation at this time. Because these cost-effective applications represent an excellent opportunity to achieve a significant reduction in heavy-duty diesel emissions in the near-term, staff recommends that the District fund all of these projects. This can be accomplished by supplementing the CMP funds with revenues from the Mobile Source Incentive Fund (MSIF), as described below.

AB 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for any of the four programs listed below:

- Projects eligible for grants under the CMP;
- New purchase of clean school buses;
- Accelerated vehicle retirement or repair program; and
- Projects to reduce emissions from previously unregulated agricultural sources.

On December 21, 2004, the Board adopted Resolution 2004-16 to increase the surcharge on vehicles registered within the District boundaries from \$4 to \$6 per vehicle. The Department of Motor Vehicles began to collect the increased surcharge in May 2005. The revenues from the additional \$2 surcharge are deposited in the District’s MSIF.

Approximately \$8.7 million in MSIF funds were available to the District as of February 28, 2006. Additional revenues of approximately \$890,000 per month will continue to accrue to the MSIF account on an on-going basis. Staff recommends the allocation of \$13.2 million in MSIF revenues to supplement the available Year 7 CMP funds. This will allow the District to fund all of the cost-effective projects listed in Attachment 1-A. The District will issue these funds to grant recipients on a reimbursement basis after projects have been completed. Given the time required for grantees to execute a contract with the District, acquire and install equipment, and submit invoices to request payment, there will be ample time for the necessary MSIF revenues to accrue before the District actually expends these funds.

## Recommended Grant Awards

Attachment 1-A lists 110 projects that staff recommends be awarded grants for an aggregate of \$15,849,235, using a combination of CMP and MSIF funds, as discussed above. If all projects are fully implemented, they will result in annual emission reductions of 579 tons of NO<sub>x</sub> and 35 tons of PM, as shown in the following table.

### Recommended Grant Awards by Project Category

Project Category	Number of Projects	Total Grant Awards	NO <sub>x</sub> Emissions Reduction (tons/yr)	PM Emissions Reduction (tons/yr)
On-Road	20	\$2,096,828	36	1
Off-Road	60	\$8,906,933	237	10
Marine	27	\$3,882,474	296	24
Locomotive	2	\$948,000	9	0.3
Irrigation Pump	1	\$15,000	1	
<b>Total</b>	<b>110</b>	<b>\$15,849,235</b>	<b>579</b>	<b>35.3</b>

### BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The CMP distributes “pass-through” funds from CARB to public agencies and private entities on a reimbursement basis. Therefore, the grant funds awarded do not directly impact the District’s budget. Staff costs for the administration of the CMP are included under *Program 607 – Mobile Source Grants* in the FY 2005/2006 budget. For the Year 7 CMP funding cycle, CARB allocated \$57,364 to the District to help offset outreach and administration costs related to CMP implementation.

By law, the District is required to provide a specified percentage of local funds to match its CMP funds. For the Year 7 CMP funding cycle, the District’s required match amount is \$1,128,488. The District will fulfill this match obligation through the allocation of MSIF and TFCA funds to low-emission heavy-duty diesel engine projects that comply with CMP guidelines and criteria.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: David Burch  
Reviewed by: Henry Hilken

Attachments

## Projects Recommended for Grants (1)

Project Number	Project Sponsor	Project Description	Proposed Grant Award	# of Engines Funded	NOx Emission Reductions (tons/year)	PM Emissions Reductions (tons/year)	CMP C-E* (\$/ton) NOx + 10 x PM
04MOY121	Peoples Fuel Cooperative	Repower one delivery truck	\$15,040	1	0.36	0.02	\$1,768
04MOY03	Amtrak	Replace one switcher locomotive w/ "Green Goat" diesel-hybrid locomotive	\$800,000	1	7.54	0.25	\$6,700
04MOY150	Bode Concrete, LLC	Repower two concrete transport mixers	\$88,144	2	1.70	0.08	\$7,625
04MOY129	Allied Concrete Mix Service	Repower two concrete delivery mixers	\$88,144	2	1.54	0.06	\$9,064
04MOY151	Bode Concrete, LLC	Repower four concrete transport mixers	\$176,288	4	2.76	0.09	\$10,558
04MOY04	Richmond Pacific Railroad	Install retrofit kit to reduce emissions from one switcher locomotive	\$148,000	1	1.67	0.04	\$13,554
04MOY132	San Francisco Muni	Repower 12 articulated buses with reconditioned engines	\$199,992	12	2.64	0.00	\$12,196
04MOY135	NorCal Waste (Golden Gate)	Install Level 3 PM/NOx emission control systems on 15 refuse collection trucks	\$140,367	15	2.25	0.00	\$13,600
04MOY136	NorCal Waste (Sunset Scavenger)	Install Level 3 PM/NOx emission control systems on 61 refuse collection trucks	\$570,826	61	9.15	0.00	\$13,600
04MOY181	Blueline Transfer, Inc.	Install Level 3 PM/NOx emission control system on one refuse transfer truck	\$19,000	1	0.23	0.01	\$11,506
04MOY131	Waste Management, Inc	Install Level 3 PM/NOx emission control systems on 33 refuse collection trucks	\$346,500	33	5.94	0.00	\$12,717
04MOY17	Golden Gate Ferry	Repower two auxiliary engines in ferry Marin	\$20,000	2	7.20	0.42	\$282
04MOY18	Vortex Marine Construction	Repower primary crane drive on derrick barge Vengeance	\$128,198	1	15.03	0.78	\$471
04MOY21	Vortex Marine Construction	Repower primary hydraulic system drive on derrick barge Vantage	\$66,514	1	7.45	0.39	\$493
04MOY19	Vortex Marine Construction	Repower deck winch drive on derrick barge Vengeance	\$52,955	1	5.61	0.31	\$512
04MOY20	Vortex Marine Construction	Repower primary crane drive on derrick barge Vantage	\$111,223	1	11.82	0.62	\$519
04MOY26	Brusco Tug & Barge	Install retrofit kit on two main engines in tugboat Western Comet	\$327,500	2	96.72	2.15	\$587
04MOY31	Westar Marine Services	Repower two main engines in crew boat Ranger	\$130,000	2	13.92	1.18	\$592
04MOY32	Westar Marine Services	Repower two main engines in crew boat Hawk	\$130,000	2	13.92	1.18	\$592
04MOY25	Brusco Tug & Barge	Repower two main engines in tugboat Amy Brusco	\$346,000	2	37.40	2.41	\$658
04MOY28	Westar Marine Services	Repower two main engines in crew boat Zenith	\$120,000	2	9.30	0.79	\$818
04MOY29	Westar Marine Services	Repower two main engines in crew boat Reliance	\$120,000	2	9.30	0.79	\$818
04MOY30	Westar Marine Services	Repower two main engines in crew boat Scout	\$120,000	2	9.30	0.79	\$818
04MOY27	Westar Marine Services	Repower two main engines in tugboat Apollo	\$750,000	2	24.62	7.10	\$918
04MOY23-A	Hornblower Cruises	Repower two main engines in MV Spirit of Plattsburg	\$216,058	2	10.36	1.39	\$1,043
04MOY22-B	Hornblower Cruises	Repower two auxiliary engines in MV Monte Carlo	\$70,815	2	4.08	0.25	\$1,252
04MOY22-A	Hornblower Cruises	Repower two main engines in MV Monte Carlo	\$216,058	2	4.70	1.20	\$1,517
04MOY86	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57011	\$171,605	1	8.62	0.42	\$1,564
04MOY124	Harold Smith and Son, Inc.	Repower one dump truck: Unit #258	\$21,113	1	0.86	0.07	\$1,573
04MOY85	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57010	\$171,605	1	8.10	0.40	\$1,663
04MOY82	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57007	\$171,605	1	7.80	0.38	\$1,728
04MOY77	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57002	\$171,605	1	7.54	0.37	\$1,788
04MOY76	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57001	\$171,605	1	7.35	0.36	\$1,834
04MOY80	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57005	\$171,605	1	7.33	0.36	\$1,840
04MOY87	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57012	\$171,605	1	7.22	0.35	\$1,866
04MOY81	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57006	\$171,605	1	7.10	0.35	\$1,898

(1) Shaded projects fulfill the District's AB1390 criteria and are ranked by 1) AB1390 score, and 2) cost-effectiveness. See Attachment 2 for detailed AB 1390 scores.

\*Cost-effectiveness = funding requested ÷ estimated emission reductions. PM emissions are weighted by a factor of 10. Emission Reductions = [NOx reduced + (PM reduced x 10)] x years of project life.

## Projects Recommended for Grants

Project Number	Project Sponsor	Project Description	Proposed Grant Award	# of Engines Funded	NOx Emission Reductions (tons/year)	PM Emissions Reductions (tons/year)	CMP C-E* (\$/ton) NOx + 10 x PM
04MOY64	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51015	\$112,352	1	4.60	0.23	\$1,919
04MOY79	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57004	\$171,605	1	6.64	0.33	\$2,030
04MOY125	Harold Smith and Son, Inc.	Repower one dump truck: Unit #258	\$21,226	1	0.80	0.04	\$2,070
04MOY70	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51021	\$112,352	1	4.24	0.21	\$2,083
04MOY75	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51026	\$112,352	1	4.18	0.20	\$2,113
04MOY61	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51011	\$112,352	1	4.10	0.20	\$2,158
04MOY72	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51023	\$112,352	1	4.04	0.20	\$2,184
04MOY83	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57008	\$171,605	1	6.08	0.30	\$2,216
04MOY58	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51008	\$112,352	1	3.91	0.19	\$2,259
04MOY23-B	Hornblower Cruises	Repower two auxiliary engines in MV Spirit of Plattsburg	\$59,380	2	1.96	0.11	\$2,300
04MOY34	Red & White Fleet	Repower two main engines in ferry Royal Prince	\$275,000	2	6.00	1.22	\$2,383
04MOY123	Harold Smith and Son, Inc.	Repower one water truck: Unit #227	\$24,913	1	0.65	0.05	\$2,440
04MOY78	Independent Construction	Tier 2 Engine Repower: 657B Scraper: Unit #57003	\$171,605	1	5.48	0.27	\$2,461
04MOY06	Blue & Gold Fleet	Repower one auxiliary engine in ferry Golden Bear	\$28,203	1	0.73	0.06	\$2,519
04MOY46	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41002	\$112,352	1	3.49	0.17	\$2,528
04MOY35	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #20010	\$193,094	1	6.19	0.24	\$2,630
04MOY56	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51005	\$112,352	1	3.33	0.16	\$2,650
04MOY59	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51009	\$112,352	1	3.31	0.16	\$2,666
04MOY33	Seaworthy Projects, LLC	Repower two main engines in towing vessel Hero	\$150,000	2	3.92	0.25	\$2,717
04MOY44	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37017	\$193,094	1	5.84	0.23	\$2,789
04MOY99	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57033	\$146,023	1	5.21	0.09	\$2,796
04MOY103	Independent Construction	Tier 3 Engine Repower: 657E Scraper: Unit #57032	\$287,000	1	8.54	0.30	\$2,900
04MOY112	DeSilva Gates Construction	Tier 2 Engine Repower: 637D Scraper: Unit #117303	\$177,594	1	4.92	0.19	\$3,042
04MOY65	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51016	\$112,352	1	2.86	0.14	\$3,086
04MOY113	DeSilva Gates Construction	Tier 2 Engine Repower: 637D Scraper: Unit #117304	\$177,594	1	4.81	0.19	\$3,111
04MOY114	DeSilva Gates Construction	Tier 2 Engine Repower: 637D Scraper: Unit #117305	\$177,594	1	4.68	0.18	\$3,202
04MOY45	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37020	\$193,094	1	5.06	0.20	\$3,218
04MOY100	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57034	\$146,023	1	4.50	0.08	\$3,236
04MOY62	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51012	\$112,352	1	2.56	0.13	\$3,441
04MOY71	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51022	\$112,352	1	2.55	0.13	\$3,459
04MOY57	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51006	\$112,352	1	2.50	0.12	\$3,534
04MOY50	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41012	\$112,352	1	2.49	0.12	\$3,543
04MOY42	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37014	\$193,094	1	4.44	0.17	\$3,668
04MOY60	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51010	\$112,352	1	2.40	0.12	\$3,682
04MOY36	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #20011	\$193,094	1	4.37	0.17	\$3,728
04MOY109	DeSilva Gates Construction	Tier 2 Engine Repower: 633D Scraper: Unit #108513	\$103,849	1	2.31	0.09	\$3,809
04MOY111	DeSilva Gates Construction	Tier 2 Engine Repower: 633D Scraper: Unit #108515	\$103,849	1	2.23	0.09	\$3,932
04MOY41	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37008	\$193,094	1	4.10	0.16	\$3,970

\*Cost-effectiveness = funding requested ÷ estimated emission reductions. PM emissions are weighted by a factor of 10. Emission Reductions = [NOx reduced + (PM reduced x 10)] x years of project life.

## Projects Recommended for Grants

Project Number	Project Sponsor	Project Description	Proposed Grant Award	# of Engines Funded	NOx Emission Reductions (tons/year)	PM Emissions Reductions (tons/year)	CMP C-E* (\$/ton) NOx + 10 x PM
04MOY63	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51014	\$112,352	1	2.20	0.11	\$4,020
04MOY106	DeSilva Gates Construction	Tier 2 Engine Repower: 633D Scraper: Unit #108507	\$103,849	1	2.09	0.08	\$4,204
04MOY110	DeSilva Gates Construction	Tier 2 Engine Repower: 633D Scraper: Unit #108514	\$103,849	1	2.02	0.08	\$4,355
04MOY108	DeSilva Gates Construction	Tier 2 Engine Repower: 633D Scraper: Unit #108512	\$103,849	1	1.98	0.08	\$4,451
04MOY07	Sentinel Cremations	Repower two main engines in vessel Naiad	\$77,335	2	0.30	0.11	\$4,575
04MOY74	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51025	\$112,352	1	1.90	0.09	\$4,645
04MOY126	Coppock Trucking	Repower one heavy-duty truck	\$51,895	1	0.90	0.04	\$4,671
04MOY05	Morning Star Sportfishing	Repower main engine in fishing boat Morning Star	\$45,000	1	0.92	0.04	\$4,733
04MOY120	Bay Leasing (Solano Garbage)	Replace one refuse collection roll-off truck with an LNG truck	\$6,679	1	0.16	0.00	\$4,884
04MOY38	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37005	\$193,094	1	3.21	0.13	\$5,065
04MOY122	Harold Smith and Son, Inc.	Repower one concrete delivery mixer: Unit #117	\$44,072	1	0.77	0.02	\$5,209
04MOY01	Stanley Ranch	Repower one irrigation pump with Tier 2 engine	\$15,000	1	0.41	0.02	\$5,274
04MOY47	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41003	\$112,352	1	1.65	0.08	\$5,344
04MOY40	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37007	\$193,094	1	2.79	0.11	\$5,838
04MOY24	FV Hali	Repower two main engines in fishing boat Hali	\$90,000	2	0.60	0.12	\$5,916
04MOY16	Sea Turtle Sportfishing	Repower two main engines in fishing boat Sea Turtle	\$48,000	2	0.54	0.07	\$6,038
04MOY140	Waste Management, Inc	Install Level 3 PM/NOx emission control systems on 10 refuse transfer trucks	\$190,000	10	4.20	0.22	\$6,472
04MOY37	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37002	\$193,094	1	2.31	0.09	\$7,060
04MOY92	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57019	\$146,023	1	2.40	0.00	\$7,119
04MOY97	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57025	\$146,023	1	2.33	0.00	\$7,332
04MOY12	Angel Island-Tiburon Ferry	Repower two main propulsion engines in ferry Tamalpais	\$137,000	2	0.82	0.22	\$7,402
04MOY139	Schwan's Home Service, Inc.	Replace four delivery trucks with propane trucks	\$18,900	4	0.28	0.02	\$7,923
04MOY101	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57036	\$146,023	1	2.13	0.00	\$8,021
04MOY93	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57020	\$146,023	1	2.11	0.00	\$8,097
04MOY39	Independent Construction	Tier 2 Engine Repower: 637D Scraper: Unit #37006	\$193,094	1	1.92	0.08	\$8,461
04MOY88	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57015	\$146,023	1	2.01	0.00	\$8,500
04MOY09	Bennie Anselmo	Repower main engine in fishing boat Jennifer Louise	\$34,735	1	0.19	0.03	\$8,835
04MOY96	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57024	\$146,023	1	1.89	0.00	\$9,040
04MOY104	Independent Construction	Tier 2 Engine Repower: 825C Compactor: Unit #44024	\$150,208	1	1.36	0.05	\$9,299
04MOY11	Barneich Commerical Fishing	Repower main propulsion engine in fishing boat Gar	\$12,500	1	0.05	0.01	\$9,750
04MOY49	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41010	\$112,352	1	0.82	0.04	\$10,775
04MOY105	Independent Construction	Tier 2 Engine Repower: 825C Compactor: Unit #44025	\$150,208	1	1.13	0.04	\$11,266
04MOY128	Chisholm Trail Transportation	Repower one heavy-duty truck	\$23,229	1	0.33	0.00	\$11,333
04MOY161	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.29	0.02	\$11,616
04MOY194	Pleasanton Garbage Service	Install Level 3 PM/NOx emission control system on three Group 3 refuse collection trucks	\$31,500	3	0.36	0.06	\$11,990
04MOY91	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57018	\$146,023	1	1.28	0.00	\$13,347
		<b>Total</b>	<b>\$15,849,235</b>	<b>265</b>	<b>579</b>	<b>35</b>	

\*Cost-effectiveness = funding requested ÷ estimated emission reductions. PM emissions are weighted by a factor of 10. Emission Reductions = [NOx reduced + (PM reduced x 10)] x years of project life.

## Projects Not Recommended for Funding

Project Number	Project Sponsor	Project Description	Requested Grant Award	# of Engines Funded	NOx Emission Reductions (tons/year)	PM Emissions Reductions (tons/year)	CMP C-E* (\$/ton) NOx + 10 x PM
04MOY193	Pleasanton Garbage Service	Install Level 3 PM/NOx emission control system on six refuse collection trucks	\$63,000	6	0.9	0	\$15,260
04MOY189	Sysco Foods	Install Level 3 PM emission control system on three delivery trucks	\$57,000	3	0.51	0.024	\$16,568
04MOY185	City of Mountain View	Install Level 1 PM emission control system on one truck	\$2,897	1	0	0.006	\$17,092
04MOY186	City of Mountain View	Install Level 1 PM emission control system on one truck	\$2,897	1	0	0.006	\$17,092
04MOY137	Kotobuki-ya	Purchase three CNG shuttle buses	\$60,300	3	0.39	0.036	\$17,527
04MOY192	Pleasanton Garbage Service	Install Level 3 PM/NOx emission control system on three refuse	\$31,500	3	0.39	0	\$17,608
04MOY158	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.15	0.008	\$18,009
04MOY175	Sysco Foods	Install Level 3 PM/NOx emission control systems on three delivery trucks	\$57,000	3	0.36	0.033	\$18,009
04MOY51	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41014	\$112,352	1	0.48	0.024	\$18,257
04MOY176	Sysco Foods	Install Level 3 PM/NOx emission control systems on 12 delivery trucks	\$228,000	12	1.68	0.096	\$18,827
04MOY182	Blueline Transfer, Inc.	Install Level 3 PM/NOx emission control system on two refuse transfer trucks	\$38,000	2	0.28	0.016	\$18,827
04MOY14	Sachiko Fish	Repower main propulsion engine in fishing boat Sachiko	\$62,000	1	0.12	0.025	\$19,605
04MOY168	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.17	0.009	\$19,658
04MOY172	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.16	0.009	\$20,444
04MOY90	Independent Construction	Tier 1 Engine Repower: 657E Scraper: Unit #57017	\$146,023	1	0.79	0	\$21,626
04MOY15	City of San Rafael	Repower two main engines in patrol boat Mission City	\$90,438	2	0.12	0.028	\$22,610
04MOY155	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.11	0.006	\$24,365
04MOY166	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.11	0.006	\$24,365
04MOY170	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.13	0.007	\$25,555
04MOY173	Sysco Foods	Install Level 3 PM/NOx emission control systems on 35 delivery trucks	\$665,000	35	3.5	0.175	\$27,613
04MOY183	Blueline Transfer, Inc.	Install Level 3 PM/NOx emission control system on one refuse transfer truck	\$19,000	1	0.1	0.005	\$27,613
04MOY190	Sysco Foods	Install Level 3 PM emission control system on 20 delivery trucks	\$380,000	20	2	0.1	\$27,613
04MOY191	Sysco Foods	Install Level 3 PM emission control system on six delivery trucks	\$114,000	6	0.6	0.03	\$27,613
04MOY156	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.09	0.005	\$29,586
04MOY160	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.09	0.005	\$29,586
04MOY169	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.11	0.006	\$30,065
04MOY174	Sysco Foods	Install Level 3 PM/NOx emission control systems on 10 delivery trucks	\$190,000	10	0.5	0.08	\$31,862
04MOY184	Blueline Transfer, Inc.	Install Level 3 PM/NOx emission control system on three refuse transfer trucks	\$57,000	3	0.15	0.024	\$31,862
04MOY10	FV Codzilla	Repower main engine in fishing boat Codzilla	\$25,954	1	0.08	0.005	\$32,143
04MOY154	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.1	0.005	\$34,073
04MOY162	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.1	0.005	\$34,073
04MOY165	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.1	0.005	\$34,073
04MOY163	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.09	0.005	\$36,507

\*Cost-effectiveness = funding requested ÷ estimated emission reductions. PM emissions are weighted by a factor of 10. Emission Reductions = [NOx reduced + (PM reduced x 10)] x years of project life.

## Projects Not Recommended for Funding

Project Number	Project Sponsor	Project Description	Requested Grant Award	# of Engines Funded	NOx Emission Reductions (tons/year)	PM Emissions Reductions (tons/year)	CMP C-E* (\$/ton) NOx + 10 x PM
04MOY157	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.07	0.004	\$37,655
04MOY167	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.07	0.004	\$37,655
04MOY69	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51020	\$112,352	1	0.22	0.011	\$39,834
04MOY127	South San Francisco Scavenger	Purchase one new CNG refuse collection vehicle	\$29,123	1	0.13	0.012	\$41,238
04MOY164	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.08	0.004	\$42,592
04MOY171	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.08	0.004	\$42,592
04MOY159	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.06	0.003	\$46,022
04MOY138	AC Transit	Purchase five gasoline-electric hybrid buses	\$600,000	5	1.276	0	\$47,022
04MOY205	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.003	\$47,943
04MOY210	Napa County Public Works	Install Level 1 PM emission control system on one truck	\$1,555	1	0	0.001	\$55,047
04MOY153	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.06	0.003	\$56,789
04MOY152	FedEx Freight	Install Level 3 PM/NOx emission control system on one delivery truck	\$19,000	1	0.05	0.003	\$63,888
04MOY195	San Francisco Dept. of Environment	Install Level 3 PM emission control system on two street sweepers	\$20,000	2	0	0.01	\$70,800
04MOY198	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.002	\$71,915
04MOY196	San Francisco Dept. of Environment	Install Level 3 PM emission control system on 10 street sweepers	\$130,000	10	0	0.05	\$92,040
04MOY68	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51019	\$112,352	1	0.08	0.004	\$109,543
04MOY177	County of Santa Clara	Install Level 1 PM emission control systems on one truck	\$3,360	1	0	0.001	\$118,944
04MOY179	County of Santa Clara	Install Level 1 PM emission control system on one truck	\$3,360	1	0	0.001	\$118,944
04MOY180	County of Santa Clara	Install Level 1 PM emission control system on one truck	\$16,800	5	0	0.005	\$118,944
04MOY199	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY200	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY201	Napa County Public Works	Install Level 3 PM emission control system on two trucks	\$8,126	2	0	0.002	\$143,830
04MOY203	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY204	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY206	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY207	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY208	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,063	1	0	0.001	\$143,830
04MOY73	Independent Construction	Tier 2 Engine Repower: 651B Scraper: Unit #51024	\$112,352	1	0.06	0.003	\$146,058
04MOY178	County of Santa Clara	Install Level 1 PM emission control system on one truck	\$3,360	1	0	0.00045	\$264,320
04MOY187	City of Oakland	Install Level 3 PM emission control system on 17 trucks	\$136,000	17	0	0.017	\$283,200
04MOY188	City of Oakland	Install Level 3 PM emission control system on 18 trucks	\$144,000	18	0	0.018	\$283,200
04MOY209	Napa County Public Works	Install Level 3 PM emission control system on two trucks	\$17,640	2	0	0.002	\$312,228
04MOY48	Independent Construction	Tier 2 Engine Repower: 641B Scraper: Unit #41004	\$112,352	1	0.02	0.002	\$328,630
04MOY202	Napa County Public Works	Install Level 3 PM emission control system on one truck	\$4,757	1	0	0.0004	\$431,789

\*Cost-effectiveness = funding requested ÷ estimated emission reductions. PM emissions are weighted by a factor of 10. Emission Reductions = [NOx reduced + (PM reduced x 10)] x years of project life.



**AB1390 Scores - Projects in Impacted Communities\***

Application Number	Project Sponsor	Project Description	Impacted Community	PM Exposure Points	Low Income Points	Project Impact Factor	Impacted Community Points	C-E (\$/ton)	Funds Requested	Cumulative Funds
04MOY121	Peoples Fuel Cooperative	Repower one delivery truck	Oakland, Berkeley, San Francisco	20	5	2	50	\$1,768	\$15,040	\$15,040
04MOY03	Amtrak	Replace one switcher locomotive w/ "Green Goat" diesel-hybrid locomotive	West Oakland	20	5	2	50	\$6,700	\$800,000	\$815,040
04MOY150	Bode Concrete, LLC	Repower two concrete transport mixers	San Francisco	20	5	2	50	\$7,625	\$88,144	\$903,184
04MOY129	Allied Concrete Mix Service	Repower two concrete delivery mixers	San Francisco	20	5	2	50	\$9,064	\$88,144	\$991,328
04MOY151	Bode Concrete, LLC	Repower four concrete transport mixers	San Francisco	20	5	2	50	\$10,558	\$176,288	\$1,167,616
04MOY04	Richmond Pacific Railroad	Install retrofit kit to reduce emissions from one switcher locomotive	Richmond	20	5	2	50	\$13,554	\$148,000	\$1,315,616
04MOY132	San Francisco Muni	Repower 12 articulated buses with reconditioned engines	San Francisco	20	0	2	40	\$12,196	\$199,992	\$1,515,608
04MOY135	NorCal Waste (Golden Gate)	Install Level 3 PM/NOx emission control systems on 15 refuse collection trucks	San Francisco	20	0	2	40	\$13,600	\$140,367	\$1,655,975
04MOY136	NorCal Waste (Sunset Scavenger)	Install Level 3 PM/NOx emission control systems on 61 refuse collection trucks	San Francisco	20	0	2	40	\$13,600	\$570,826	\$2,226,801
04MOY181	Blueline Transfer, Inc.	Install Level 3 PM/NOx emission control system on one refuse transfer truck	Richmond, Berkeley, Emeryville, Oakland, San Francisco	20	5	1	25	\$11,506	\$19,000	\$2,245,801
04MOY131	Waste Management, Inc	Install Level 3 PM/NOx emission control systems on 33 refuse collection trucks	Oakland	10	5	1	15	\$12,717	\$346,500	<b>\$2,592,301</b>

\* This list includes only those CMP grant applications that documented that the vehicle(s) or equipment covered by the grant will operate at least 30% of operating time or miles in an impacted com

## Attachment 3

### AB 1390 Methodology for Year 7 Carl Moyer Program

Health and Safety Code Section 43023.5 (AB 1390 - Lowenthal) requires that air districts with more than one million residents ensure that not less than 50 percent of State funds appropriated to reduce emissions from motor vehicles and diesel engines used in trucks, buses, marine vessels and other mobile sources “*are expended in a manner that directly reduces air contaminants or reduces the public health risks associated with air contaminants, ..., including, but not limited to airborne toxics and particulate matter, in communities with the most significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to communities or minority populations or low-income populations.*”

This document describes the methodology that the District used to select and prioritize projects for the purpose of complying with the AB 1390 mandate for the Year 7 Carl Moyer Program funding cycle. The methodology takes into account the following factors:

- PM2.5 exposure among sensitive populations; i.e., children and elderly residents.
- Low-income area
- Project impact: The degree to which a project would directly reduce emissions in an impacted community
- Project cost-effectiveness

District staff evaluated each Moyer Program application to determine: 1) its cost-effectiveness in reducing emissions; and 2) whether the project qualified for the purposes of AB 1390, based upon the criteria described below. Applications that met the AB 1390 criteria were included on the list of AB 1390-qualified projects shown in Attachment 2. If two projects had an equal AB 1390 point score, the project with the best cost-effectiveness (i.e., lower \$\$/ton of emissions reduced) received priority.

#### AB 1390 Criteria:

- **Impacted Community:** For purposes of AB 1390, the BAAQMD defines an Impacted Community as any area (grid square) which falls within the top 60% of total aggregate PM2.5 exposure for the Bay Area. PM exposure is calculated based upon annual person-tons exposure for children and elderly within each grid square. The attached map shows the areas which meet this definition. Areas with the highest PM2.5 exposure will receive more points, as shown in Table 1, Column A.
- **Low-Income Area:** An Impacted Community (based upon PM2.5 exposure, as defined above) in which 40% or more of households have incomes of 185% of federal poverty level or less (based on Year 2000 Census data) will qualify for 5 or 10 bonus points, as shown in Table 1, Columns B and C. This definition of “Low-Income” area is based upon the method used by the Northern California Council for the Community in its analysis entitled *The Bay Area’s Concentrated Poverty Neighborhoods*, using Year 2000 Census data. This analysis lists neighborhoods in which at least 40% of households have incomes below 185% of the Federal Poverty Level (FPL); i.e., \$30,895 or less for a family of four. *Note:*

no area can qualify as AB 1390-eligible on the basis of income data only.

- **Project Impact factor:** To qualify for consideration as an AB 1390-eligible project, the applicant must demonstrate that the project would reduce emissions in an Impacted Community. Specifically, the applicant must demonstrate that the equipment (vehicle or engine) covered by the application will operate at least 30% of its total annual operating time or miles in an Impacted Community. Applications in which the equipment will operate in an Impacted Community for a higher percentage of operating time or miles will receive greater weight, as follows:
  - 30%-50% of miles or hours in Impacted Community: multiply Impacted Community points by factor of 1
  - 51%-80% of miles or hours in Impacted Community: multiply Impacted Community points by factor of 1.5
  - 81% or more of miles or hours in Impacted Community: multiply Impacted Community points by factor of 2

The total AB 1390 score was calculated by multiplying a project’s Impacted Community and Low-Income points by the Project Impact Factor, as shown in the formula:

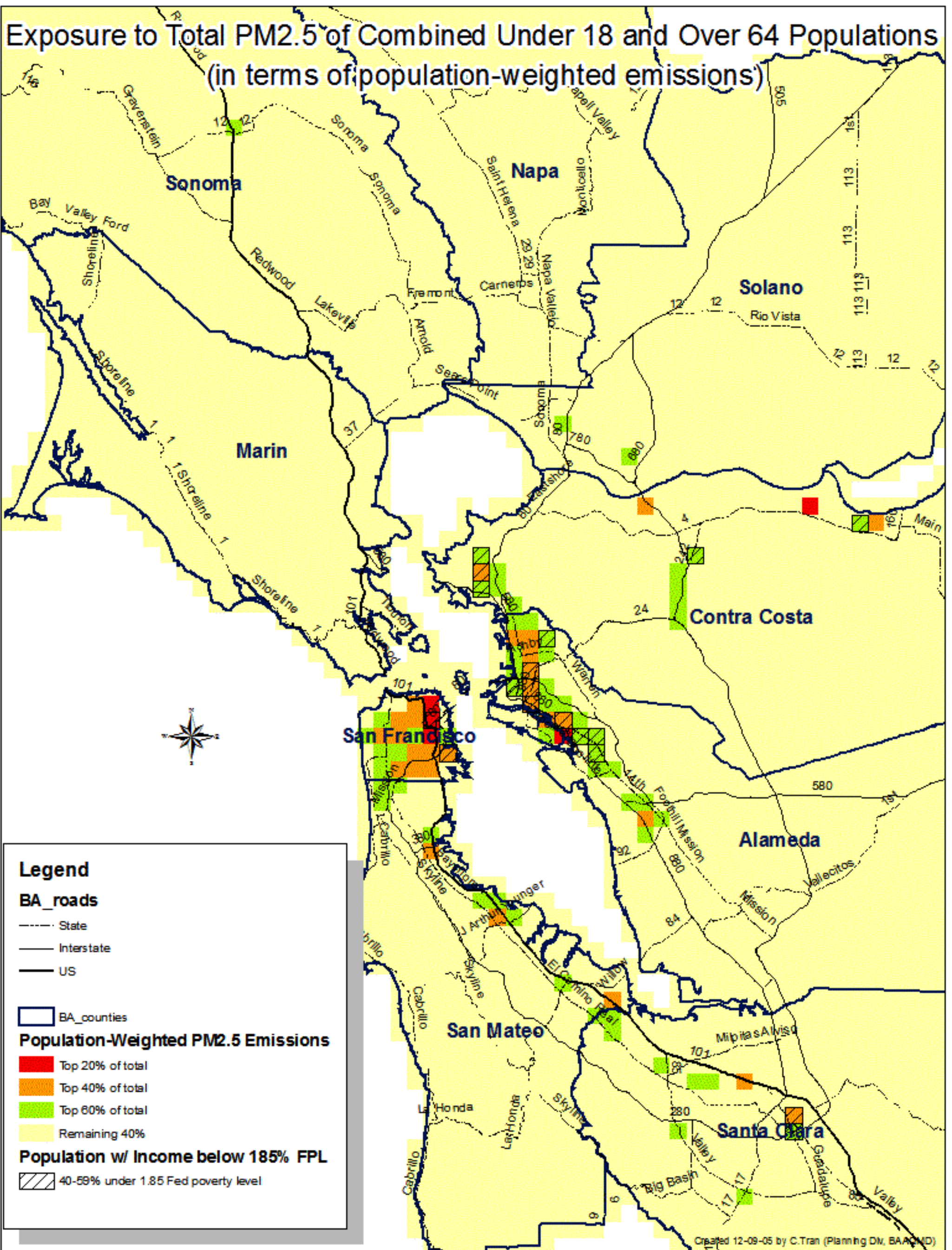
$$AB\ 1390\ score = (Impacted\ Community\ Points + Low-Income\ Points) \times Project\ Impact\ Factor$$

**Table 1 – Impacted Community Points**

Column A		Column B		Column C	
Exposure to PM2.5 *	# Points	Household Income	# Points	Household Income	# Points
Within highest 20% (1% - 20%)	30	40-59% of households below 185% of FPL	5	60% + of households below 185% of FPL	10
Within highest 40% (21% - 40%)	20	40-59% of households below 185% of FPL	5	60% + of households below 185% of FPL	10
Within highest 60% (41% - 60%)	10	40-59% of households below 185% of FPL	5	60% + of households below 185% of FPL	10
Not within highest 60% PM	0	NA		NA	

\* PM2.5 exposure is expressed in terms of person-tons per year for elderly and children. Percentages in Table 1, Column A are based upon grid squares that account for top 20% / 40% / 60% of total regional PM2.5 exposure for elderly and children.

# Exposure to Total PM2.5 of Combined Under 18 and Over 64 Populations (in terms of population-weighted emissions)



## Withdrawn or Ineligible Grant Applications

Withdrawn Applications				
Project Sponsor	Project Description	Funds Requested	Reason	
1	LB Railco	Retrofit two ALCO locomotives	\$60,000	Withdrawn by sponsor; retrofit kit is not yet CARB-verified.
2	Independent Construction	Tier 2 Repower: 637D Scraper: Unit #37016	\$193,094	Project sponsor sold unit
3	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51001	\$112,352	Project sponsor sold unit
4	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51002	\$112,352	Project sponsor sold unit
5	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51003	\$112,352	Project sponsor sold unit
6	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51004	\$112,352	Project sponsor sold unit
7	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51017	\$112,352	Project sponsor sold unit
8	Independent Construction	Tier 2 Repower: 651B Scraper: Unit #51018	\$112,352	Project sponsor sold unit
9	Independent Construction	Tier 2 Repower: 657B Scraper: Unit #57009	\$171,605	Already funded via CMP grant #02MOY61
10	Independent Construction	Tier 1 Repower: 657E Scraper: Unit #57016	\$146,023	Already funded via CMP grant #02MOY60
11	Independent Construction	Tier 1 Repower: 657E Scraper: Unit #57021	\$146,023	Already funded via CMP grant #02MOY60
12	Independent Construction	Tier 1 Repower: 657E Scraper: Unit #57022	\$146,023	Already repowered
13	Independent Construction	Tier 1 Repower: 657E Scraper: Unit #57037	\$146,023	Already repowered
14	DeSilva Gates Construction	Tier 2 Repower: 633D Scraper: Unit #108509	\$103,849	Already funded via CMP grant #04MMD02

Ineligible Applications				
Project Sponsor	Project Description	Funds Requested	Reason	
1	Bass-Tub	Repower one auxiliary engine in fishing boat <i>Bass Tub</i>	\$6,207	Not eligible because engine is less than 50 horsepower. CMP requires that engines be at least 50 hp.
2	Chucky's Pride	Repower one auxiliary engine on fishing boat <i>Chucky's Pride</i>	\$6,200	Not eligible because engine is less than 50 horsepower. CMP requires that engines be at least 50 hp.
3	Schnitzer Steel Products	Tier 2 Repower: 769C Haul Truck: Unit #60	\$157,393	Not eligible because these engines are subject to new CARB cargo-handling rule.
4	Schnitzer Steel Products	Tier 2 Repower: 769C Haul Truck: Unit #61	\$157,393	Not eligible because these engines are subject to new CARB cargo-handling rule.
5	Schnitzer Steel Products	Tier 2 Repower: 769C Haul Truck: Unit #65	\$157,393	Not eligible because these engines are subject to new CARB cargo-handling rule.
6	Pacheco Brothers	Purchase new Case 570M XT loader	\$59,950	Project will meet only baseline standard for existing engine. No "surplus" emissions reduced.
7	R. Rossi Company	Repower one tractor	\$13,000	The repower engine would not comply with CMP Program guidelines.
8	Norcal Waste Systems (Golden Gate Disposal)	Purchase 6 new liquified natural gas (LNG) refuse trucks	\$480,000	These would be Family Emission Limit (FEL) engines; CARB indicated there would be no surplus emissions reductions.
9	Norcal Waste Systems (Sunset Scavenger)	Purchase 5 liquified natural gas (LNG) refuse trucks	\$400,000	These would be Family Emission Limit (FEL) engines; CARB indicated there would be no surplus emissions reductions.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Smith and  
Members of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/ APCO

Date: March 2, 2006

Re: Status Report on the Carl Moyer Program Funding Allocation

RECOMMENDED ACTION

Information item only.

BACKGROUND

The Carl Moyer Memorial Air Quality Standards Program (Carl Moyer Program) was established by the Governor and Legislature of California in 1999. The Carl Moyer Program is administered by the California Air Resources Board (CARB) and local air pollution control and air quality management districts (air districts) to provide grants to implement heavy-duty diesel projects that result in surplus emission reductions. CARB sets the Carl Moyer Program guidelines and the participating air districts administer the program locally according to their regional needs.

During the first six years of the Carl Moyer Program, \$154 million was provided to air districts statewide to reduce emissions from approximately 7,000 engines. Recent legislative changes increased the Carl Moyer Program funding up to a maximum of approximately \$86 million per year statewide through 2015. The current methodology used by CARB to allocate the Carl Moyer Program funds to air districts annually was established in AB 923. The methodology takes into consideration a number of factors, including population of the air districts' jurisdictions, severity of the air quality problems experienced by the population, and the historical allocation of Carl Moyer Program funds. Air District staff believes that this methodology negatively impacts the amount of Carl Moyer Program funds allocated to the Bay Area.

DISCUSSION

Staff will update the Committee on discussion with the California Air Pollution Control Officers Association (CAPCOA) regarding changes to the allocation formula for the Carl Moyer Program funds to correct past problems.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer /APCO

Prepared by: J. Ortellado  
Reviewed by: H. Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Smith and  
Members of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 2, 2006

Re: Amendment to Transportation Fund for Clean Air (TFCA) Marin County  
Program Manager Expenditure Program

RECOMMENDED ACTION

Recommend Air District Board of Directors (Board) approval of an amendment to the Marin County Program Manager TFCA fiscal year (FY) 2005/2006 expenditure program, to award \$159,037 to the Town of Fairfax Department of Public Works for the Safe Routes to Schools Pedestrian/Bicycle Bridge and Sidewalk Project.

BACKGROUND

In July 2005, the Board approved the FY 2005/2006 TFCA Program Manager expenditure program for the Transportation Authority of Marin (TAM), totaling \$844,151. This left an unallocated balance of \$249,505 in the TFCA Marin County Program Manager funds. The TAM has requested Board approval of the allocation of \$159,037 from this balance to the Manor Circle Safe Routes to School Pedestrian/Bicycle Bridge and Sidewalk Project, to be implemented by the Town of Fairfax Department of Public Works.

DISCUSSION

The Manor Circle Safe Routes to School Pedestrian/Bicycle Bridge and Sidewalk Project will be constructed in the Town of Fairfax on the northwest side of Marin Road, adjacent to the Manor Circle Bridge, and along the southwest side of Sir Francis Drake Boulevard, from Marin Road south to Olema Road, respectively. The project is intended to achieve emission reductions by reducing vehicle trips to and from schools by providing access to biking and walking facilities for students attending Manor, Saint Rita, Cascade Canyon and Brookside schools. The estimated lifetime emission reductions for this project totals 1.89 tons, which results in a cost-effectiveness of \$74,415 (TFCA funds) per ton of reduced emissions. This project meets the Board-approved cost effectiveness threshold of \$90,000/ton of emission reductions and is eligible to receive TFCA funding. The project also meets all other applicable TFCA eligibility criteria.



BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Currently the TFCA Marin County Program Manager unallocated funds balance is \$249,505, and the requested \$159,037 of additional funding will be allocated from this balance.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer /APCO

Prepared by: Andrea Gordon  
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Smith and  
Members of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/ APCO

Date: March 2, 2006

Re: Biodiesel Feasibility Study and Pilot Project

RECOMMENDED ACTION

Receive and file report on Biodiesel Feasibility Study and Pilot Project.

BACKGROUND

At the April 11, 2002 Mobile Source Committee (Committee) meeting, the Committee directed staff to research a potential pilot project using or promoting the use of biodiesel fuel. On December 18, 2002, the Board approved a staff recommendation to use up to \$75,000 of Diesel Back-Up Generator Mitigation Funds, provided by the California Air Resources Board (CARB), to study the use of biodiesel and to develop a biodiesel pilot project. On January 17, 2003, the District released a Request for Proposals (RFP) to conduct a biodiesel feasibility study and implement a pilot project. The focus of the feasibility study was to research the quantity of recoverable biodiesel feedstock from Bay Area sources, to assess the environmental benefits from using biodiesel instead of petroleum diesel, and to identify obstacles and corresponding solutions to increasing biodiesel use in the Bay Area. The objective of the pilot project was to evaluate the conversion of local biodiesel feedstocks to biodiesel fuel for use in local fleets. On April 16, 2003, the Board approved the selection of two proposals, a biodiesel feasibility study by CytoCulture International, and a biodiesel pilot project by Biodiesel Industries. Following are the findings of the feasibility study and pilot project.

DISCUSSION

Biodiesel is a liquid fuel that can be used as an alternative to petroleum diesel. It is a renewable energy resource that is derived by reacting vegetable oils and animal fats with alcohols. Pure biodiesel, or B100, can be used directly, or as a blend with petroleum diesel, in diesel engines with little or no modifications. Biodiesel may currently be used in California if it meets CARB and Division of Measurement Standards diesel specifications. The cost of biodiesel in California is approximately one dollar more per gallon than the cost of conventional diesel.

**Biodiesel Feasibility Study**

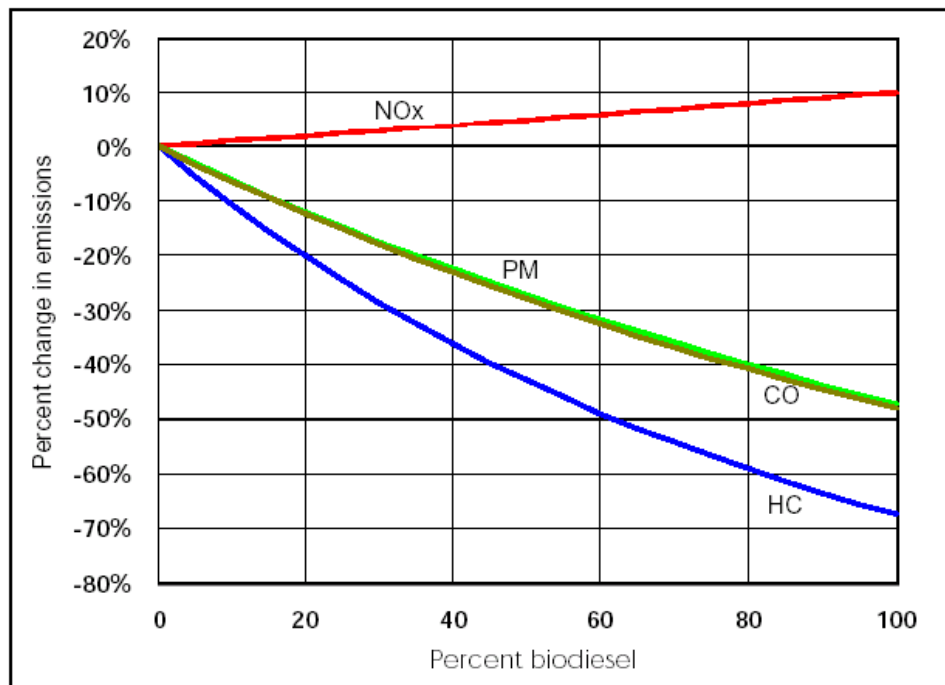
The feasibility study examines the environmental and economic benefits of increased biodiesel use in the Bay Area. The local production of biodiesel from local feedstocks for use in local fleets optimizes the environmental and economic benefits of this renewable fuel. However, local sources

of feedstocks to produce biodiesel (e.g. agricultural oils, “yellow grease” from restaurants and waste water treatment facilities, and fats from rendering plants) could only supplant approximately 5% of the Bay Area’s diesel fuel consumption. Currently, biodiesel provides roughly one-half percent of diesel fuel consumption in California. Approximately 3 million gallons of biodiesel were used in the Bay Area in 2004. The Bay Area is host to three biodiesel retail outlets, but most of the biodiesel consumed in the region is produced elsewhere.

Air Pollutant Emission Impacts

Preliminary estimates by US EPA of the air pollutant emission impacts of biodiesel compared to petroleum diesel are summarized in Figure 1, which shows the percent change in emissions for different blends of biodiesel compared to petroleum diesel.

**Figure 1 – Average Emission Impacts of Biodiesel for Heavy-Duty Highway Engines**



Source: USEPA, A Comprehensive Analysis of Biodiesel Impacts on Exhaust Emissions, 10/02.

**Note:** Percent change in emissions of PM and CO values are almost identical.

Figure 1 indicates that increasing the use of biodiesel in the Bay Area could help reduce emission of hydrocarbons (HC), particulate matter (PM) and carbon monoxide (CO). However, there could be a slight increase in emissions of oxides of nitrogen (NOx). Although NOx emissions from biodiesel are typically higher than the emission levels for conventional diesel, existing technologies (e.g., additives, fuel filters, different feedstocks and aftertreatment devices) may reduce NOx emissions. Other potential benefits of using biodiesel are substantially reduced emissions of toxic air contaminants and greenhouse gases. CARB is currently working with the National Biodiesel Board to establish a protocol for evaluating the emission reduction benefits of biodiesel.

**Biodiesel Pilot Project**

Biodiesel Industries conducted a pilot project that produced biodiesel from local feedstocks, such as “yellow grease” from restaurants, a wastewater treatment facility, and rendering companies. Fats from dairies were found not to be suitable as feedstock for biodiesel production. Biodiesel

Industries supplied B20 (20% biodiesel content) to four Bay Area fleets (Benziger Winery in Glen Ellen, Ecology Center in Berkeley, Peninsula Sanitation Service in Palo Alto, and Rental Car Shuttle in Oakland) that were previously using conventional petroleum diesel. Surveys completed by the fleet operators indicated a reduction in exhaust smoke with little or no change in mileage, engine noise, power, smoothness, starting, performance or maintenance.

### Conclusion

The pace at which biodiesel is being accepted into the marketplace is accelerating dramatically with increased interest in fuel diversity, renewable fuels, PM reductions and greenhouse gas reductions. The air quality benefits of implementing local biodiesel production for use in local fleets are encouraging, although the overall replacement of petroleum diesel with biodiesel will likely be relatively small on a volume basis. The price of biodiesel is becoming more competitive with that of petroleum diesel as a result of increased petroleum prices and new federal subsidies for biodiesel. Given these conditions, the production and use of biodiesel is expected to continue to increase in the Bay Area in the coming years.

Following are unresolved issues regarding the use of biodiesel that staff believes need to be resolved prior to the Air District supporting the use of this fuel to reduce air pollutant emissions:

- CARB certification of biodiesel as an emission reduction strategy needs to be completed.
- Issues surrounding quality control, fuel handling, and conversion of fleets to biodiesel have created problems in some fleets and need to be properly addressed prior to promoting the use of this fuel.
- Concerns regarding the potential increase of NOx emissions with the use of biodiesel are being addressed with new NOx emission control strategies and should be incorporated into new programs promoting biodiesel for air emission reductions.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer /APCO

Prepared by: J. Steinberger  
Reviewed by: H. Hilken

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chair, Gayle B. Uilkema and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: March 6, 2006

Re: Assembly Bill 1234 Compliance Overview and Discussion of Proposed  
Administrative Code Amendments

Assembly Bill 1234, Salinas, which became effective January 1, 2006, imposes certain new requirements regarding payment of compensation and reimbursement for expenses to members of bodies subject to the requirements of the Brown Act. In addition, AB 1234 requires ethics training for the same individuals as well as certain staff of affected agencies. The requirements of AB 1234 broadly apply to cities, counties and special districts and to every "legislative body" of those political subdivisions as defined by the Brown Act. For the Air District, AB 1234 applies to members of the Board of Directors, the Advisory Council and the Hearing Board. District Counsel, Brian C. Bunger will provide an overview of the implications of AB 1234 for the Air District.

Attached is a copy of the text of AB 1234 for your review.

Proposed amendments to the Administrative Code Division 1, Section 1-6: Operating Policies and Procedures of the Board of Directors, Section 7: Advisory Council and Section 8: Hearing Board will also be discussed.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

**Assembly Bill No. 1234**

\_\_\_\_\_

Passed the Assembly August 30, 2005

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

Passed the Senate August 29, 2005

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 25008 and 36514.5 of, and to add Article 2.3 (commencing with Section 53232) and Article 2.4 (commencing with Section 53234) to Chapter 2 of Part 1 of Division 2 of Title 5 of, the Government Code, to amend Sections 6060 and 7047 of the Harbors and Navigation Code, to amend Sections 2030, 2851, 4733, 4733.5, 6489, 9031, 13857, 13866, and 32103 of the Health and Safety Code, to amend Section 1197 of the Military and Veterans Code, to amend Sections 5536, 5536.5, 5784.15, and 9303 of the Public Resources Code, to amend Sections 11908, 11908.1, 11908.2, 16002, and 22407 of the Public Utilities Code, and to amend Sections 20201, 21166, 30507, 30507.1, 34741, 40355, 50605, 55305, 56031, 60143, 70078, 71255, and 74208 of, and to add Section 20201.5 to, the Water Code, relating to local agencies.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1234, Salinas. Local agencies: compensation and ethics.

Existing law provides for the establishment and operations of cities, counties, cities and counties, districts, and other local government agencies, the composition of their governing bodies, and the payment of governing body members for attending meetings and performing other duties, and prescribes conflicts of interest.

This bill would require a local agency that provides reimbursement for expenses to members of its legislative body to adopt a written policy on the duties for which legislative body members may receive compensation, other than meetings of the legislative body or an advisory body or attendance at a conference or organized educational activity. The bill would require such a governing body to adopt a written policy concerning what occurrences qualify a member to receive reimbursement of expenses for travel, meals, and lodging and would impose related requirements, including the filing of expense reports, which would be public records.

This bill would also require that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, all local agency

officials, except a member whose term of office ends before January 1, 2007, in local agency service as of January 1, 2006, or thereafter receive training in ethics, as specified. This bill would provide that if any entity develops criteria for the ethics training, then the Fair Political Practices Commission and the Attorney General shall be consulted regarding any proposed course content. This bill would specify, with respect to certain special districts, how a director's activities on a specific day are determined to be compensable and would make related changes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 25008 of the Government Code is amended to read:

25008. Members shall be allowed their actual expenses in going to, attendance upon, and returning from state association meetings and their actual and necessary traveling expenses when traveling outside their counties on official business. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

SEC. 2. Section 36514.5 of the Government Code is amended to read:

36514.5. City council members may be reimbursed for actual and necessary expenses incurred in the performance of official duties. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

SEC. 3. Article 2.3 (commencing with Section 53232) is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

#### Article 2.3. Compensation

53232. For the purposes of this article, the following terms have the following meanings:

(a) "Governing body" means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a special district.

(b) "Legislative body" has the same meaning as specified in Section 54952.



(c) “Local agency” means a city, county, city and county, charter city, charter county, charter city and county, or special district.

(d) “Meeting” has the same meaning as specified in subdivision (a) of Section 54952.2.

53232.1. (a) When compensation is otherwise authorized by statute, a local agency may pay compensation to members of a legislative body for attendance at the following occurrences:

- (1) A meeting of the legislative body.
- (2) A meeting of an advisory body.
- (3) A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).

(b) A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.

(c) This section shall not apply to any local agency that pays compensation in the form of a salary to members of a legislative body, including, but not limited to, those local agencies whose legislative bodies’ compensation is subject to Section 36516 or 36516.1, subparagraph (B) or (C) of paragraph (2) of subdivision (a) of Section 21166 or Section 22840 of the Water Code, Section 11908.1 of the Public Utilities Code, Section 6060 of the Harbors and Navigation Code, or subdivision (b) of Section 1 or Section 5 of Article XI of the California Constitution.

53232.2. (a) When reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234).

(b) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive

reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

(c) The policy described in subdivision (b) may also specify the reasonable reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses. If it does not, the local agency shall use the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.

(d) If the lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234), lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of subdivisions (c) and (e).

(e) Members of the legislative body shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

(f) All expenses that do not fall within the adopted travel reimbursement policy or the Internal Revenue Service reimbursable rates as provided in subdivision (c), shall be approved by the governing body, in a public meeting before the expense is incurred, except as provided in subdivision (d).

(g) This section shall not supersede any other laws establishing reimbursement rates for local agencies.

53232.3. (a) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then a local agency shall provide expense report forms to be filed by the members of the legislative body for reimbursement for actual and necessary expenses incurred on behalf of the local agency in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.

(b) Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.

(c) Members of a legislative body shall submit expense reports within a reasonable time after incurring the expense, as determined by the legislative body, and the reports shall be accompanied by the receipts documenting each expense.

(d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

(e) All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

53232.4. Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting polices may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.

(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.

(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

SEC. 4. Article 2.4 (commencing with Section 53234) is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

#### Article 2.4. Ethics Training

53234. For the purposes of this article, the following terms have the following meanings:

(a) “Legislative body” has the same meaning as specified in Section 54952.

(b) “Local agency” means a city, county, city and county, charter city, charter county, charter city and county, or special district.

(c) “Local agency official” means the following:

(1) Any member of a local agency legislative body or any elected local agency official who receives any type of

compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.

(2) Any employee designated by a local agency legislative body to receive the training specified under this article.

(d) “Ethics laws” include, but are not limited to, the following:

(1) Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.

(2) Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.

(3) Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

(4) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

53235. (a) If a local agency provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all local agency officials shall receive training in ethics pursuant to this article.

(b) Each local agency official shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years.

(c) If any entity develops curricula to satisfy the requirements of this section, then the Fair Political Practices Commission and the Attorney General shall be consulted regarding the sufficiency and accuracy of any proposed course content. When reviewing any proposed course content the Fair Political Practices Commission and the Attorney General shall not preclude an entity from also including local ethics policies in the curricula.

(d) A local agency or an association of local agencies may offer one or more training courses, or sets of self-study materials

with tests, to meet the requirements of this section. These courses may be taken at home, in-person, or online.

(e) All providers of training courses to meet the requirements of this article shall provide participants with proof of participation to meet the requirements of Section 53235.2.

(f) A local agency shall provide information on training available to meet the requirements of this article to its local officials at least once annually.

53235.1. (a) Each local agency official in local agency service as of January 1, 2006, except for officials whose term of office ends before January 1, 2007, shall receive the training required by subdivision (a) of Section 53235 before January 1, 2007. Thereafter, each local agency official shall receive the training required by subdivision (a) of Section 53235 at least once every two years.

(b) Each local agency official who commences service with a local agency on or after January 1, 2006, shall receive the training required by subdivision (a) of Section 53235 no later than one year from the first day of service with the local agency. Thereafter, each local agency official shall receive the training required by subdivision (a) of Section 53235 at least once every two years.

(c) A local agency official who serves more than one local agency shall satisfy the requirements of this article once every two years without regard to the number of local agencies with which he or she serves.

53235.2. (a) A local agency that requires its local agency officials to complete the ethical training prescribed by this article shall maintain records indicating both of the following:

(1) The dates that local officials satisfied the requirements of this article.

(2) The entity that provided the training.

(b) Notwithstanding any other provision of law, a local agency shall maintain these records for at least five years after local officials receive the training. These records are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

SEC. 6. Section 6060 of the Harbors and Navigation Code is amended to read:

6060. The commissioners shall serve without salary until the yearly gross income of the district, exclusive of taxes levied by the district, exceeds twenty thousand dollars (\$20,000) per year, when the board may, by ordinance, fix their salaries, which shall not exceed the sum of six hundred dollars (\$600) per month each.

In addition to any salary received pursuant to this section, the commissioners shall be allowed any actual and necessary expenses incurred in the performance of their duties. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 7. Section 7047 of the Harbors and Navigation Code is amended to read:

7047. Each director shall receive a sum as may be fixed by the board, not exceeding fifty dollars (\$50) for each meeting of the board attended by him or her, for not exceeding four meetings in any calendar month. A director may also receive traveling and other expenses incurred by him or her when performing duties for the district other than attending board meetings. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 8. Section 2030 of the Health and Safety Code is amended to read:

2030. (a) The members of the board of trustees shall serve without compensation.

(b) The members of the board of trustees may receive their actual and necessary traveling and incidental expenses incurred while on official business. In lieu of paying for actual expenses, the board of trustees may by resolution provide for the allowance and payment to each trustee a sum not to exceed one hundred dollars (\$100) per month for expenses incurred while on official business. A trustee may waive the payments permitted by this subdivision.

(c) Notwithstanding subdivision (a), the secretary of the board of trustees may receive compensation in an amount determined by the board of trustees.

(d) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 9. Section 2851 of the Health and Safety Code is amended to read:

2851. The members of the district board shall hold office at the pleasure of the board of supervisors. They shall serve without compensation, but shall be allowed their necessary traveling and other expenses incurred in performance of their official duties. In lieu of expenses, the district board may, by resolution, provide for the allowance and payment to each member of the board of a sum not exceeding one hundred dollars (\$100) as expenses incurred in attending each business meeting of the board. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 10. Section 4733 of the Health and Safety Code is amended to read:

4733. (a) The district board may fix the amount of compensation per meeting to be paid each member of the board for services for each meeting attended by the member. Subject to subdivision (b), the compensation shall not exceed one hundred dollars (\$100) for each meeting of the district board attended by the member or for each day's service rendered as a member by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.

(b) The district board, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the compensation received by the district board members above the amount of one hundred dollars (\$100) per day.

(c) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(d) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 11. Section 4733.5 of the Health and Safety Code is amended to read:

4733.5. Where two or more county sanitation districts have joined in the purchase, ownership, use, construction,

maintenance, or operation of a sewerage system, or sewage disposal or treatment plant, or refuse transfer or disposal system, or both, either within or without the districts, or have so joined for any combination of these purposes, as provided in Section 4742, and the districts hold their meetings jointly, and one or more of the directors serve as a director on more than one of these districts meeting jointly, the districts may, by joint resolution approved by each district, limit the compensation of a director to compensation equal to not more than fifty dollars (\$50) for each jointly held meeting attended by him or her, not to exceed one hundred dollars (\$100) in any one month for attendance at jointly held meetings. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 12. Section 6489 of the Health and Safety Code is amended to read:

6489. (a) Subject to subdivision (b), each of the members of the board shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.

(b) The district board, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the compensation received by board members above the amount of one hundred dollars (\$100) per day.

(c) The secretary of the sanitary board shall receive compensation to be set by the sanitary district board, which compensation shall be in lieu of any other compensation to which he or she may be entitled by reason of attendance at the meeting or meetings of the sanitary board.

(d) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.



(e) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 13. Section 9031 of the Health and Safety Code is amended to read:

9031. (a) The board of trustees may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. A member of the board of trustees shall not receive compensation for more than four meetings of the board in a month.

(b) The board of trustees, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation received for attending meetings of the board.

(c) In addition, members of the board of trustees may receive their actual and necessary traveling and incidental expenses incurred while on official business other than a meeting of the board.

(d) A member of the board of trustees may waive any or all of the payments permitted by this section.

(e) For the purposes of this section, a meeting of the board of trustees includes, but is not limited to, regular meetings, special meetings, closed sessions, emergency meetings, board field trips, district public hearings, or meetings of a committee of the board.

(f) For purposes of this section, the determination of whether a trustee's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 14. Section 13857 of the Health and Safety Code is amended to read:

13857. (a) Subject to subdivision (b), each member of the district board may receive compensation in an amount set by the district board not to exceed one hundred dollars (\$100) for attending each meeting of the district board. The number of meetings for which a member of the board of directors may receive compensation shall not exceed four meetings in any calendar month.

(b) The district board, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the compensation received by the district board members above the amount prescribed by subdivision (a).

(c) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 15. Section 13866 of the Health and Safety Code is amended to read:

13866. A district may authorize its directors and employees to attend professional or vocational meetings and pay their actual and necessary traveling and incidental expenses while on official business. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 16. Section 32103 of the Health and Safety Code is amended to read:

32103. The board of directors shall serve without compensation except that the board of directors, by a resolution adopted by a majority vote of the members of the board, may authorize the payment of not to exceed one hundred dollars (\$100) per meeting not to exceed five meetings a month as compensation to each member of the board of directors.

Each member of the board of directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 17. Section 1197 of the Military and Veterans Code is amended to read:

1197. The board shall consist of five members who shall be registered electors residing within the district or proposed district at the time of their election and shall be elected by the qualified

electors of the district. A majority of the seats on the board shall be designated for veterans, as defined in Section 940. Any board seat that is so designated, but is not currently filled by a qualifying individual, shall be filled by a qualified individual at the next election at which that seat is to be filled. Members shall serve without compensation, but shall be entitled to actual and necessary expenses incurred in the performance of duties. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 18. Section 5536 of the Public Resources Code is amended to read:

5536. (a) The board shall establish rules for its proceedings.

(b) The board may provide, by ordinance or resolution, that each of its members may receive an amount not to exceed one hundred dollars (\$100) per day for each attendance at a meeting of the board. For purposes of this section, a meeting of the board includes, but is not limited to, closed sessions of the board, board field trips, district public hearings, or meetings of a committee of the board. The maximum compensation allowable to a board member on any given day shall be one hundred dollars (\$100). Board members shall not receive any other compensation for meetings, and no board member shall receive more than five hundred dollars (\$500) compensation under this section in any one calendar month, except that board members of the East Bay Regional Park District may receive compensation for not more than 10 days in any one calendar month. A board member may elect to waive the per diem. In addition, the board may provide, by ordinance or resolution, that each of its members not otherwise eligible for an employer-paid or partially employer-paid group medical or group dental plan, or both, may participate in any of those plans available to permanent employees of the district on the same terms available to those district employees or on terms and conditions as the board may determine. A board member who elects to participate in any plan may also elect to have the premium for the plan charged against his or her per diem and may further elect to waive the balance of the per diem.

(c) All vacancies on the board shall be filled in accordance with the requirements of Section 1780 of the Government Code, except that, in the case of vacancies caused by the creation of

new wards or subdistricts, the directors shall, prior to the vacancies being filled, determine by lot, for the purpose of fixing the terms of the first directors to be elected to the wards or subdistricts, which ward or subdistrict shall have a four-year term and which ward or subdistrict shall have a two-year term. The persons who fill the vacancies caused by the establishment of new wards or subdistricts shall hold office until the next general election and until their successors are elected and qualified for the terms previously determined by lot.

(d) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 19. Section 5536.5 of the Public Resources Code is amended to read:

5536.5. Members of the board of directors may be allowed actual necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the district board. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 20. Section 5784.15 of the Public Resources Code is amended to read:

5784.15. (a) The board of directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. The board of directors, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation received for attending meetings of the board.

(b) The maximum compensation in any calendar month shall be five hundred dollars (\$500).

(c) In addition, members of the board of directors may receive their actual and necessary traveling and incidental expenses incurred while on official business.

(d) A member of the board of directors may waive the compensation.

(e) For the purposes of this section, a meeting of the board of directors includes, but is not limited to, regular meetings, special

meetings, closed sessions, emergency meetings, board field trips, district public hearings, or meetings of a committee of the board.

(f) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 21. Section 9303 of the Public Resources Code is amended to read:

9303. The directors shall receive no compensation for their services as such, but each shall be allowed reasonable and necessary expenses incurred in attendance at meetings of the directors or when otherwise engaged in the work of the district at the direction of the board of directors. The directors shall fix the amount allowed for necessary expenses, but no director shall be appointed to any position for which he or she would receive compensation as a salaried officer or employee of the district. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 22. Section 11908 of the Public Utilities Code is amended to read:

11908. The board shall establish rules for its proceedings and may provide, by ordinance or resolution, that each member shall receive for each attendance at the meetings of the board, or for each day's service rendered as a director by request of the board, the sum of one hundred dollars (\$100). No director shall receive any other compensation, nor receive pay for more than six days in any one calendar month. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 23. Section 11908.1 of the Public Utilities Code is amended to read:

11908.1. (a) Notwithstanding Section 11908, a district with a board having seven directors may provide, by resolution or ordinance, that each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for

each day's attendance at public meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, or, in lieu of that compensation, a salary of not to exceed six hundred dollars (\$600) per month subject to annual adjustments pursuant to subdivision (b), together with any expenses incurred in the performance of his or her duties required or authorized by the board. No resolution or ordinance establishing compensation pursuant to this subdivision shall provide for any automatic increase in that compensation.

(b) Any district which adopts salaries for directors pursuant to subdivision (a) may increase those salaries by not more than 5 percent for each calendar year following the operative date of the last adjustment, commencing with the calendar year following adoption of the salary or increase.

(c) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 24. Section 11908.2 of the Public Utilities Code is amended to read:

11908.2. Notwithstanding Section 11908, the board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may provide, by ordinance or resolution, that each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at public meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of 10 days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. The board may, by resolution or ordinance, increase the compensation per day by not more than 5 percent for each calendar year following the operative date of the last adjustment, commencing with the 1988 calendar year. No resolution or ordinance establishing compensation pursuant to this subdivision shall provide for any automatic increase in that compensation. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government

Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 25. Section 16002 of the Public Utilities Code is amended to read:

16002. Each member of the board shall receive the compensation that the board by ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 26. Section 22407 of the Public Utilities Code is amended to read:

22407. Each member of the board of directors shall receive compensation in an amount not to exceed one hundred dollars (\$100) for each attendance at the meeting of the board held within the district, which amount shall be fixed from time to time by the board. No director, however, shall receive pay for more than four meetings in any calendar month.

Each director shall be allowed, with the approval of the board, all traveling and other expenses necessarily incurred by the member in the performance of the member's duties. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 27. Section 20201 of the Water Code is amended to read:

20201. Notwithstanding any other provision of law, the governing board of any water district may, by ordinance adopted pursuant to this chapter, provide compensation to members of the governing board, unless any compensation is prohibited by its principal act, in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board, or for each day's service rendered as a member of the board by request of the board, and may, by ordinance adopted pursuant to this chapter, in accordance with Section 20202,

increase the compensation received by members of the governing board above the amount of one hundred dollars (\$100) per day.

It is the intent of the Legislature that any future increase in compensation received by members of the governing board of a water district be authorized by an ordinance adopted pursuant to this chapter and not by an act of the Legislature.

For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 28. Section 20201.5 is added to the Water Code, to read:

20201.5. Reimbursement for expenses of members of a governing board of a water district is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 29. Section 21166 of the Water Code is amended to read:

21166. Notwithstanding any other provision of law, a director, for sitting on the board or acting under its orders, shall receive both of the following:

(a) (1) Except as specified in paragraphs (2) and (3), compensation not to exceed one hundred dollars (\$100) per day, not exceeding six days in any calendar month.

(2) In districts that produce or distribute electric power, one of the following methods of compensation:

(A) Compensation not to exceed one hundred dollars (\$100) per day.

(B) A monthly salary of not to exceed six hundred dollars (\$600) per month.

(C) Annual compensation not to exceed fifteen thousand dollars (\$15,000). Any annual compensation pursuant to this subparagraph shall be fixed by the adoption of an ordinance pursuant to Sections 20203 to 20207, inclusive.

(3) Districts containing 500,000 acres or more are governed by Section 22840.

(b) Actual and necessary expenses when acting under the orders of the board.

For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be



made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 30. Section 30507 of the Water Code is amended to read:

30507. Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 31. Section 30507.1 of the Water Code is amended to read:

30507.1. Each director of the Contra Costa Water District shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board and for each day's service rendered as a director by request of the board, not exceeding a total of 10 days in any calendar month, together with any expenses incurred in the performance of duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 32. Section 34741 of the Water Code is amended to read:

34741. Until their compensation is fixed by the adoption of bylaws, the officers shall receive the following compensation for their services:

(a) The secretary, tax collector, treasurer, and assessor, such sums as shall be fixed by the board.

(b) Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 33. Section 40355 of the Water Code is amended to read:

40355. (a) A director, when sitting on the board or acting under its orders, shall receive not exceeding:

(1) One hundred dollars (\$100) per day, not exceeding six days in any calendar month.

(2) Ten cents (\$0.10) per mile for each mile traveled from his place of residence to the office of the board.

(3) Actual and necessary expenses while engaged in official business under the order of the board.

(b) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(c) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 34. Section 50605 of the Water Code is amended to read:

50605. (a) Each member of the board shall receive such compensation for services actually and necessarily performed as the board determines to be just and reasonable, and shall be reimbursed for expenses necessarily incurred in the performance of his duties as trustee.

(b) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 35. Section 55305 of the Water Code is amended to read:

55305. (a) The board of directors may fix the compensation of its members for their services as directors not to exceed ten dollars (\$10) for each meeting attended, not exceeding two meetings in any calendar month. If allowed by the board, a director shall also receive for performing duties for the district other than attending board meetings the following:

(1) An amount not to exceed one hundred dollars (\$100) for each day performing such duties.

(2) Traveling and other expenses incurred by him or her in performing his duties.

(b) For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 36. Section 56031 of the Water Code is amended to read:

56031. The district board shall have power to fix the amount of compensation per meeting to be paid each member of the board for his or her services for each meeting attended by him or her; provided, that the compensation shall not exceed ten dollars (\$10) for each meeting of the district board attended by him or her, together with expenses necessarily incurred by him or her in traveling between his or her place of residence and the place of meeting. However, no member shall receive compensation for attending more than three meetings of the board during any calendar month. This compensation shall be in addition to any other fees or compensation allowed by law for the other official positions specified in Section 56030 that are occupied by members of the district board. For purposes of this section, the determination of whether a director's activities on any specific

day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 37. Section 60143 of the Water Code is amended to read:

60143. Each director shall receive compensation in an amount not exceeding one hundred dollars (\$100) for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 38. Section 70078 of the Water Code is amended to read:

70078. Each member of the board shall receive compensation for services actually and necessarily performed, as the board determines to be just and reasonable, and shall be reimbursed for expenses necessarily incurred in the performance of his or her duties as director. The salaries of all officers and employees of the district shall be fixed and determined by the directors. The board of directors shall fix the compensation that the election officers shall receive for district elections. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 39. Section 71255 of the Water Code is amended to read:

71255. Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for

each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 40. Section 74208 of the Water Code is amended to read:

74208. Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

SEC. 41. The Legislature finds and declares that transparency in the activities of local governments is a matter of statewide concern and not merely a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this act shall apply to charter cities, charter counties, and charter cities and counties.

















Approved \_\_\_\_\_, 2005

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*Governor*