



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

July 19, 2006

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

Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

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

WEDNESDAY
JULY 19, 2006

BOARD ROOM
7TH FLOOR

9:45 A.M.

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance
Swearing in of New Board Member

Gayle B. Uilkema, Chair
Clerk of the Boards

PUBLIC COMMENT PERIOD

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

COMMENDATION/PROCLAMATION

The Board of Directors will recognize employees who have completed milestone levels of twenty-five (25), years of service with the Air District during this past first half of the year with a plaque.

CONSENT CALENDAR (ITEMS 1 – 6)

Staff/Phone (415) 749-

- Minutes of June 7, 2006
M. Romaidis/4965
mromaidis@baaqmd.gov
- Communications
Information only
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Monthly Activity Report
Report of Division Activities for the months of May and June 2006
P. Hess/4971
phess@baaqmd.gov
- 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 attached memoranda lists District personnel who traveled on out-of-state business.
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Quarterly Report of Air Resources Board Representative Honorable Mark DeSaulnier
J. Broadbent/5052
jbroadbent@baaqmd.gov
- Quarterly Report of the Clerk of the Boards
J. Broadbent/5052
jbroadbent@baaqmd.gov

COMMITTEE REPORTS AND RECOMMENDATIONS

7. Report of the **Stationary Source Committee** Meeting of July 13, 2006

CHAIR: J. SILVA

J. Broadbent/5052
jbroadbent@baaqmd.gov

8. Report of the **Mobile Source Committee** Meeting of July 17, 2006

CHAIR: T. SMITH

J. Broadbent/5052
jbroadbent@baaqmd.gov

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

- A) Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year 2006/2007;*
- B) Transferring TFCA Regional Funds from Vehicle Buy Back Program #612 to Spare the Air Program #306 to help fund up to 3 additional Spare the Air/Free Transit days this summer; and*
- C) Award of contract to perform audit of TFCA Program Manager Projects in the amount of \$77,320 to the firm of Macias, Gini & Company and authorize the Executive Officer/APCO to enter into contract for said amount.*

FINAL ACTION

9. Consider Approval of State Implementation Plan (SIP) Revision to Bay Area Transportation Conformity and Interagency Consultation Procedures

H. Hilken/4642
hhilken@baaqmd.gov

The Board will consider approval of a proposed SIP revision to the Bay Area Transportation Air Quality Conformity Protocol and Interagency Consultation Procedures that reflect recent changes to federal transportation conformity regulations.

PUBLIC HEARINGS

10. Public Hearing to Consider Adoption of District Regulation 2, Rule 10: Large Confined Animal Facilities, and Amendments to District Regulation 1, and Regulation 2, Rule 1, Related to Agricultural Sources of Air Pollution

J. Broadbent/5052
jbroadbent@baaqmd.gov

The proposed adoption of a rule for Large Confined Animal Facilities and associated rule amendments are needed to comply with the requirements of SB 700 regarding agricultural sources of air pollution.

OTHER BUSINESS

11. Report of the Executive Officer/APCO
12. Chairperson's Report

13. Board Members' Comments

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

14. Time and Place of Next Meeting - 9:45 a.m., Wednesday, August 2, 2006-939 Ellis Street, San Francisco, CA 94109

15. Adjournment

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

(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities. Notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.

COMMENDATIONS/PROCLAMATIONS

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Uilkema and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 6, 2006

Re: Commendations/Proclamations

RECOMMENDED ACTION:

The Board of Directors will recognize employees who have completed milestone levels of twenty-five (25) years of service with the Air District during this first half of the calendar year with certificates and pins.

BACKGROUND:

Bi-annually, the District recognizes employees who have contributed incremental years of dedicated service to the District. Formally, the Board recognizes and presents service awards to employees who have completed twenty-five (25) years or more of service to the District.

During the first half of calendar year 2006, there were 2 employees who completed twenty-five (25) years of service with the District. A list of these employees is attached.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Employee Recognition Awards

25 Years of Service

Collin Chun
Janie Morris

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: June 30, 2006

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of June 7, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the June 7, 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 – June 7, 2006

Call To Order

Opening Comments: Chair Gayle B. Uilkema called the meeting to order at 9:51 a.m.

Roll Call: Present: Gayle B. Uilkema, Chair, Harold Brown, Roberta Cooper, Chris Daly, Dan Dunnigan, Erin Garner (9:54 a.m.), Scott Haggerty (10:12 a.m.), Yoriko Kishimoto, Patrick Kwok, Janet Lockhart, Jake McGoldrick, Nate Miley (10:12 a.m.), Mark Ross, Michael Shimansky, Tim Smith, Pamela Torliatt, Brad Wagenknecht.

Absent: Mark DeSaulnier, Jerry Hill, Carol Klatt, Liz Kniss, John Silva.

Pledge of Allegiance: The Board of Directors recited the Pledge of Allegiance.

Public Comment Period: The following individual spoke:
Will Saltz
President, Employees' Association

Mr. Saltz urged the Board of Directors to approve the budget item relating to the San Francisco Special Police patrolling around the District building.

Director Erin Garner arrived at 9:54 a.m.

Commendations/Proclamations: The Board of Directors recognized and presented a plaque to outgoing Board member, Director Roberta Cooper, for her exemplary service on the Board of Directors.

The Board of Directors recognized and presented a proclamation to Allan R. Saxe for his outstanding service on the Air District's Hearing Board representing the attorney member category and adopted Resolution No. 2006-08 with the following Board members present:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Kishimoto, Kwok, Lockhart, McGoldrick, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Haggerty, Hill, Klatt, Kniss, Miley, Silva.

Adopted Resolution No. 2006-08: A Resolution to Express the Appreciation of the Board of Directors of the Bay Area Air Quality Management District to Allan R. “Bob” Saxe, Esq., for His Outstanding and Distinguished Service on the Hearing Board

Consent Calendar (Items 1 – 6)

1. Minutes of May 17, 2006 Meeting
2. Communications. Correspondence addressed to the Board of Directors. For information only.
3. District Personnel on Out-of State Business Travel
4. Consideration of an Amendment to the Side Letter of Agreement in the Memorandum of Understanding (MOU) Between the Air District and the Employees’ Association to Set Hourly Pay Rate for the High School Intern Classification

Considered approval of staff recommendation to amend a Side Letter of Agreement in the MOU between the District and the Employees’ Association setting hourly pay rate for the High School Intern Classification at the San Francisco minimum wage.

5. Considered Approving a Side Letter of Agreement Between the District and the Employees’ Association to Allow Concurrent Recruitments in the Laboratory Job Classification Series

The Board of Directors considered approval of a Side Letter of Agreement to allow concurrent recruitments in the laboratory job classification series.

6. Set Public Hearing for July 19, 2006 to Consider Adoption of District Regulation 2, Rule 10: Large Confined Animal Facilities, and Amendments to District Regulation 1, and Regulation 2, Rule 1, Related to Agricultural Sources of Air Pollution

The proposed adoption of a rule for Large Confined Animal Facilities and associated rule amendments are needed to comply with the requirements of SB 700 regarding agricultural sources of air pollution.

Board Action: Director Brown moved approval of the Consent Calendar; seconded by Director Wagenknecht.

It was noted that due to a typographical error, Item 6 was not included in the Consent Calendar. The motion was amended to include Item 6. The motion then carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Kishimoto, Kwok, Lockhart, McGoldrick, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Haggerty, Hill, Klatt, Kniss, Miley, Silva.

Adopted Resolution No. 2006-09: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Approving an Amendment to a Side Letter of Agreement in the MOU Between the Air District and the Employees' Association to Set the Hourly Pay Rate for the High School Intern Classification at the San Francisco Minimum Wage

Adopted Resolution No. 2006-10: A Resolution to Approve a Side Letter of Agreement Regarding Concurrent Recruitments for the Laboratory Job Classification Series

Committee Reports/Recommendations

7. Report of the Legislative Committee Meeting of May 22, 2006

Action(s): The Committee recommended that the Board of Directors approve the following bill positions:

Bill	Brief Description	Staff Recommendation
AB 32 (Nunez and Pavley)	<i>California Global Warming Solutions Act of 2006</i>	Support and seek amendments
AB 2264 (Pavley)	<i>Establishes fuel economy standards for new state vehicle purchases</i>	Support
AB 2276 (Pavley)	<i>Establishes ARB regulatory program for ozone-producing indoor air cleaning devices</i>	Support
AB 2444 (Klehs)	<i>Bay Area registration fee surcharge for congestion relief and environmental regulation</i>	Support and seek amendments
AB 2600 (Lieu)	<i>Extends current HOV lane use by natural gas vehicles</i>	Support
AB 2791 (Ruskin)	<i>Establishes California Clean Vehicle Discount Program</i>	Support
AB 3018 (Lieber)	<i>Establishes indoor air quality regulatory program administered by the ARB</i>	Support
SB 1205 (Escutia)	<i>Creates the California Children's Breathing Rights Act and changes air penalty law</i>	Oppose unless amended
SB 1601 (Lowenthal)	<i>Requires BACT on emissions sources at ports for new or renegotiated leases</i>	Support

Director Garner presented the report and stated that the Committee met on Monday, May 22, 2006.

Staff presented several bills for the Committee's consideration. The bills, a brief description, and the Committee's recommendations are listed above.

Staff also provided a brief update on the State budget and impacts to the District. Both houses are recommending an increase of \$10 million in the State Subvention Fund. If this increase remains in the final budget approved by the Governor, this Air District would receive \$1.7 million of the funds.

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

Board Action: Director Garner moved that the Board of Directors approve the recommendations of the Legislative Committee; seconded by Director Torliatt.

Directors Scott Haggerty and Nate Miley arrived at 10:12 a.m.

There was discussion on several of the bills. Chair Uilkema requested that AB 2444 be removed for a separate vote and Director Shimansky requested that AB 2600 be removed for a separate vote. The motion then carried unanimously without objection excluding AB 2444 and AB 2600.

The Board of Directors voted to approve the Legislative Committee recommendation of “support and seek amendments” on AB 2444 on the following roll call:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Smith, Torliatt, Wagenknecht.

NOES: Shimansky, Uilkema.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

The Board of Directors voted to approve the Legislative Committee recommendation of “support” on AB 2600 on the following roll call:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: Shimansky.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

8. Report of the Executive Committee Meeting of May 30, 2006

Director Ross presented the report and stated that the Committee met on Tuesday, May 30, 2006 and received and filed the Reports of the Hearing Board and Advisory Council. Advisory Council Chair, Kraig Kurucz, provided a brief update on the following topics: particulate matter, woodsmoke, climate change, goods movement, asthma and the Community Air Risk Evaluation (CARE) Program. Direction was provided to the Advisory Council regarding outreach to the community.

Staff provided an overview of the Environmental Protection Agency’s proposed revisions to the national ambient air quality standards for particulate matter. The report included background information, the proposed new standards, the new air quality standards

implementation schedule, background information on PM monitoring in the Bay Area, proposed changes to PM monitoring requirements and implications for Air District programs.

Staff provided a status report on the methodology for allocating Carl Moyer Program funds to the Bay Area and other regions. The California Air Pollution Control Officers Association (CAPCOA) has had discussions regarding changing the allocation to population-based, and ways to implement these changes to the allocation formula.

The update on the Joint Policy Committee was deferred to the next meeting of the Committee. The next meeting of the Committee will be at the Call of the Chair.

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

Jack Broadbent, Executive Officer/APCO, noted that a copy of the April 14, 2006 letter to the Environmental Protection Agency regarding the National Ambient Air Quality Standards for Particulate Matter was at each Board members place.

9. Report of the Budget and Finance Committee Meeting of May 30, 2006

Action(s): The Committee recommended that the Board of Directors approve the amendment of the FY 2006/2007 Budget by increasing the Federal BioWatch Grants Fund Revenue from \$478,609 to a total of \$1,943,818 and correspondingly increase the budget for BioWatch (Program 809), and authorize the Executive Officer/APCO to issue a purchase order not to exceed \$1,670,000.

Director Daly presented the report and stated that the Committee met on Tuesday, May 30, 2006 and staff presented the third quarter financial report for fiscal year 2005/2006.

The Committee recommends that the Board of Directors amend the fiscal year 2006/2007 budget by increasing the Federal Bio-Watch Grants Funds revenue from \$478,609 to a total of \$1,943,818 with a corresponding increase in the budget for BioWatch (Program 809), and by authorizing the Executive Officer to issue a purchase order not to exceed \$1,670,000. Director Daly noted that the Committee had extensive discussions on the BioWatch program.

Gary Caporicci from the CPA firm Caporicci & Larson presented the Audit Report for fiscal year 2004/2005. The District responded to the audit findings as follows:

1. Utilization Reports have been submitted to the Grant Management Office;
2. Beginning in May 2005, a separate time-code was implemented for the Toxics Monitoring Grant; and
3. An RFP has been issued to provide for bi-yearly audits of all Transportation Fund for Clean Air (TFCA) projects.

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

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

10. Report of the Personnel Committee Meetings of May 31, 2006 and June 7, 2006

Action(s): The Committee recommended that the Board of Directors approve the appointments of candidates to fill one regular Attorney position and one alternate Medical Profession position on the Air District's Hearing Board.

Director Kwok presented the report and stated that the Committee met on May 31, 2006 and June 7, 2006 to conduct interviews of candidates to fill the regular and alternate Attorney Member positions and the alternate Medical Profession position on the District's Hearing Board.

At the May 31st meeting, the Committee made two recommendations as stated below:

1. The Committee recommends that the Board of Directors approve the appointment of Dr. Jade Pyle to fill the alternate Medical Profession position on the District's Hearing Board to fill the remainder of a term that expires on April 17, 2007.
2. The Committee recommends that the Board of Directors approve the appointment of Rolf Lindenhayn to the regular Attorney Member position for a three-year term that expires on June 3, 2009.

The Committee met today on the alternate Attorney Member position and, after considerable discussion, recommends that the position be re-advertised.

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

Board Action: Director Kwok moved that the Board of Directors approve the Personnel Committee recommendations for the appointments of the regular Attorney Member position and the alternate Medical Profession position on the District's Hearing Board for the stated terms of office; and that the alternate Attorney Member position is re-advertised; seconded by Director Kishimoto; carried unanimously without objection..

11. Report of the Public Outreach Committee Meeting of May 31, 2006

Director Wagenknecht presented the report and stated that the Public Outreach Committee met on Wednesday, May 31, 2006.

Staff provided an update on the 2006 Spare the Air program. The Spare the Air/Free Fare program begins on June 1st and ends October 13th. There are now 24 participating transit operators. Staff reviewed the goals and objectives, advertising, outreach, events and the employer program.

Tracy Keough of O'Rorke, presented the "It's a Beautiful Day" campaign and the Committee heard several radio and television spots.

Immediately after the meeting, the press conference announcing the Spare the Air/Free Fare campaign took place on Treasure Island. An overview of the media coverage resulting from this successful press release is at each Board member's place.

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

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

The television ads that were presented to the Public Outreach Committee were viewed by the Board. Mr. Broadbent stated that copies of the videos will be sent to each Board member.

12. Report of the Ad Hoc Climate Protection Committee Meeting of June 1, 2006

Action(s): The Committee recommended that the Board of Directors' approve of a contractor to conduct a Greenhouse Gas Mitigation Study.

Director Torliatt presented the report and stated that the Ad Hoc Committee on Climate Protection met on Thursday, June 1, 2006.

Staff presented a status report on the District's climate protection activities, which includes the following initiatives:

- A Climate Protection Summit which will be held on November 10, 2006 with Al Gore as the keynote speaker.
- A Green house gas (GHG) study to begin in June 2006 and continue through October 2006.
- A Bay Area GHG emission inventory.
- Promotion of energy efficiency.
- In-house GHG emissions reductions.
- Green schools.
- Integration with Air District activities

The Committee requested staff develop "talking points" on what people can do regarding climate change.

Staff provided an overview of the process for selecting a contractor to conduct a Greenhouse Gas Mitigation Study. The Committee recommends that the Board of Directors approve URS Corporation as the contractor to conduct a study on Greenhouse Gas Mitigation; and authorize the Executive Officer to execute a contract with the selected contractor for an amount not to exceed \$100,000 to conduct the study.

Shannon Eddy of the California Climate Action Team provided a summary on recent State climate protection activities, including key recommendations and emission reduction strategies.

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

Board Action: Director Torliatt moved that the Board of Directors approve the recommendation and report of the Ad Hoc Committee on Climate Protection; seconded by Director Kishimoto; carried unanimously without objection.

Mr. Broadbent announced that the “talking points” mentioned in the report are at each Board member’s place.

In response to questions from Director McGoldrick, Mr. Broadbent stated that the Air District is trying to get other sponsors for the symposium and that he will report back to the Board with information on the honorarium for Mr. Gore.

Public Hearings

13. Public Hearing on Proposed Amendments to Regulation 3: Fees and Approval of the filing of a CEQA Notice of Exemption

The proposed amendments to Regulation 3: Fees increases fees effective July 1, 2006 in order to enable the District to address increasing regulatory program activity costs.

Brian Bateman, Director of Engineering, presented the report and provided background information on the District’s authority to assess fees and the 2005 Cost Recovery Study.

Mr. Bateman reviewed the details of the proposed fee amendments, presented examples of permit renewal fee increases, and summarized the rule development process. Mr. Bateman stated that these amendments would be effective July 1, 2006. Staff recommends that the Board adopt the proposed amendments to Regulation 3: Fees; and approve the filing of a California Environmental Quality Act (CEQA) Notice of Exemption.

There was extensive discussion on dry cleaners and incentive programs for those dry cleaners that do not use perc. Peter Hess, Deputy APCO, noted that dry cleaners are not charged a permit fee if they use a non-air polluting system.

Chair Uilkema opened the public hearing at 11:00 a.m. There being no public speakers, the public hearing was closed at 11:01 a.m.

Board Action: Director Wagenknecht moved that the Board of Directors adopt the staff recommendation on amendments to Regulation 3: Fees; seconded by Director Brown; carried unanimously with the following Board members voting.

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

Adopted Resolution No. 2006-11: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending Regulation 3 – Fees

14. Final Public Hearing on the Proposed District Fiscal Year 2006/2007 Operating Budget

Pursuant to California Health and Safety Code Section 40131, the Board of Directors conducted the final public hearing on the proposed District Budget and considered adoption.

Mr. Broadbent presented the report and provided background information and the overall direction for the fiscal year 2006/2007 budget. Mr. Broadbent summarized events leading to the request for the enhanced security item in the budget. Jeff McKay, Chief Financial Officer, provided additional information on the enhanced security options and noted that the proposed funds for this security have been reduced from \$160,000 to \$100,000. In addition, neighboring businesses have been approached regarding their participation in helping to defray the costs.

Board Action: Director Kwok moved that the Board of Directors adopt the proposed 2006/2007 budget, including the \$100,000 for enhanced security and the increase in the budget for BioWatch (Program 809); seconded by Director Cooper.

Chair Uilkema opened the public hearing at 11:14 a.m. There being no public speakers, the public hearing was closed at 11:15 a.m. The motion then carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, Dunnigan, Garner, Haggerty, Kishimoto, Kwok, Lockhart, McGoldrick, Miley, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Hill, Klatt, Kniss, Silva.

Adopted Resolution No. 2006-12: A Resolution to Approve the Budget for the Fiscal Year Ending June 30, 2007 (FY 2006-2007) and Various Budget Related Action

Other Business

16. Chairperson's Report – Chair Uilkema reported on the following items:
 - A) The June 22nd and July 5th Regular Board meetings are cancelled. The next Regular Board meeting will be held on July 19, 2006.
 - B) The June 12th Mobile Source Committee meeting has been rescheduled to July 10th.
 - C) The June 26th Public Outreach Committee and June 28th Budget and Finance Committee meetings are cancelled.
 - D) If any Board member has concerns about the April 14th letter to EPA, they should discuss them with Mr. Broadbent or the Chair.
 - E) There will be some changes to the Standing Committee assignments.
 - F) The 2005 Annual Report is at each Board member's place.

15. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following items:
 - A) The Spare the Air campaign started on June 1st and there was a successful kick-off event on Treasure Island on May 31st.
 - B) A list of upcoming community events is at each Board member's place.
 - C) The Annual Report is out.

D) The Air & Waste Management Association's annual conference is the week of June 19th and is being held in New Orleans, Louisiana.

Mr. Hess highlighted some events and workshops at the Air & Waste Management Association's conference this year.

17. Board Members' Comments – Director Haggerty reported on the Special District Institute workshop he attended from June 1st to June 2nd in San Diego.

Several Board members expressed their appreciation to Director Cooper and wished her well on her retirement.

Director Kwok recognized the staff for the work done on the budget preparation.

18. Time and Place of Next Meeting – 9:45 a.m., Wednesday, July 19, 2006 – 939 Ellis Street, San Francisco, CA 94109
19. Adjournment – The meeting adjourned at 11:25 a.m.

Mary Romaidis
Clerk of the Boards

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: June 11, 2006

Re: Board Communications Received from June 6, 2006 through July 18, 2006

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications received by the Air District from June 6, 2006 through July 18, 2006, if any, will be at each Board member's place at the July 19, 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: May 17, 2006

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

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

Payroll System Replacement

Completed this Month

- Bay Area Air Quality Management District entered the transactions to test the accruals program.
- Bay Area Air Quality Management District completed auditing the benefits to deduction interface and the hours and compensation population.

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.

Production System

OpenText will be asked to produce the Pilot Design. The resulting design will be used to build a Pilot of the Authority-to-Construct process.

Facilities Projects in Process:

Project	Start	Complete	Status
Phase IV HVAC Replacement (Health Item)	9/01/05	8/30/06	Decision has been made to select Sterling Environmental as the Asbestos Abatement Contractor to clean and dispose of rooftop ducts.
Roof Anchors (Safety Item)	11/01/05	5/10/06	Installation of safety anchors completed. OPOS guidelines to follow end of June.
Life Safety Fire Alarm upgrades.	8/03/04	8/30/06	99.9% completed waiting for final hook up and testing.
West exterior wall sealing and painting. (Priority Item)	11/29/05	6/30/06	Forecast good weather ahead. Contractor setting up staging to start sealing and painting.
New fire doors for stair wells and lower parking lobby areas.	10/20/05	5/18/06	Delay due to manufacturers production errors. Correct size replacement doors arrived at District site on 4/7. <u>COMPLETED</u>
6 th floors new office additions.	10/15/05	7/30/06	<u>COMPLETED</u>
Guard rails for equipment room penthouse rooftop.	3/02/06	4/30/06	Guard rails as required by CalOSHA to prevent accidental falls by maintenance personnel. <u>COMPLETED</u>
Roof top penthouse equipment room needs a new roof.	2/15/06	8/30/06	Existing roof is old and needs to be replaced at the earliest possible date.

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

Staff met with Shell Oil representatives on May 16, 2006 to discuss operations of the #3 Sulfur Recovery Unit that caused a visible sulfur trioxide plume on March 26, 2006. Staff met with Pacific Steel Castings representatives on May 25, 2006 to discuss recent violations, the Health Risk Assessment progress, and the Odor Management Plan. Staff attended the Alameda County Environmental Task Force meeting on May 10, 2006.

Compliance Assurance Program

During the month of May, 672 facility inspections were conducted. Staff responded to an incident at Conoco Phillips Refinery in Rodeo on May 1, 2006 that resulted in a shelter-in-place order. Staff continues its investigation of the incident. Staff held an Idling Port Truck workgroup meeting to receive progress reports on the Marine Terminal Operators' appointment systems and the pilot Global Positioning System (GPS) tracking goods movement project. Representatives of Veeder-Root, a manufacturer of fuel management systems, gave a presentation to staff on In-Station Diagnostics (ISD) that monitor a gas station's vapor recovery equipment. Staff attended the public hearing in Sacramento on CARB's proposed amendments to the perchloroethylene dry cleaning Air Toxics Control Measure (ATCM).

Compliance Assistance

The refinery Flare Minimization Plan (FMP) final status reports were submitted to the District on May 1, 2006 by all five refineries. Staff has determined that all the refineries appear to be on track towards the August submittal of their FMPs, with two refineries requiring additional review and evaluation. Staff attended a meeting with representatives from the Port of Oakland and CARB who are working on the Port Trucks and Possible Mitigation Strategies. Staff met with Nummi representatives regarding their Environmental Excellence Program and agreement was reached on the layout of the draft compliance handbook that will act as a supplement to Nummi's ISO 14001 program. On May 19, 2006 staff spoke to a meeting of 25 farm owners and managers to discuss the District's regulations. The event was sponsored by the Santa Clara Agricultural Department for the continuing education program that farmers are required to take, and other agencies were also in attendance and gave presentations. Staff met with Napa County CDF and City of Napa Fire Protection representatives regarding their "Firewise" program to discuss a possible partnership to reduce open burning emissions by collaborating on their existing chipping program. Their program is a very good proactive/preventative measure that prevents open burning of vegetation. Green Business compliance certifications done for businesses in Alameda and Santa Clara Counties were completed.

Operations

Staff helped coordinate presentations at the Advisory Council Public Health Committee May 10, 2006 meeting given by representatives from the hearth products and the real estate industries. These representatives commented on woodstove change out programs and their industries' different responses to such woodsmoke control measures. In-Service Training was conducted covering the following topics: Flare control, Reportable Compliance Activities, Regulatory calendar update, Source Trial Testing, Instruments and Explosion Levels, Vehicle fueling safety, and summer-related safety concerns. A report on the market value of the District owned radio frequencies was received from consultant Spectrum Resources. An extension was granted for orchard pruning and crop replacement burns through the end of May due to the heavy spring rains.

(See Attachment for Activities by County)

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

The Toxic Evaluation Section completed a total of 25 Health Risk Screening Analyses (HRSAs) during May. The majority of these HRSAs were for diesel engine emergency generators and gas stations. Staff continued working with Occidental College on the Environmental Garment Care Demonstration Project. Staff participated in CARB's process to revise Airborne Toxic Control Measures for Perchloroethylene Dry Cleaners and Chrome Plating Operations. Work continued on reviewing source test results from Pacific Steel Casting in Berkeley. This information will be used to update the facility's emissions inventory and prepare a Health Risk Assessment under the Air Toxics Hot Spots Program.

Title V Program

Staff has prepared the latest revisions to the refinery Title V permits, and Statements of Basis, for EPA review. The Chevron and ConocoPhillips permit revisions were issued in May, and the revisions for the other refineries should be issued in June. Proposed Title V permit renewals were issued for City of Sunnyvale Water Pollution Control, and Strongwell (San Jose). A significant revision to the TriCities Waste Management (Fremont) Title V permit was also proposed.

Permit Evaluation Program

The District received 143 permit applications in May. Staff met with Pacific Steel Casting and their consultants to discuss the design of the proposed Plant 3 collection and control system to abate odorous emissions. Draft permit conditions and a draft evaluation report have been prepared, and it is expected that an Authority to Construct for this control system can be issued in June. Staff continued permit evaluations underway for several large refinery projects.

Engineering Special Projects Program

A number of meetings were held in May including a meeting with PG&E to discuss a banking application for the closure of the Hunters Point Power Plant, and a meeting with ConocoPhillips refinery to discuss an IERC banking application. Staff attended a CAPCOA Engineering Managers Symposium. Permitting issues related to a drying operation at ConAgra in Gilroy were resolved and an Authority to Construct was issued. The permit evaluation for a proposal by Ameresco Inc. to install six landfill gas-fired engines at the Ox Mountain Landfill in Half Moon Bay is nearly complete. The project will be the first landfill gas combustion project to include catalytic controls for NOx and CO. Staff continued to participate in efforts to design the new production system database.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel’s Office received 123 Violations reflected in Notices of Violation (“NOVs”) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 59 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 2 Final 30 Day Letters regarding civil penalties for 4 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$38,900 in civil penalties for 55 Violations reflected in NOVs.

Counsel in the District Counsel’s Office initiated settlement discussions regarding civil penalties for 10 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel’s Office resulted in collection of \$40,750 in civil penalties for 27 Violations reflected in NOVs.

(See Attachment for Penalties by County)

PLANNING DIVISION – H. HILKEN, DIRECTOR

Rule Development Program

Staff hosted a public workshop to receive comments on draft amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines. Staff also visited a number of stationary gas turbine operators to discuss issues particular to each site. Staff continues to work internally and with affected parties to develop proposals for organic liquid storage tanks, commercial charbroiling, stationary internal combustion engines, gasoline bulk terminals and bulk plants, refinery cooling towers, and volatile organic compound exemptions. Staff hosted a bidder’s conference regarding the RFP for a Greenhouse Gas Mitigation Study. Staff reviewed bids submitted in response to the RFP, conducted interviews and recommended a firm to conduct the study for Board of Directors approval.

Air Quality Planning Program

Staff hosted the third meeting of the Climate Protection Summit Steering Committee. Staff participated in the BAAQMD/MTC/ABAG Focusing Our Vision Stakeholders Forum. Staff made a presentation to the Mobile Source Committee regarding delegation of authority to MTC to hold a public hearing on proposed revisions to Bay Area transportation conformity procedures. Staff made a presentation to the Executive Committee on the proposed revisions to federal particulate matter standards. Staff participated in a steering committee meeting for the 2006 Lake Arrowhead Land Use Conference. Staff prepared three letters regarding the air quality impacts of development projects and plans in the Bay Area: Broadway NOP – City of Oakland; Riverfront Residential Project – City of Petaluma; Palo Alto Medical Foundation Hospital San Carlos Campus – City of San Carlos.

Research and Modeling

Staff attended a Central California Ozone Study (CCOS) and California Regional Particulate Air Quality Study (CRPAQS) symposium organized by ARB and San Joaquin Valley APCD in Fresno at which these two programs and their key players were introduced to public. District staff gave a presentation on ozone chemistry during the symposium. Staff participated in the CCOS and CRPAQS Technical and Policy Committee meetings and conference calls. The CCOS established a contract with Sonoma Technology, Inc. to improve emissions estimation from truck activities in the CCOS domain. Staff participated in several CARE related meetings and discussed how to improve emissions estimations from residential wood burning, interpret data obtained from the chemical analysis of filter samples, and prepare demographics maps showing emissions and sensitive population.

OUTREACH AND INCENTIVES – J. COLBOURN, DIRECTOR

Spare the Air: Air District Board members and staff were interviewed by various print (SF Chronicle, ANG newspapers, Sing Tao Daily news) and electronic media (KTVU, KGO, KCBS, KNTV, KLIV, & STSF) during the May 31, 2006 kick-off event for the 2006 Spare the Air/Free Fare season. Local media personalities (KTVU's Sal Castaneda & KRON's Chief Meteorologist Mark Danon) joined the District's Executive Officer at Treasure Island to officially announce the start of the season. This year, 24 Bay Area transit agencies will participate in "Free Fare," an incentive expected to encourage increased use of public transit on days with high or unsafe ozone levels. Unlike previous years, "Free Fare" will allow commuters to travel all-day, free-of-charge on the first three Spare the Air weekday alerts. The offer does not include weekends.

Community Outreach: Staff met this month with representatives from the City of Pleasanton and Enterprise Rideshare regarding the second "Great Race for Clean Air." This "race" is a follow up to last year's successful event which was sponsored and coordinated by the District's Tri-Valley Resource Team. All Bay Area commuters who "Spared the Air" by using four alternative travel modes (walking, biking, public transportation, or carpooling) became eligible for prizes awarded at the end of the month-long race. This year's race will draw on resources from all six of the District's Spare the Air Resource Teams.

Railyard MOU: Staff collaborated with California Environmental Associates staff on Railyard MOU "next steps." Community requests included a tour of the Union Pacific RR yard; a tour of the Port of Oakland's proposed inter-modal yard; a tour of Union Pacific RR tracks transiting San Leandro; and, finally, community meetings with Railroad and CARB officials to discuss health risk assessments, railroad operations, and other issues.

West Oakland Toxics Reduction Collaborative: Staff attended a May 16, 2006 meeting of the Truck Incentives Workgroup at the Port of Oakland. Discussions focused on trucker economics, the creation of an owner-operator database, funding for effective, grass-roots outreach to independent truckers and/or truckers unable to comprehend English, and the feasibility of a vehicle buy-back program for diesel trucks.

Staff approved a second printing of anti-idling brochures for the “Ditching Dirty Diesel” Collaborative. The brochures will be used by members of the Collaborative to raise public awareness of the serious health effects of prolonged exposure to diesel particulate matter, and were used (with multi-lingual door hangers) during last year’s “Anti-Idling Day.” The Air District supported this effort by contributing \$5,000.00 to cover initial and follow-up printing costs.

Media: The Director of Outreach and Incentives spoke at a May 18, 2006 “Bike-to-Work-Day” “ribbon-cutting” event in Oakland. The District contributed 60K in TFCA funds to install 165 bicycle racks at commercial districts, schools & parks throughout Oakland. Total project costs were more than 74K, and the 165 bicycle racks have the capacity to hold in excess of 380 bicycles. Bicycles are routinely used by commuters using BART and are a mode of transportation commonly used by conscientious Bay Area residents as they make “Clean Air Choices.”

Grants: Staff continued preparation of funding agreements and pre-project inspections for Board-approved grant awards totaling \$15.9 million in combined funding from the Carl Moyer Program and the Mobile Source Incentive Fund (MSIF). Staff made a presentation on grant opportunities available to school districts to the Contra Costa County Southwest Area Transportation Committee (SWAT) on May 1, 2006. Staff attended a training session of fuel cell refueling at the PG&E yard in San Francisco on May 9, 2006. On May 15, 2006 staff presented to the Mobile Source Committee the proposed revisions to the Transportation Fund for Clean Air (TFCA) Regional Fund policies and evaluation criteria for fiscal year 2006/2007, which were approved by the Board of Directors on May 17, 2006 and the TFCA Report on FY 2005/2006 Allocations and Effectiveness. The call for TFCA Regional Fund grant applications for fiscal year 2006/2007 was released on May 26, 2006. Interviews for the positions of Supervising Environmental Planner and Environmental Planner I were conducted this month. A total of 499 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back Program contractors, bringing the total since the inception of the program to 30,327 vehicles.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Quality

Air quality for the Bay Area was in the Good or low-Moderate AQI category through May 13, 2006 due to continued onshore flow. On May 14, 2006 temperatures climbed into the low 90s due to a rapid strengthening of a high pressure system over California. This caused ozone levels to reach the high-Moderate AQI category at inland locations. On the May 14, 2006 the State 8-hour standard was exceeded at San Martin (97 AQI), Gilroy (92 AQI), Fremont (72 AQI), and San Jose (69 AQI). The State 1-hour ozone was also exceeded at Livermore and Fremont. On the next day, May 15, 2006 onshore flow returned as the high pressure system moved eastward. Air quality AQI levels returned to the Good category and remained in the Good category until the end of the month.

Air Monitoring

All 29 air monitoring stations were operating during the month of May 2006 with all equipment operating on routine, EPA-approved schedules.

Meteorology and Forecasting

February 2006 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 completed correcting errors and omissions in the EPA AQS database for PM_{2.5} data. The Spring calibration of the District meteorological network was completed.

Quality Assurance

The Quality Assurance (QA) group conducted regular, mandated performance audits of 31 monitors at 8 Air District monitoring stations. H₂S and SO₂ monitors were audited at the ConocoPhillips Refinery and the ConocoPhillips Carbon Plant Ground Level Monitoring networks.

Laboratory

In addition to ongoing, routine analyses, five ambient air samples taken from the vicinity of ConocoPhillips during the May 1, 2006 flaring incident were analyzed for reduced sulfur compounds, sulfur dioxide and total non-methane organic compounds (NMOC). The NMOC of two samples were speciated. The initial boiling point of a cleaning solvent from Hewett Packard was determined. The concentrations of two hydrogen sulfide and three sulfur dioxide calibration standards from Air Monitoring were verified.

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 April was reviewed. The Source Test Section participated in the District's Rule Development efforts for Refinery Cooling Towers, Gasoline Bulk Terminals, Char-broilers, and Stationary Gas Turbines.

These facilities have received one or more Notices of Violations
Report period: May 1, 2006 – May 31, 2006

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
5/24/2006	B0197	Enclosures Engineering, Inc	Fremont	Failure to Meet Permit Conditions
5/02/2006	D0206	Fremont Gas N Wash	Fremont	Gasoline Dispensing Facilities
5/09/2006	C9743	Super Station	Fremont	Gasoline Dispensing Facilities
5/02/2006	C9968	Tennyson Bedrock	Hayward	Authority to Construct; Permit to Operation; Gasoline Dispensing Facility
5/24/2006	A2815	Tuscarora Inc	Hayward	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
5/24/2006	B7772	WAFAB International	Livermore	Authority to Construct; Permit to Operate
5/24/2006	B7602	Capitol Recycling - Oakland	Oakland	Authority to Construct; Permit to Operate; Particulate Matter & Visible Emissions
5/02/2006	C8826	Chevron Inc	Oakland	Gasoline Dispensing Facilities
5/19/2006	C8898	Freedom Fund Chevron	Oakland	Permit to Operate; Gasoline Dispensing Facility
5/18/2006	C9880	Montclair Gasoline	Oakland	Gasoline Dispensing Facilities

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
5/09/2006	C0253	Equilon Enterprises	Antioch	Gasoline Dispensing Facilities
5/19/2006	C9952	Southland 7-Eleven Store #32305	Antioch	Gasoline Dispensing Facilities
5/19/2006	B2967	TRC	Antioch	Parametric Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions
5/22/2006	B2855	Henkel Corporation-Aerospace Grp	Bay Point	Failure to Meet Permit Conditions
5/18/2006	A2351	SF Bay Area Rapid Transit District	Concord	Failure to Meet Permit Conditions; Solvent Cleaning Operation
5/02/2006	A0581	ST Shore Terminals LLC	Crockett	Standards of Performance for New Stationary Sources
5/19/2006	A0091	Chevron Products Co	Martinez	Parametric Monitoring & Recordkeeping Procedures; Standards of Performance for New Stationary Sources; Failure to Meet Permit Conditions; Particulate Matter & Visible Emissions

Contra Costa County

Status	Date	Site #	Site Name	City	Regulation Title
	5/18/2006	A7034	Pacific Atlantic Terminals LLC	Martinez	Hydrogen Sulfide from Geothermal Power Plants
	5/09/2006	A0011	Shell Martinez Refinery	Martinez	Standards of Performance for New Stationary Sources; Failure to Meet Permit Conditions; Sulfur Dioxide; Hydrogen Sulfide from Geothermal Power Plants
	5/12/2006	B2758	Tesoro Refining and Marketing Co.	Martinez	Flare Monitoring at Petroleum Refineries; Particulate Matter & Visible Emissions; Sulfur Dioxide; Hydrogen Sulfide
	5/02/2006	C9567	Blue Star Gas Mart	Oakley	Permit to Operate
	5/02/2006	C0688	A-1 Liquor & Food	Pacheco	Gasoline Dispensing Facilities
	5/18/2006	B7762	Allied Crane, Inc	Pittsburg	Authority to Construct; Permit to Operate
	5/18/2006	B2925	Mineral Resource Technologies, INC	Pittsburg	Permit to Operate
	5/02/2006	C8271	Pittsburg Shell	Pittsburg	Gasoline Dispensing Facilities
	5/18/2006	A0932	Quebecor World Pittsburg	Pittsburg	Parametric Monitoring & Recordkeeping Procedures
	5/02/2006	D0723	ARCO AM/PM Fueling Facility	Richmond	Gasoline Dispensing Facilities
	5/02/2006	C5566	Chevron SS# 9-0103	Richmond	Gasoline Dispensing Facilities
	5/11/2006	A7031	City of Richmond	Richmond	Parametric Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions
	5/02/2006	C0119	Harbour Way Mini Mart	Richmond	Gasoline Dispensing Facilities
	5/26/2006	A7234	Tinsley Laboratories, Inc	Richmond	Authority to Construct; Permit to Operate; Failure to Meet Permit Conditions
	5/24/2006	D0354	Valero Refining Co SS#3801	Richmond	Failure to Meet Permit Conditions; Gasoline Dispensing Facility
	5/19/2006	A1840	West Contra Costa County Landfill	Richmond	Authority to Construct
	5/12/2006	A0016	ConocoPhillips - SF Refinery	Rodeo	Failure to Meet Permit Conditions; Equipment Leaks; Hydrogen Sulfide from Geothermal Power Plants
	5/19/2006	C0396	Unocal Service Station	Walnut Creek	Gasoline Dispensing Facilities

Marin County

Status	Date	Site #	Site Name	City	Regulation Title
	5/19/2006	B6985	Wood Design	Novato	Authority to Construct; Permit to Operate

San Francisco County

Status	Date	Site #	Site Name	City	Regulation Title
	5/09/2006	D0011	Chevron Station# 91847	San Francisco	Gasoline Dispensing Facilities
	5/24/2006	B0271	Darling International	San Francisco	Failure to Meet Permit Conditions
	5/19/2006	B0964	Howard Quinn Company	San Francisco	Graphics Arts Printing & Coating Operations

San Mateo County

Status	Date	Site #	Site Name	City	Regulation Title
	5/19/2006	A5897	Cole HD Colma CA, LP	Colma	Permit to Operate
	5/19/2006	A1364	Cypress Amloc Land Co , Inc	Colma	Permit to Operate
	5/19/2006	A6107	South Bay Marble Inc	San Carlos	Failure to Meet Permit Conditions
	5/18/2006	C3221	ARCO Facility #00725 - YA-HU SHEN	San Mateo	Gasoline Dispensing Facilities
	5/02/2006	R4762	City of San Mateo Parks & Rec Dept	San Mateo	Authority to Construct; Permit to Operate
	5/08/2006	B5403	Global Power Group Inc (Toys "R" Us")	San Mateo	Failure to Meet Permit Conditions
	5/18/2006	D0453	San Mateo Gas Co	San Mateo	Gasoline Dispensing Facilities
	5/08/2006	B7329	Royal Auto Limo Repair	S San Francisco	Authority to Construct Permit to Operate

Santa Clara County

Status	Date	Site #	Site Name	City	Regulation Title
	5/18/2006	C3568	ARCO #02121-Golden Crown Finan	Milpitas	Gasoline Dispensing Facilities
	5/02/2006	C4232	Chevron #8247	San Jose	Gasoline Dispensing Facilities
	5/02/2006	C3969	Rotten Robbie #42	San Jose	Gasoline Dispensing Facilities
	5/09/2006	C8379	USA Petroleum	San Jose	Gasoline Dispensing Facilities
	5/09/2006	C8383	USA Petroleum	San Jose	Gasoline Dispensing Facilities
	5/19/2006	A9023	Micro-Chem Inc	Santa Clara	Authority to Construct Permit to Operate; Solvent Cleaning Operation

Solano County

Status	Date	Site #	Site Name	City	Regulation Title
	5/18/2006	C5247	B B C	Vallejo	Gasoline Dispensing Facilities

Sonoma County

Status	Date	Site #	Site Name	City	Regulation Title
	5/03/2006	R4523	Calplans Vineyards	Healdsburg	Open Burning
	5/03/2006	R4502	Thomas G. Tepe	Kenwood	Open Burning
	5/18/2006	A7225	Dr Dryclean Inc	Rohnert Park	Perc & Synthetic Solvent Dry Cleaning Operations
	5/18/2006	R5121	Diaz Auto Brokers & Body Shop	Santa Rosa	Motor Vehicle & Mobile Equip Coating Operations
	5/03/2006	A0869	Redwood Coast Petroleum	Santa Rosa	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

May 2006 Closed NOV's with Penalties by County

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Arco Facility #09541-BP W Coast	C9803	Hayward	\$750	1
DAVNI LLC	P7383	Berkeley	\$1,500	3
Foodmaker, Inc /Shell #139608	C9878	Fremont	\$750	1
MOA's Service Station	C8061	Hayward	\$500	1
Robert Kertsman	R2771	Berkeley	\$4,000	2
West Cabinets Inc	B1957	Hayward	\$1,500	2

Total Violations Closed: 10

Contra Costa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
A-1 Liquor & Food	C0688	Pacheco	\$300	1
B & B Demolition	P2017	Richmond	\$4,020	6
Contra Costa County Public Works	Q5463	Brentwood	\$150	1
Eagle Gas	D0123	Pittsburg	\$300	1
Equilon Enterprises	C0253	Antioch	\$750	1
SFPP, L P	A4022	Concord	\$16,500	3
Valero Refining Co SS#7033	D0397	San Ramon	\$600	1
Varella Cleaners	A2528	Walnut Creek	\$350	1

Total Violations Closed: 15

May 2006 Closed NOV's with Penalties by County (continued)**Marin**

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
M/T Valiant/Valiant Holding Cascade Marine	P6682	Kentfield	\$5,000	1

Total Violations Closed: 1

Napa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Pine Ridge Winery	R3068	Napa	\$1,000	1
St Helena Petroleum	C8851	Saint Helena	\$600	1

Total Violations Closed: 2

San Francisco

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Frank's Auto Body	Q1215	San Francisco	\$1,500	2
JB Imaging	R3584	San Francisco	\$500	2
Steven Fong	Q3474	San Francisco	\$750	4

Total Violations Closed: 8

May 2006 Closed NOV's with Penalties by County (continued)

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Fil-Am Cuisine	Q5942	Daly City	\$600	1
Louis Levy dba Levin Realty	P9583	San Bruno	\$5,000	7
SFPP, LP	A4021	Brisbane	\$7,250	3

Total Violations Closed: 11

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
ARCO Facility #02074 - JM & SONS INC	C7053	San Jose	\$400	1
ARCO Facility #02114 - HK&JR ENTERPRISES	D0182	San Jose	\$700	2
Berryessa Fuel, Inc	D0367	San Jose	\$250	1
Chevron Inc #9-2620	C7684	San Jose	\$850	2
Concours Auto Restoration	A9927	Campbell	\$500	1
Equilon Enterprises LLC-San Jose Terminal	A0064	San Jose	\$2,250	3
Headway Technologies Inc	B0438	Milpitas	\$2,500	3
Heartwood Cabinets	B2812	Gilroy	\$500	1
TCC Total Construction, Inc.	Q4809	San Jose	\$2,500	1
Unocal #5368	C9225	Milpitas	\$750	1
USA Petroleum	C8383	San Jose	\$1,000	1

Total Violations Closed: 17

May 2006 Closed NOV's with Penalties by County (continued)

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Granite Transformations	B7402	Fairfield	\$1,500	2
Suisun Unocal Foodmart	C9389	Suisun City	\$300	1
Calplans Vineyards	R4524	Healdsburg	\$650	1
Dutra Materials/San Rafael Rock Quarry Inc	A3992	Petaluma	\$1,000	1
Joseph Bartela	R3926	Santa Rosa	\$750	1
Lee Martinelli	R3930	Fulton	\$650	1
Matt Friedman	Q4089	Santa Rosa	\$450	1
Petersen Ranch	Q7210	Sebastopol	\$1,000	1
Tim Forbes	Q7032	Santa Rosa	\$150	1
Tuff Shed, Inc	B6727	Rohnert Park	\$350	1
Waldie Scheffler	Q5571	Santa Rosa	\$750	1
Westside Shell	C9753	Petaluma	\$500	1
Zelco Cabinet Manufacturing	B2223	Santa Rosa	\$350	1

Total Violations Closed: 14

May 2006 Closed NOV's with Penalties by County (continued)**District Wide**

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Advanced Polymer Technology	Q0250	Harmony	\$1,500	2
California Track and Engineering, Inc	Q0250	Fresno	\$400	1
West Coast Construction	P5301	Rancho Cordova	\$3,000	1

Total Violations Closed: 4

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
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM _{>10}	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m ³	micrograms per cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

AGENDA: 3

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 19, 2006

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

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

Payroll System Replacement

Completed this Month

- Bay Area Air Quality Management District completed their review of the accruals, PERS, GL Interface and Signature reports.
- Ceridian ran a separate test that Bay Area Air Quality Management District considers a parallel.
- Bay Area Air Quality Management District sent a test file to IDI.
- Ceridian produced Fringe results and Ceridian considered the results correct.
- Ceridian ran an initial test of the Transit alternative.

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.

Facilities Projects in Process:

Project	Start	Complete	Status
Phase IV HVAC Replacement (Health Item)	9/01/05	8/30/06	Decision has been made to select Sterling Environmental as the Asbestos Abatement Contractor to clean and disposed of rooftop ducts starting 8/1/06.
Roof Anchors (Safety Item)	11/01/05	5/10/06	Installation of safety anchors completed. OPOS guidelines to follow end of May. COMPLETED
Life Safety Fire Alarm upgrades. (Safety Item)	8/03/04	8/30/06	99.9% completed waiting for final hook up and testing.
West exterior wall sealing and painting. (Priority Item)	11/29/05	6/30/06	Painting will be completed Wednesday, June 7, 2006. COMPLETED
Roof top penthouse equipment room needs a new roof.	2/15/06	ASAP	Existing roof is old and needs to be replaced at the earliest possible date. Water getting into elevator and HVAC equipment
Develop disaster recovery plans and identify operational alternatives.	4/14/06	5/30/06	Develop a preliminary plan for Disaster recovery to keep the District operational after a disruption by nature or man made. Draft presented earlier for review and feedback

COMPLIANCE & ENFORCEMENT DIVISION – K. WEE, DIRECTOR

Enforcement Program

Staff conducted a workshop on June 14, 2006 to solicit comments to the Compliance and Enforcement Division’s Notice to Comply (NTC) policies and procedures. District staff attended the Berkeley City Council meeting on June 20, 2006. Pacific Steel Castings (PSC) was on the agenda with a resolution to affirm the city Zoning Adjustments Board decision to approve PSC’s application to construct a carbon adsorption system at Plant # 3. The City Council unanimously approved the resolution which cleared the way for the city to issue a building permit to PSC for the control equipment. Staff attended the San Mateo Environmental Task Force meeting on June 22, 2006 during which several agencies discussed the civil and criminal aspects of the investigation of the chemical release that occurred at Romic Environmental Technologies Corporation on June 5, 2006.

Compliance Assurance Program

During the month of June 662 facility inspections were conducted. Staff responded to the incident at Romic Environmental Technologies Corporation on June 5, 2006 which resulted in a shelter in place. On June 19, 2006 staff responded to a fire at Henry’s Wood Farm located in Martinez that burned for several days. This facility had a similar fire in November of 2005. Staff is meeting with the Contra Costa County Fire Department to discuss the recurrence and cause of the fires. Staff responded to an incident that occurred at General Chemical in Richmond on June 23, 2006 that resulted in a shelter in place. The gas plume reached the Chevron refinery and affected four individuals, three of whom were sent to the hospital for respiratory and eye irritation.

Compliance Assistance Program

An Industry Compliance School (ICS) is being planned for Regulation 5, Open Burning, in conjunction with completion of the Napa Fire Video which was completed for user demonstration. Target dates for three classes, in the north, east and south bay areas will be mid-September, prior to the October start of burn season for crop replacement. District Staff attended the Napa Firewise Community Workshop on June 25, 2006, in Angwin. Four Green Business certifications in Santa Clara County were processed and one certification for Alameda County.

Operations

Both the Refinery Flare Inspection subgroup and the Implementation External Team had meetings to provide recommendations on the completeness of the last Flare Minimization Plan Final Status Reports. Staff attended the El Dorado County APCD Naturally Occurring Asbestos (NOA) workshop conducted to instruct local construction contractors about the NOA requirements under the local APCD regulations and the state ATCM. On June 6, 2006 staff met with representatives of the American Lung Association (ALA) to review recent activities at the District's Advisory Council Public Health Committee meetings and to discuss ALA's proposal for submitting suggestions to the committee. New Inspector Training has started including HAZWOPER certification. Over-the-Phone Interpretation for District callers provided Korean and Spanish translation.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Toxics Program

The Toxic Evaluation Section completed a total of 38 Health Risk Screening Analyses (HRSAs) during June. The majority of these HRSAs were for diesel engine emergency generators and gas stations. Complex HRSAs and CEQA-related analyses were completed for Chevron's Energy and Hydrogen Renewal Project and Tesoro's Coker Modification Project. Staff continued working with Occidental College on the Environmental Garment Care Demonstration Project. Staff also continued to participate in CARB's process to revise Airborne Toxic Control Measures for Perchloroethylene Dry Cleaners and Chrome Plating Operations. Work continued on reviewing source test results from Pacific Steel Casting in Berkeley. This information will be used to update the facility's emissions inventory and prepare a Health Risk Assessment under the Air Toxics Hot Spots Program.

Title V Program

Staff has prepared the latest revisions to the refinery Title V permits, and Statements of Basis, for EPA review. A meeting was held with EPA to discuss the permit revisions for the Chevron and ConocoPhillips refineries, which were issued in May. The revisions for the other three Bay Area refineries are expected to be issued in July. The Title V permit for the PG&E Hunters Point power plant in San Francisco was cancelled because the facility has shut down.

Permit Evaluation Program

Staff met with Pacific Steel Casting Company and their consultants to discuss the design of the proposed Plant 3 collection and control system to abate odorous emissions. Draft permit conditions and a draft evaluation report have been prepared. It is expected that an Authority to Construct for this control system can be issued in early July. Staff continued permit evaluations that are underway for several large refinery projects.

Engineering Special Projects Program

Rule development was completed for amendments to the District’s fee regulation. The amended fee regulation, which will increase overall fee revenue by about 8½ percent, becomes effective on July 1, 2006. A number of meetings were held in June including a pre-application meeting for the Eastshore Energy Center, a proposed 115-megawatt power plant to be located in Hayward. Staff also met with several companies and their consultants regarding permit requirements for landfill-gas-to-energy facilities. Engineering Division staff continued to participate in efforts to design the new production system database.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel’s Office received 63 Violations reflected in Notices of Violation (“NOVs”) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 78 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent 4 Final 30 Day Letters regarding civil penalties for 4 Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$20,725 in civil penalties for 32 Violations reflected in NOVs.

Counsel in the District Counsel’s Office initiated settlement discussions regarding civil penalties for 3 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel’s Office resulted in collection of \$192,300 in civil penalties for 44 Violations.

(See Attachment for Penalties by County)

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

Staff posted notice of the July 19, 2006 public hearing on amendments of district regulations concerning agricultural sources of air pollution (Reg. 1, Reg. 2-1 and new Reg. 2-10). Staff provided notice of an upcoming public workshop to discuss draft amendments to Regulation 8, Rule 5: Storage of Organic Liquids, to be held at 6 pm on July 19, 2006 in the Contra Costa County Board of Supervisors' Chambers in Martinez. Staff has received comments on draft amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines, and visited additional facilities and met with gas turbine operators. URS Corporation has been selected as the contractor to conduct a greenhouse gas mitigation study for stationary sources. Staff met with URS Corp. staff members for a kick-off meeting for the study.

Air Quality Planning Program

Staff made a presentation to the Board of Directors Ad Hoc Committee on Climate Protection on the status of the implementation of the District's seven climate protection initiatives and coordinated a presentation from Shannon Eddy, a member of the Governor's Climate Action Team, on the implementation status of the State's Climate Action Plan. Staff met with representatives from ICLEI, PG&E and MTC to discuss strategies to streamline the emission inventory development process for cities and counties developing climate protection programs. Staff made a presentation to the Regional Planning Committee at ABAG on the District's Climate Protection Leadership Program. Staff met with staff of the Bay Area Alliance for Sustainable Communities to discuss mutual collaborative opportunities for climate protection. Staff prepared three letters regarding the air quality impacts of development projects and plans in the Bay Area: City of Oakland – Oakland Army Base Automall Project; City of Berkeley – Pacific Steel Casting; City of Sonoma – General Plan NOP.

Research and Modeling

Staff contacted ARB and Desert Research Institute to obtain the latest information on the chemical composition of wood smoke from fire places. The chemical composition of wood smoke data in the Bay Area will be updated based on this latest information. Staff consulted with US EPA regarding use of EPA's newly released regulatory model, AERMOD. Staff participated in a Central California Ozone Study (CCOS) Technical Committee conference call to discuss the status of several CCOS projects: ARB will release a new emissions inventory for photochemical modeling soon; UC Davis, a CCOS contractor, will characterize meteorology of CCOS ozone episodes; and Technical & Business System, Inc, also a CCOS contractor, will evaluate the CCOS meteorological model.

OUTREACH AND INCENTIVES – J. COLBURN, DIRECTOR

Spare the Air: The first Spare the Air (STA) advisories were called for June 22, 2006, 23rd and 26th, resulting in free rides, all day, on 25 transit systems. Preliminary results point to the success of the “Free Fare” (STA/FF) program, with many transit agencies reporting increases of 10 to 19 percent or more in ridership. Over 34,000 individuals were notified via AirAlerts, up from 31,000 subscribers at the end of the 2005 Spare the Air season. Employers were faxed STA notices and they, in turn, notified over 900,000 employees. Initial estimates calculate that the free trips reduced 3.25 million vehicle miles over the three day period.

Media response to the STA/FF program was unprecedented. Staff conducted over 80 interviews with Bay Area print, radio, internet and television outlets regarding the first three “Spare the Air” advisories of the 2006 season. This was the first time that all major broadcast media outlets interviewed staff twice in one day for separate news casts.

On all three STA days, surveys of the public were conducted and 605 individuals were polled. The top-lines are as follows:

- 10 percent of those surveyed reduced driving because it was a Spare the Air day.
- 74 percent encountered STA information in the two days before or after the events.
- 65 percent were aware that a STA day had been called.
- 68 percent knew that transit was free that day.
- 44 percent said that they would be more likely to ride transit on a STA day if rides were free.
- Awareness of the Air District increased to 58 percent.
- Awareness of the STA program is 81 percent with 86 percent (an all time high) of those surveyed stated that they had a favorable opinion about the program.

The District has requested additional money to fund more free transit days for subsequent Spare the Air days this summer, and continues to encourage residents to make “Clean Air Choices.”

Staff is also working with local businesses to provide incentives for employees who participate in Spare the Air days and reward transit monthly pass holders who are often overlooked in the program. Staff solicited business partners to offer and distribute 135,000 transit monthly pass holders to some 4,000 employees using transit on a Spare the Air day. Outreach was conducted to establish partnerships for offering additional Spare the Air incentives.

Staff partnered with the San Francisco Chronicle for this endeavor by offering a 50 percent home subscription discount to reward the 135,000 monthly pass holders in the region. Monthly pass holders will receive a postcard redeemable at the time of their monthly pass purchase for the month of August.

Spare the Air/Sweepstakes: Staff worked with Comcast representatives to sponsor a free trip for two to Costa Rica for Bay Area residents registering for AirAlert e-mails. The winners will be selected through a sweepstakes drawing in late July. Links to the entry page for this Sweepstakes are available on the main District and Spare the Air websites, and on banner ads running on the Comcast site.

Annual Report: Staff completed and distributed the 2005 Annual Report, which highlights last year's activities and achievements at the Air District. The report also serves as a valuable guide to the District's programs and ongoing efforts to preserve air quality in the Bay Area. In acknowledgement of the District's 50th Anniversary, the overall theme of this report is: "progress." The report is presented in a visually appealing format and includes charts, graphs and several full-color spreads on individual employees, who talk about what air quality progress means to them.

The report will serve as a useful information piece, introducing members of the public to our continuing functions, while at the same time detailing important actions that were undertaken last year to improve air quality—such as the District's landmark refinery flare rule, Air Toxics New Source Review rule, and continued work on toxic and particulate pollution in local communities. In short, the report should reflect our standing as one of California's leading environmental agencies.

Media: Staff wrote and released a press release regarding two recent asbestos settlement penalties assessed against USA Properties Fund, Inc./USA Multifamily Management, Inc. and Synergy Environmental. At least 17 newspaper articles and two radio interviews resulted from the release. Fines assessed totaled \$430,000 for both companies, making these the largest asbestos fines for Regulation 11, Rule 2 violations ever collected by the Air District.

Staff collaborated with the League of Women Voters on two articles which appeared in the June/July 2006 issue of the Bay Area Monitor newsletter. The first story, "Home Free: All-Day Free Transit to Fight Smog," discusses the centerpiece of this summer's Spare the Air program, the three-day Free Fare Campaign. The second article covers results from the Air District's Winter 2005/06 Spare the Air Tonight wood burning survey.

Railyard MOU: Staff continued to work with California Environmental Associates to identify a facility suitable for a "Railroad 101" workshop to answer rail-related questions from the West Oakland and East Bay communities. This workshop is tentatively scheduled for July 13, 2006 6:30 pm – 8:30 pm, at the Oakland Multipurpose Senior Center, 1724 Adeline St., Oakland, CA.

Environmental Justice Health Summit: Staff worked with the North Richmond community and the West Contra Costa County Unified School District to sponsor the Environmental Justice Health Summit, which was held on Saturday, June 10, 2006 @ Verde Elementary School, 2000 Giaramita Street, Richmond, CA.

West Oakland Toxics Reduction Collaborative: Staff attended a meeting of the "No Net Increase" Work Group on June, 7, 2006 at Pacific Institute. Issues discussed included the recently adopted ARB Emissions Reduction Plan (ERP) and other current or future air quality planning efforts affecting the West Oakland community.

Staff attended a June 13, 2006 meeting of the West Oakland Toxics Reduction Collaborative/Truck Incentives Workgroup. The Collaborative and its many workgroups have met with increasing frequency this year. A subgroup met May 16th and May 25th to look at trucker economics, owner-operator databases, and outreach improvements. This meeting allowed participants to “report back” and discuss the above-mentioned action items. The group also focused on how ideas arising from the subgroups may relate to two of the Collaborative’s main goals: effectiveness and equity.

Staff also attended a June 28th meeting of the full West Oakland Toxics Reduction Collaborative in Oakland, CA. Discussions focused on future funding and key stumbling blocks encountered by the Collaborative in regards to cumulative impacts, land use & the Oakland Army Base, and Health Impact Assessments (HIA). Many members are seeking to involve the City of Oakland in the HIA process, with a goal of using HIA as a regular part of the developmental approval process. Several members also expressed a desire to coordinate the CARB’s ongoing HIA with elements of the Air District’s “CARE” program to ascertain local “hotspots” and facilitate mitigation efforts.

Grants: Staff continued processing funding agreements and pre-project inspections for Board-approved grant awards totaling \$15.9 million in combined funding from the Carl Moyer Program and the Mobile Source Incentive Fund (MSIF).

Staff conducted a Transportation Fund for Clean Air (TFCA) Regional Fund public workshop on June 13, 2006 for parties interested in applying for grants in the fiscal year 2006/2007 funding cycle. The workshop was attended by more over 40 people representing public and non-public entities, many of whom will apply for funds in the future.

Staff also continued the evaluation of the expenditure plans proposed by the TFCA County Program Managers for fiscal year 2006/2007.

Hiring recommendations for the positions of Supervising Environmental Planner and Environmental Planner I were presented this month for approval by the APCO.

Staff attended and made a presentation on “Quantifying the Air Quality Impacts of Bicycle and Pedestrian Projects” at the 99th Air and Waste Management Association (AWMA) annual conference in New Orleans, LA.

A total of 462 eligible light-duty vehicles were purchased and scrapped by three Vehicle Buy Back Program contractors.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR**Air Quality**

Air quality was in the Good Air Quality Index (AQI) category from June 1st through June 15th due to onshore winds and mild temperatures. A high pressure system moved over the west coast from June 16th through June 23rd and temperatures reached the mid 90s and higher on most days at Bay Area inland locations. Inland temperatures during the three-day period of June 21st, 22nd, and 23rd exceeded 100 °F. This three-day episode resulted in exceedances of the eight-hour 80 parts per billion (ppb) national ozone standards.

On June 21st, the national ozone standard was exceeded at Gilroy (94 ppb) and San Martin (91 ppb). On June 22nd, the ozone standard was exceeded at Concord (88 ppb) and Fairfield (90 ppb). On June 23rd, the ozone standard was exceeded at Livermore (101 ppb). Beginning June 24th the sea breeze returned and temperatures decreased, keeping air quality levels in the Good or Moderate AQI category for the remainder of the month.

Air Monitoring

All 29 air monitoring stations were operational during the month of June 2005 with all equipment operating on normal, EPA-approved schedules.

Meteorology and Forecasting

March 2006 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. 2005 Toxics air quality data were also reviewed and submitted into AQS. Staff continued to make daily air quality and burn forecasts. Staff attended a meeting in Sacramento with CARB to discuss the District's Smoke Management Program. Staff also attended the annual AQS Conference in San Antonio, Texas.

Quality Assurance

The Quality Assurance (QA) group conducted regular, mandated performance audits of 35 monitors at nine Air District air monitoring stations. H₂S and SO₂ monitors were audited at the Shell Refinery Ground Level Monitoring (GLM) networks. All GLM monitors passed the audit.

Laboratory

In addition to ongoing routine analyses, five samples from Pacific Steel Casting (PSC) in Berkeley were analyzed for VOC content and two samples were analyzed for chloride content. In addition, four shakeout baghouse exhaust samples from Plant #3 of PSC were speciated for hydrocarbons. An EPA proficiency testing sample was analyzed by HPLC for formaldehyde and acetaldehyde as part of the National Air Toxics Trends Study (NATTS); the results were within the acceptable range.

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 May was reviewed. The Source Test Section participated in the District's Rule Development efforts for Refinery Cooling Towers, Gasoline Bulk Terminals, Charbroilers, and Stationary Gas Turbines.

These facilities have received one or more Notices of Violations
Report period: June 1, 2006 – June 30, 2006

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
6/29/2006	B0887	C & C Drycleaner	Berkeley	Perc & Synthetic Solvent Dry Cleaning Operations
6/14/2006	Q5172	ERI	Dublin	Asbestos Demolition, Renovation & Mfg.
6/02/2006	C0524	Shell at Hacienda Crossings #165112	Dublin	Gasoline Dispensing Facilities
6/06/2006	L6230	P. W. Stephens, Inc.	Fremont	Asbestos Demolition, Renovation & Mfg; Fees
6/01/2006	R2120	Robert Smith	Hayward	Open Burning
6/13/2006	C0138	7-Eleven	Livermore	Gasoline Dispensing Facilities
6/13/2006	C9983	7-Eleven	Livermore	Gasoline Dispensing Facilities
6/15/2006	C0760	Manus Gas City	Oakland	Permit to Operate
6/06/2006	A0030	Owens-Brockway Glass Container Inc	Oakland	Particulate Matter & Visible Emissions
6/13/2006	C0667	Quik Stop #67	Oakland	Gasoline Dispensing Facilities
6/02/2006	C0693	Foothill Chevron	San Leandro	Gasoline Dispensing Facilities
6/05/2006	C9936	My Union 76	San Leandro	Permit to Operate
6/15/2006	D0060	Premier Gasoline and Snacks	San Leandro	Permit to Operate

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
6/13/2006	A0011	Shell Martinez Refinery	Martinez	Flare Monitoring at Petroleum Refineries; Sulfur Dioxide
6/22/2006	B2758	Tesoro Refining and Marketing Company	Martinez	Particulate Matter & Visible Emissions; Equipment Leaks
6/02/2006	C9973	Tower Mart #92	Martinez	Gasoline Dispensing Facilities
6/22/2006	A4618	Allied Waste Industries (Keller Canyon Landfill)	Pittsburg	Solid Waste Disposal Sites
6/22/2006	B1866	Los Medanos Energy Center	Pittsburg	Failure to Meet Permit Conditions
6/22/2006	A0932	Quebecor World Pittsburg	Pittsburg	Permit to Operate
6/21/2006	R5818	David Licht	Pleasant Hill	Open Burning
6/15/2006	N0518	ARCO - RICHMOND	Richmond	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
6/22/2006	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Flare Monitoring at Petroleum Refineries; Failure to Meet Permit Conditions; Equipment Leaks
6/15/2006	C8670	San Ramon Shell	San Ramon	Gasoline Dispensing Facilities
6/15/2006	C1719	Chevron #3072	Walnut Creek	Gasoline Dispensing Facilities

Marin County

Status Date	Site #	Site Name	City	Regulation Title
NONE				

Napa County

Status Date	Site #	Site Name	City	Regulation Title
NONE				

San Francisco County

Received Date	Site #	Site Name	City	Regulation Title
6/19/2006	C7647	Chevron Inc, #90142	San Francisco	Gasoline Dispensing Facilities
6/14/2006	B2799	The Ritz Carlton San Francisco	San Francisco	Perc & Synthetic Solvent Dry Cleaning Operations

San Mateo County

Received Date	Site #	Site Name	City	Regulation Title
6/02/2006	C9133	Belmont Apollo Inc	Belmont	Gasoline Dispensing Facilities
6/12/2006	A2748	Major Auto Body, Inc	San Carlos	Permit to Operate
6/14/2006	Q3880	Peninsula Hauling & Demo	San Carlos	Asbestos Demolition, Renovation & Mfg.
6/19/2006	C9341	Avis Rent A Car Systems, Inc	San Francisco	Gasoline Dispensing Facilities
6/06/2006	A0051	United Airlines, SF Maintenance Center	San Francisco	Failure to Meet Permit Conditions
6/02/2006	C9530	Andy's BP	San Mateo	Gasoline Dispensing Facilities

Santa Clara County

Received Date	Site #	Site Name	City	Regulation Title
6/02/2006	C6681	Cupertino Beacon	Cupertino	Permit to Operate; Failure to Meet Permit Conditions
6/13/2006	R3532	Bill & Debbie Jacobson	Morgan Hill	Open Burning
6/15/2006	C9991	Palo Alto Chevron	Palo Alto	Permit to Operate
6/15/2006	C9991	Palo Alto Chevron	Palo Alto	Gasoline Dispensing Facilities
6/14/2006	A5766	All Auto Body	San Jose	Permit to Operate
6/06/2006	B1670	Gas Recovery Systems, Inc	San Jose	Failure to Meet Permit Conditions; NOx & CO from Stationary Internal Combustion Engines
6/06/2006	P7289	Z-Con Specialty Services	San Jose	Asbestos Demolition, Renovation & Mfg.
6/06/2006	B4991	Silicon Valley Power Pico Power Plant	Santa Clara	Continuous Emission Monitoring & Recordkeeping Procedures

Solano County

Received Date	Site #	Site Name	City	Regulation Title
6/19/2006	C8035	Sunset Shell	Suisun City	Gasoline Dispensing Facilities
6/19/2006	C7492	Marin Market and Liquor	Vallejo	Gasoline Dispensing Facilities

Sonoma County

Received Date	Site #	Site Name	City	Regulation Title
6/01/2006	R5375	Richard Peterson	Fulton	Open Burning
6/06/2006	R5479	Suzi Houswald	Petaluma	Open Burning
6/29/2006	B6046	Santa Rosa Bare Woods	Santa Rosa	Failure to Meet Permit Conditions

Outside Bay Area

Received Date	Site #	Site Name	City	Regulation Title
6/06/2006	M7233	Dandee Transportation	Bakersfield	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
6/06/2006	F4406	Williams Tank Lines/Mike Stewart	Stockton	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

June 2006 Closed NOV's with Penalties by County

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Chevron Inc	C8826	Oakland	\$300	1
Fremont Gas N Wash	D0206	Fremont	\$600	1
Synergy Enterprises	L3268	Hayward	\$130,000	5
Unocal #4002	C6183	Fremont	\$300	1

Total Violations Closed: 8

Contra Costa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Acme Fill Corporation	A1464	Martinez	\$2,650	4
Chevron Inc	A0072	Richmond	\$7,750	7
Chevron Products Co	A0091	Martinez	\$5,500	5
Chevron SS# 9-0103	C5566	Richmond	\$300	1
Concord Autobody	B3352	Concord	\$350	1
Harbour Way Mini Mart	C0119	Richmond	\$300	1
Lil Bear Car Wash	C1747	Walnut Creek	\$500	1
Pittsburg Shell	C8271	Pittsburg	\$400	1

Total Violations Closed: 21

June 2006 Closed NOV's with Penalties by County (Continued)

Marin

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Redwood Landfill Inc	A1179	Novato	\$18,000	7

Total Violations Closed: 7

Napa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Napa-Vallejo Waste Management Authority	A9183	Napa	\$8,200	6
Tudal Winery	R3220	Saint Helena	\$500	1

Total Violations Closed: 7

San Francisco

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Chevron Station# 91847	D0011	San Francisco	\$500	1
Conoco/Phillips --Peter Papapietro	C9304	San Francisco	\$650	1
Unocal #0458	C8010	San Francisco	\$750	1

Total Violations Closed: 3

June 2006 Closed NOV's with Penalties by County (Continued)

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Bob Wright	Q8317	Woodside	\$400	1
Sears, #1478	B6807	San Bruno	\$500	1
Unocal #0109	C9415	San Bruno	\$1,000	2

Total Violations Closed: 4

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Basic Construction Services	G7532	San Jose	\$1,200	2
Chevron #8247	C4232	San Jose	\$375	1
Chevron Products Company	A0049	San Jose	\$1,000	2
City of Palo Alto Landfill	A2721	Palo Alto	\$6,200	5
International Disposal Corporation of Calif	A9013	Milpitas	\$13,000	3
Rotten Robbie #42	C3969	San Jose	\$250	1
Unocal #6115	C9042	Los Altos	\$300	1

Total Violations Closed: 15

June 2006 Closed NOV's with Penalties by County (Continued)

Sonoma

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Atlas Tree Surgery, Inc	Q0395	Santa Rosa	\$2,000	1
California Food And Fuel #2	C8795	Sonoma	\$1,000	1
Cameo Sonoma Ltd	B0874	Sonoma	\$750	2
Interior Finishing	B1689	Rohnert Park	\$2,250	2
Sutter Medical Center of Santa Rosa	A4169	Santa Rosa	\$1,500	2
Western Fiberglass, Inc	A7974	Santa Rosa	\$3,750	3

Total Violations Closed: 11

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
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM _{>10}	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m ³	micrograms per cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 5, 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

Dick Duker, Meteorology & Quality Assurance Manager, and Mark Stoelting, Principal Air & Meteorology Monitoring Specialist, attended the EPA Air Quality System Annual Conference held in San Antonio, TX June 5 – 9, 2006.

Kelly Wee, Compliance & Enforcement Director, attended the STAPPA/ALAPCO Enforcement and Compliance Workshop held in Austin, TX June 12 – 14, 2006.

Brian Bunger, District Counsel; Peter Hess, Deputy Air Pollution Control Officer; Jean Roggenkamp, Deputy Air Pollution Control Officer; Brian Bateman, Engineering Director; Jack Colbourn, Outreach & Incentives Director; Henry Hilken, Planning & Research Director; Gary Kendall, Technical Services Director; Jeff McKay, Finance, Administration & Information Services Director; Kelly Wee, Compliance & Enforcement Director; Michael Rich, Human Resources Officer; Adan Schwartz, Senior Assistant Counsel; Mary Ann Goodley, Executive Office Manager; Daniel Belik, Rule Development Manager; Juan Ortellado, Grants Manager; David Vintze, Air Quality Planning Manager; Guy Gimlen, Air Quality Engineer; Carol Lee, Senior Air Quality Engineer; Luna Salaver, Public Information Officer; Douglas Tolar, Air Quality Specialist; and Barry Young, Supervising Air Quality Engineer attended the Air & Waste Management Association Annual Conference held in New Orleans, LA June 19 – 23, 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 Uilkema and Members of the Board of Directors
 FROM: Mary Ann Goodley
 Executive Office Manager
 DATE: July 6, 2006
 RE: Quarterly Report of the Clerk of the Boards: April 1 – June 30, 2006

RECOMMENDED ACTION

This report is provided for information only.

DISCUSSION

Listed below is the status of minutes for the Board of Directors and Advisory Council and activities of the Hearing Board for the second quarter of 2006:

Board of Directors

<u>Meeting Type</u>	<u>Meeting Date</u>	<u>Status of Minutes</u>
Regular Meeting	April 5	Minutes Approved
Regular Meeting	May 3	Minutes Approved
Regular Meeting	May 17	Minutes Approved
Regular Meeting / Budget Hearing	May 17	Minutes Approved
Regular Meeting	June 7	Minutes Completed/Pending Approval
Executive Committee	May 30	Minutes Completed/Pending Approval
Budget & Finance Committee	April 26	Minutes Approved
Budget & Finance Committee	May 10	Minutes Approved
Budget & Finance Committee	May 30	Minutes Completed/Pending Approval
Public Outreach Committee	April 24	Minutes Approved
Public Outreach Committee	May 31	Minutes Completed/Pending Approval
Mobile Source Committee	May 15	Minutes Completed/Pending Approval
Legislative Committee	May 22	Minutes Completed/Pending Approval
Personnel Committee	May 31	Minutes Approved
Personnel Committee	June 7	Minutes Completed/Pending Approval
Ad Hoc Committee on Climate Protection	June 1	Minutes Completed/Pending Approval

Advisory Council

<u>Meeting Type</u>	<u>Meeting Date</u>	<u>Status of Minutes</u>
Regular Meeting	5/10	Minutes Completed/Pending Approval
Executive Committee	5/10	Minutes Completed/Pending Approval
Air Quality Planning Committees	4/12	Minutes Approved
Air Quality Planning Committee	6/14	Minutes Completed/Pending Approval
Technical Committee	4/12	Minutes Completed/Pending Approval
Technical Committee	6/14	Minutes Completed/Pending Approval
Public Health Committee	4/11	Minutes Approved
Public Health Committee	5/10	Minutes Completed/Pending Approval

Hearing Board

1. During the Period April – June 2006, the Hearing Board processed and filed three Applications for Variance. The Deputy Clerk attended and took minutes at one hearing and participated in other discussions.
2. A total of \$ 192.01 was collected in excess emission fees.
3. On May 11, 2006 the regular and alternate Hearing Board members attended two hours of the Ethics Training, at the District Offices, to comply with AB 1234.
4. On May 11, 2006 the Hearing Board elected Thomas M. Dailey, M.D., as its Chair and Christian Colline, P.E., as its Vice-Chair.
5. On May 30, 2006 Jack Broadbent, Executive Officer/APCO, presented the Hearing Board Quarterly Report for the period January-March 2006 to the Board Executive Committee on behalf of Hearing Board Chairperson Dr. Dailey.
6. On June 3, 2006 Allan R. “Bob” Saxe retired from the regular Attorney Member category on the Hearing Board after having served for five years. He was recognized and commended by the Board of Directors at its meeting on June 7, 2006 when a special Resolution was presented to him.
7. On June 7, 2006 the Board of Directors appointed Rolf Lindenhayn, Esq., as the regular member for the Attorney Member category, and Jade J. Pyle, M.D., as the alternate member for the Medical Profession Member category to the Hearing Board.

Respectfully submitted,

Mary Ann Goodley
Executive Office Manager

FORWARDED _____

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: July 19, 2006

Re: Report of the Stationary Source Committee Meeting of July 13, 2006

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Stationary Source Committee will meet on Thursday, July 13, 2006. Staff will report on the following items:

- A) Proposed Amendments to Regulation 8, Rule 5: Storage of Organic Liquids;
- B) Proposed Amendments to Regulation 9; Rule 9: Nitrogen Oxides from Stationary Gas Turbines;
- C) Status report on Further Development of Controls for Commercial Charbroilers; and
- D) Report on Air District's Incident Response Program.

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

Chairperson John Silva will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 6, 2006

Re: Proposed Amendments to Regulation 8, Rule 5: Storage of Organic
Liquids

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Regulation 8, Rule 5: Storage of Organic Liquids mandates equipment standards for large organic liquid storage tanks. The rule applies mainly to large, floating-roof tanks at petroleum refineries and gasoline bulk terminals. Staff has scheduled a public workshop for discussion of proposed amendments to Regulation 8, Rule 5 on the evening of July 19, 2006 at the Contra Costa County Board of Supervisors' chambers in Martinez, CA. The proposed amendments will implement Control Measure SS 9 in the Bay Area 2005 Ozone Strategy. District staff has worked with tank operators, community groups, CARB and U.S. EPA in developing the proposed amendments.

DISCUSSION

Staff will provide the Committee with the following information:

- Background and description of affected facilities and equipment;
- Proposed amendments to Regulation 8, Rule 5; and
- Rule development schedule.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Julian Elliot
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 6, 2006

Re: Proposed Amendments to Regulation 9, Rule 9: Nitrogen Oxides
from Stationary Gas Turbines

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy includes Control Measure SS 14, which is a commitment to consider amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines. These amendments would revise the existing nitrogen oxide (NOx) limits to reflect current best available retrofit control technology (BARCT). In addition, NOx is also a precursor to particulate matter formation, and so the proposed amendments will help reduce both ozone and fine particulate matter. Staff issued a workshop draft rule and report and conducted a public workshop on May 31, 2006 at the District office.

DISCUSSION

Staff will provide the Committee with the following information:

- Background and description of affected facilities and equipment;
- Current status of the rule development process;
- Issues and concerns identified at the May 31 Workshop; and
- Next steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Guy Gimlen
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 6, 2006

Re: Potential Controls for Commercial Charbroilers

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On March 27, 2006, staff provided the Stationary Source Committee with preliminary information on the development of a regulation to reduce emissions from charbroiling in commercial restaurants. Since that time, staff has further examined issues associated with the proposed regulation and discussed the proposal with industry representatives and other interested stakeholders, and developed a potential regulatory approach.

DISCUSSION

Staff will provide the Committee with the following information:

- Draft regulatory concepts;
- Anticipated emission reductions from installation of controls on charbroilers;
- Source tests of controlled and uncontrolled charbroilers; and
- Next Steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Virginia Lau
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 5, 2006

Re: District Incident Response Program

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The District's Incident Response Program provides for an immediate response to incidents involving the accidental release of air pollutants. This program also includes the determination of the root cause of the event, and makes recommendations necessary to prevent reoccurrence. Incidents range from community odor episodes to releases of potentially hazardous pollutants. The program includes coordination of an inter-divisional incident response team as well as inter-agency teams of health and safety responders which work to ensure that the response is complete and that the public is protected to the extent possible.

DISCUSSION

Staff will provide the Committee with a report on the District Incident Response Program for accidental releases including:

- District's Role
- Response
- Support Services
- Incident Reports

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: July 11, 2006

Re: Report of the Mobile Source Committee Meeting of July 17, 2006

RECOMMENDED ACTIONS

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

- A) *Transportation for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year 2006/2007;*
- B) *Transferring TFCA Regional Funds from Vehicle Buy Back Program #612 to Spare the Air Program #306 to help fund up to 3 additional Spare the Air/Free Transit days this summer; and*
- C) *Award of contract to perform audit of TFCA Program Manager Projects in the amount of \$77,320 to the firm of Macias, Gini & Company and authorize the Executive Officer/APCO to enter into contract for said amount*

DISCUSSION

The Mobile Source Committee will meet Monday, July 17, 2006. The attached items listed above will be presented by staff during that meeting.

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

BUDGET CONSIDERATION/FINANCIAL IMPACTS

The recommendation on the TFCA County Program Manager Expenditure Plans for Fiscal Year 2006/2007 projects will have no impact on the Air District's budget.

The recommendation to fund up to three additional Spare the Air/Free Fare days involves the transfer of \$800,000 in TFCA Regional Funds from the Vehicle Buy Back Program (program 612) to the Spare the Air Program (program 306) in the District's FY 2006/07 budget.

The audit cost for the TFCA Regional Fund Project is funded by TFCA revenues, and is included in the Air District's FY 2006/07 budget.

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: July 10, 2006

Re: Transportation Fund for Clean Air County Program Manager Expenditure
Plans for Fiscal Year 2006/2007

RECOMMENDED ACTION

Recommend Board of Directors approval of staff recommendations on:

- the fiscal year (FY) 2006/2007 Transportation Fund for Clean Air (TFCA) County Program Manager projects listed on the attached Table 1; and
- the exchange of \$1,843,344 and \$811,895 of the FY 2006/2007 TFCA County Program Manager funds of the Alameda and Santa Clara County Program Managers, respectively, with Congestion Mitigation and Air Quality (CMAQ) funds; and

BACKGROUND

Pursuant to California Health and Safety Code Sections 44241 and 44242, the Air District Board of Directors has imposed a \$4 per vehicle annual surcharge on all motor vehicles registered within the boundaries of the Air District^a. The revenues fund the implementation of transportation control measures and mobile source control measures. By law, forty percent of the revenues generated by this surcharge is returned to the designated TFCA Program Manager in each county. Each TFCA Program Manager submits to the Air District for approval an annual expenditure plan of recommended projects for its forty percent share. Air District staff has reviewed the TFCA County Program Manager expenditure plans submitted for FY 2006/2007, as discussed below.

DISCUSSION

Project Evaluation

To determine eligibility, Air District staff evaluated the projects in the TFCA County Program Manager expenditure plans relative to:

^a Revenues from an additional \$2 surcharge in motor vehicle registrations, authorized by Assembly Bill 923, are not part of TFCA. These revenues are directed to the Air District's Mobile Source Incentive Fund (MSIF) to provide incentives for the implementation of additional mobile source projects.

1. *Consistency with State Law:* the projects shall be consistent with one of the eligible project categories listed in California Health and Safety Code (HSC) Section 44241.
2. *Consistency with the Ozone Strategy:* pursuant to HSC Sections 40233, 40717, and 40719 the projects shall be consistent with the appropriate transportation control measures or mobile source measures contained in the Ozone Strategy.
3. *Reduction of Emissions from Motor Vehicles:* pursuant to HSC Section 44220(b), the projects shall reduce emissions from motor vehicles.
4. *Consistency with Board Adopted Policies:* the projects shall be consistent with policies adopted by the Air District Board of Directors.

The TFCA policies applicable to the current TFCA County Program Manager expenditure plans have not yet been revised to reflect the results of the TFCA performance review. The review should be completed by the end of this year in time for the next round of TFCA policies.

TFCA Cost Effectiveness

Pursuant to policies adopted by the Air District Board of Directors, individual projects included in the annual expenditure plans for County Program Manager funds must achieve a TFCA cost-effectiveness of less than \$90,000 per ton (TFCA dollars per ton of emissions reduced over the life of the project). Projects excluded from the calculation of TFCA cost-effectiveness include TFCA County Program Manager administrative costs, alternative fuel infrastructure projects, and light-duty clean air vehicles with a gross vehicle weight of 10,000 pounds or less.

Project List

Summary information for all of the projects in the FY 2006/2007 TFCA County Program Manager expenditure plans is provided in Table 1 (attached), which is divided into nine sections, one section for each Bay Area county. Table 1 lists the project sponsor, the project description, years of effectiveness, the TFCA funds requested, the TFCA cost-effectiveness, and staff's recommended action for the Air District Board of Directors.

Originally, 64 projects were submitted for consideration. One project was withdrawn by mutual agreement, as discussed in the next section below. Staff recommends the approval of the remaining 63 projects, with a conditional approval for project 06NAP07 - Hybrid Transit Buses. The amount requested for this project is \$112,828, but the Napa County Transportation Planning Agency (NCTPA) Board of Directors originally approved an allocation of only \$78,500; the NCTPA Board of Directors must approve the increase in funding from \$78,500 to \$112,828, which is expected to happen on July 19, 2006.

Additionally, the Alameda and Santa Clara County Program Managers proposed the exchange of \$1,843,344 and \$811,895, respectively, of their available TFCA funds for CMAQ funds. The Metropolitan Transportation Commission (MTC), through its Clean Air in Motion program, committed CMAQ funds for the Air District's VBB Program. However, the Federal Highway Administration has indicated that vehicle buy back programs are not eligible for CMAQ funding. MTC worked with the Air District and the TFCA Program Managers to exchange funding so that the Air District can use the TFCA Program

Manager funds to augment the VBB Program, and the TFCA Program Managers will receive CMAQ funding from MTC to implement CMAQ-eligible projects locally.

The Air District's budget for FY 2006/2007 already includes \$7,386,585 in TFCA Regional Funds for the VBB Program. With the additional contribution of \$2.6 million in TFCA County Program Manager funds, the VBB Program will have surplus funds for the current fiscal year. In a subsequent agenda item at the July 17, 2006 Mobile Source Committee meeting, staff will recommend that \$800,000 of TFCA funds be moved from the VBB Program budget (program 612) to the Spare the Air Program budget (program 306) to help fund up to three additional Spare the Air/Free Fare weekdays this summer.

Table 2 shows, for each county, the total amount of TFCA County Program Manager funds available and the amount recommended for programming. The total funds available for programming represents the sum of projected calendar year 2006 Department of Motor Vehicles (DMV) receipts, interest earned on TFCA funds in calendar year 2005, and funds available for reprogramming from prior year projects that were canceled or completed under budget. As required by a policy adopted by the Air District Board of Directors, all projects recommended for funding, including the exchange of funds, comply with the \$90,000 per ton TFCA threshold cost-effectiveness on an individual basis, as calculated by Air District staff.

Table 2 also provides a breakdown of TFCA County Program Manager funds by county and project type. Most of the TFCA Program Manager funds are requested for ridesharing programs (32.3%), bicycle projects (26.7%), shuttle services (14.9%), and arterial management projects (14.3%). The remaining funds are requested for other eligible project categories. Program administration costs are less than the maximum of 5% of new FY 2006/2007 revenues in each county, as required by the TFCA enabling legislation.

Withdrawn/Ineligible Projects

One project was withdrawn based on a mutual agreement between the Solano County Program Manager and Air District staff because the project was ineligible per TFCA policies:

- Allied Waste Services – Vehicle Retrofit.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Approval of the recommended projects will have no impact on the Air District's budget. TFCA revenues are generated from a dedicated outside funding source and passed through

to counties. TFCA Program Manager allocations do not impact the Air District's general fund or operating budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Juan Ortellado
Reviewed by: Jack M. Colbourn

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
ALAMEDA COUNTY						
06ALA00	Alameda County CMA	Program Manager costs to administer TFCA funds within the County.		\$7,500	NA	Approve
06ALA01	County of Alameda	The Alameda County Guaranteed Ride Home Program provides a guaranteed ride home to any registered employee working for a participating employer within Alameda County.	1	\$150,000	\$18,640	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
CONTRA COSTA COUNTY						
06CC00	Contra Costa Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$67,812	NA	Approve
06CC01	West Contra Costa Transportation Advisory Committee	Provide comprehensive trip reduction services to employers at worksites in western Contra Costa County. Project will provide information, hold workshops and transportation fairs, update video promoting public transit, and promote carpools and vanpools.	1	\$120,215	\$45,833	Approve
06CC02	West Contra Costa Transportation Advisory Committee	Provide up to six (6) taxi or rental car vouchers per year to registered participants working in Contra Costa County who regularly use alternative commute modes.	1	\$165,300	\$32,196	Approve
06CC03	West Contra Costa Transportation Advisory Committee	Provide financial incentives to increase transit ridership among West County residents, students, and commuters in the I-80 corridor in Contra Costa County. Offer transit tickets and informational materials to students and new residents, and support the North Richmond Transportation Center.	1	\$85,214	\$60,764	Approve
06CC04	West Contra Costa Transportation Advisory Committee	Install five (5) bicycle racks and fourteen (14) bicycle lockers at business sites and five (5) bicycle racks at schools in West Contra Costa County and provide information brochure on use and location of racks and lockers.	10	\$49,000	\$57,402	Approve
06CC05	TRANSPAC/City of Pleasant Hill	Provide comprehensive trip reduction services to employers at worksites in Central and Eastern Contra Costa County, including providing information and workshops, developing a ridematch database and promoting carpools, vanpools and bicycling.	1	\$207,500	\$29,103	Approve
06CC06	TRANSPAC/City of Pleasant Hill	Provide financial incentives to encourage residents and employees in Contra Costa County to use carpools. Includes a countywide commuter incentive program, a college carpool incentive program, a Carpool to BART project, a SchoolPool program, and a rideshare rewards/commuter club.	1	\$195,500	\$13,211	Approve
06CC07	TRANSPAC/City of Pleasant Hill	Provide financial incentives to encourage residents, students and employees in Contra Costa County to use transit (e.g., BART, train, bus). Services include informational materials, marketing and free tickets.	1	\$406,113	\$26,428	Approve
06CC08	City of San Ramon	Provide incentives to promote vanpool formation throughout Contra Costa County. Incentives include: 50% of vanpool expenses for first three months for new vanpool passengers and incentives for drivers who recruit at least 6 new riders for a year.	1	\$90,000	\$19,693	Approve
06CC09	City of San Ramon	Provide comprehensive trip reduction services to employers at worksites in southern Contra Costa County. Project will provide mailings, hold transportation fairs, workshops and presentations.	1	\$72,090	\$30,865	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
CONTRA COSTA COUNTY						
06CC10	City of San Ramon	Provide two 12-ride transit passes to 700 students throughout the southwest areas of Contra Costa County. Passes will be mailed out with transit schedules prior to start of school year.	1	\$26,450	\$47,514	Approve
06CC11	City of San Ramon	Provide public agencies across Contra Costa County with partial funding for construction costs of installing on-site fueling stations and/or appropriate infrastructure to support clean fuel alternatives.	1	\$10,000	NA	Approve
06CC12	City of Lafayette	Provide funds to cover the incremental cost to lease 17 natural gas buses for school bus service in the Lamorinda area of Contra Costa County.	1	\$50,000	\$52,185	Approve
06CC13	City of Antioch	Provide Class-1,-2, and -3 bicycle facility improvements along 2 miles of the Southern Bicycle Arterial in Antioch, which connects Antioch and Pittsburg.	15	\$156,187	\$40,817	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
MARIN COUNTY						
06MAR00	Transportation Authority of Marin	Program Manager costs to administer TFCA funds within the County.		\$17,912	NA	Approve
06MAR01	County of Marin	Construct a new bicycle and pedestrian multi-use Class-1 (1.1 miles) bicycle path from Anderson Drive in San Rafael to Larkspur Landing Circle in Larkspur. The path will connect with the Larkspur Ferry Terminal and with the Transportation Center in downtown San Rafael.	20	\$536,252	\$81,936	Approve
06MAR02	City of Sausalito	Install a four gallon-per-hour slow-fill CNG fueling facility at the City-owned Martin Luther King property in the north end of Sausalito.		\$65,000	NA	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
NAPA COUNTY						
06NAP00	Napa County Transportation Planning Agency	Program Manager costs to administer TFCA funds within the County.		\$5,000	NA	Approve
06NAP01	City of American Canyon	Construct two segments of Class-1 bicycle path (0.4 miles total) extending the existing Class-1 path in American Canyon from Danrose Drive to Banbury Way and from Elliot Drive to Chaucer Lane and connecting to the existing Wetlands Edge Class-1 bicycle path.	20	\$86,000	\$57,464	Approve
06NAP02	City of Napa/County of Napa	Construct a Class-2 bicycle lane (0.6 miles) on Trancas Street between Big Ranch Road and Silverado Trail.	15	\$100,000	\$76,120	Approve
06NAP03	City of American Canyon	Construct two segments of Class-1 and Class-2 bikeway (1.2 miles total) extending the existing Wetlands Edge Road Class-1 bicycle path from Kensington Way south to the Napa/Solano County Line (Class-1) and from Eucalyptus Drive north to Green Island Road.	15	\$40,000	\$32,623	Approve
06NAP04	Napa County Transportation Planning Agency	Install PM only Level 3 emission control devices on four transit buses.	1	\$38,000	\$28,854	Approve
06NAP05	Solano/Napa Commuter Information	Provide a Guaranteed Ride Home Program for Napa County employers and a vanpool incentive program.	1	\$25,000	\$61,503	Approve
06NAP06	County of Napa	Purchase and install four bicycle lockers at a Napa County office building.	15	\$5,000	\$71,362	Approve
06NAP07	Napa County Transportation Planning Agency	Replace four diesel transit buses with cleaner gasoline/electric hybrid buses.	12	\$112,828	\$9,319	Approve with conditions

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN FRANCISCO COUNTY						
06SF00	San Francisco County Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$36,507	NA	Approve
06SF01	BART	Purchase and install a total of twenty (20) electronic rented on-demand bicycle lockers at the Glen Park (12 lockers) and Balboa Park (8 lockers) BART stations.	10	\$69,500	\$79,600	Approve
06SF02	County of San Francisco	Purchase 30 bicycles and helmets to continue the implementation of the City of San Francisco's Fleet Bicycle Program. Bicycles will be used by City gardeners in the Department of Parks & Recreation.	5	\$18,900	\$73,002	Approve
06SF03	County of San Francisco	Funds will be used to participate in a demonstration program of plug-in hybrid vehicle technology. The City and County of San Francisco, through the Eaton/Ford plug-in hybrid technology program, will lease a Ford F450 truck or van for one year, which will be used by the City's Department of Public Works.	1	\$70,000	\$0	Approve
06SF04	County of San Francisco	Install a Class-2 bicycle lane (1.04 miles) and signage in both directions on Ceasar Chavez Street between Kansas and Mississippi Streets. This bicycle lane will connect to existing Ceasar Chavez Street Class-1, -2 and -3 bikeways and is part of a crosstown bike route (Route 60) being implemented for the community.	15	\$79,000	\$81,270	Approve
06SF05	County of San Francisco	Install a Class-2 northbound bicycle lane (0.28 mile) on Claremont Boulevard, between Portola Drive and Dewey Circle, and Class-3 striped shared roadway markings in the southbound direction of this lane.	15	\$27,700	\$53,872	Approve
06SF06	County of San Francisco	Install a Class-2 westbound bicycle lane (1.1 mile) on McAllister Street, between Franklin and Baker Street, and Class-3 striped shared roadway markings on McAllister Street, between Market and Franklin Streets.	15	\$47,000	\$91,407	Approve
06SF07	County of San Francisco	Install a Class-2 bicycle lane and signage in both directions on Ocean Avenue, between Alemany Boulevard and San Jose Avenue (0.57 mile).	15	\$56,000	\$67,421	Approve
06SF08	County of San Francisco	Install a Class-2 bicycle lane and signage in both directions (0.59 mile) on Portola Drive between O'Shaughnessy Boulevard and Corett Avenue.	15	\$50,200	\$66,757	Approve
06SF09	County of San Francisco	Install a Class-2 bicycle lane (0.47 mile) in both directions on Sagamore Street and Sickles Avenue between Brotherhood Way and Alemany Boulevard.	15	\$71,800	\$55,925	Approve
06SF10	County of San Francisco	Install a Class-2 bicycle lane on Kansas Street between 23rd and 26th Streets (0.52 miles) in both directions. Install center median or bulb-outs for pedestrian safety.	15	\$25,000	\$83,544	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN FRANCISCO COUNTY						
06SF11	County of San Francisco	Install a Class-2 bicycle lane on Clipper Street (0.7 miles) in both directions between Diamond Heights Boulevard and Douglas Streets.	15	\$32,000	\$85,796	Approve
06SF12	County of San Francisco	Install a Class-2 bicycle lane on Kirkham Street (1.04 miles) in both directions between 9th and 18th Avenues, and install a center median between Funston and 17th Avenues.	15	\$89,000	\$82,925	Approve
06SF13	County of San Francisco	Purchase and install traffic signal priority emitters on 12 articulated motor coaches used on the 38-Geary line in San Francisco.	4	\$36,400	\$35,760	Approve
06SF14	San Francisco International Airport	Subsidize the incremental costs to purchase 7 CNG 30-passenger shuttles that will serve hotels near the San Francisco International Airport.	6	\$204,000	\$8,070	Approve

Notes:

(1) TFCAS per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN MATEO COUNTY						
06SM00	San Mateo C/CAG	Program Manager costs to administer TFCA funds within the County.		\$51,397	NA	Approve
06SM01	City of Menlo Park	Provide shuttle service between the Menlo Park Caltrain Station and major activity centers in the area.	1	\$45,000	\$58,137	Approve
06SM02	Peninsula Traffic Congestion Relief Alliance	Encourage use of commute alternatives for trips to employment sites through such programs as Emergency Ride Home, Commuter Benefits, Bike Rack and Locker Subsidy, Bicycle and Pedestrian Safety, Vanpool/Carpool Incentives and Try Transit programs.	20	\$450,000	\$7,566	Approve
06SM03	SamTrans	Provide shuttle service from BART stations to major employment sites in San Mateo County during peak commute periods.	10	\$638,000	\$39,876	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SANTA CLARA COUNTY						
06SC00	Santa Clara Valley Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$81,956	NA	Approve
06SC01	Santa Clara Valley Transportation Authority	Provide continued operation and expansion of light rail shuttle services from Santa Clara Valley Transportation Authority light rail stations to employment destinations.	1	\$485,000	\$70,879	Approve
06SC02	City of Sunnyvale	Install 4 bicycle lockers at Sunnyvale Multimodal Station.	10	\$11,000	\$70,196	Approve
06SC03	City of Sunnyvale	Install an adaptive traffic control system for Mathilda Avenue between Ross Drive and Moffett Park Drive.	2	\$175,905	\$80,831	Approve
06SC04	City of Los Altos	Install 69 new bicycle racks throughout the city of Los Altos.	10	\$17,250	\$18,622	Approve
06SC05	City of Mountain View	Extend the Stevens Creek Class-1 bicycle trail (0.5 miles) from El Camino Real to Sleeper Avenue.	20	\$275,000	\$44,100	Approve
06SC06	County of Santa Clara	Develop and implement weekend signal timing plans for 13 signalized over a 5-mile segment of Lawrence Expressway from I280 to US101.	2	\$45,000	\$18,048	Approve
06SC07	County of Santa Clara	Purchase and install two new signal controllers with associated software at the off-ramps of Highway 17 to San Tomas Expressway, allowing timing coordination along San Tomas Expressway and Camden Avenue.	10	\$90,000	\$4,747	Approve
06SC08	City of San Jose	Install 200 on-street bicycle racks in the City of San Jose.	25	\$40,000	\$7,698	Approve
06SC09	City of San Jose	Replace existing traffic signal controllers along VTA light rail routes to address critical shortcomings of the existing controllers.	2	\$600,000	\$30,921	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SOLANO COUNTY						
06SOL00	Solano Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$15,986	NA	Approve
06SOL01	City of Fairfield	Install approximately 1 mile of Class-1 bicycle route along McGary Road, from Lynch Canyon to Red Top Road, in Fairfield. Project addresses bicycle route gap between Vallejo and Fairfield.	20	\$90,000	\$18,041	Approve
06SOL02	City of Benicia	Provide shuttle service in AM and PM rushes between Vallejo Ferry Terminal and Benicia Industrial Park (and points in between).	1	\$29,325	\$87,497	Approve
06SOL03	Solano Napa Commuter Information (SNCI)	Develop and implement comprehensive transit marketing and customer service approach, especially for intercity transit services in Solano County. Project will include production of countywide transit brochures, maps and public information presentation materials, to promote commute alternatives such as bicycling, carpooling and vanpooling.	1	\$210,000	\$78,178	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SONOMA COUNTY						
06SON00	Sonoma County Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$29,449	NA	Approve
06SON01	Sonoma County Transit	Support Sonoma County Transit marketing program and promoting conversion of its entire transit fleet to compressed natural gas, marketed as "The Clean Air Alternative".	1	\$124,055	\$58,137	Approve
06SON02	Sonoma County Transit	Construct Cotati Intermodal Facility/Park & Ride facility served by Sonoma County Transit local and intercity services.	20	\$32,000	\$7,566	Approve
06SON03	Sonoma County Transit	Design and installation of improved multi-agency bus stop signs at locations where two or more transit agencies operate service.	10	\$30,000	\$39,876	Approve
06SON04	City of Rohnert Park	Construct Class-2 bicycle lanes (0.38 miles) on Redwood Drive from Commerce Boulevard to the western City limits.	15	\$14,500	\$21,569	Approve
06SON05	City of Rohnert Park	Construct Class-2 bicycle lane (3 miles) and install bicycle detector loops and signage on Rohnert Park Expressway from the eastern to the western City limits.	15	\$142,000	\$70,651	Approve
06SON06	City of Rohnert Park	Traffic signal coordination at five intersections of Rohnert Park Expressway.	2	\$40,000	\$80,319	Approve
06SON07	City of Santa Rosa	Fund a student monthly transit pass subsidy.	1	\$80,000	\$55,839	Approve
06SON08	City of Santa Rosa	Provide incentives for voluntary trip reduction program, including funding incentives, outreach materials, commute alternative training, and bicycle equipment/facilities.	1	\$154,507	\$76,954	Approve
06SON09	City of Sebastopol	Purchase of a 2006 Ford Escape Hybrid light-duty vehicle.		\$2,000	NA	Approve
06SON10	City of Petaluma	Replace existing All-Way STOP controls and construct a modern roundabout at the intersection of McDowell Blvd. South/Baywood Drive.	20	\$195,000	\$22,743	Approve
06SON11	Town of Windsor	Construct Class-2 bicycle lane (1.08 miles) on Hembree Lane and a Class-2 (0.85 mile) bicycle lane on Arata Lane.	15	\$30,000	\$26,349	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 2: TFCA County Program Manager
FY2006/07 Projects by County and Project Type**

	Alameda	Contra Costa	Marin	Napa	San Francisco	San Mateo	Santa Clara	Solano	Sonoma	Grand Total	Percent
Total Available TFCA Funds *	\$2,000,844	\$1,701,381	\$619,164	\$411,828	\$1,055,071	\$1,184,397	\$2,633,006	\$345,311	\$873,511	\$10,824,513	
Program Administration	\$7,500	\$67,812	\$17,912	\$5,000	\$36,507	\$51,397	\$81,956	\$15,986	\$29,449	\$313,519	3.9%
Trip Reduction/Ridesharing	\$150,000	\$1,368,382	\$0	\$25,000	\$88,900	\$450,000	\$0	\$210,000	\$296,507	\$2,588,789	32.3%
Bicycle Projects	\$0	\$205,187	\$536,252	\$231,000	\$547,200	\$0	\$343,250	\$90,000	\$186,500	\$2,139,389	26.7%
Arterial Management	\$0	\$0	\$0	\$0	\$0	\$0	\$910,905	\$0	\$235,000	\$1,145,905	14.3%
Shuttle/Feeder Bus Service	\$0	\$0	\$0	\$0	\$0	\$683,000	\$485,000	\$29,325	\$0	\$1,197,325	14.9%
Clean Fuel Buses	\$0	\$50,000	\$0	\$112,828	\$204,000	\$0	\$0	\$0	\$0	\$366,828	4.6%
Low Emission Light Duty Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	0.0%
Transit Information/Telecommuting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,055	\$124,055	1.5%
Fuel Substitutes/Infrastructure	\$0	\$10,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	0.9%
Diesel Repowers/Retrofits	\$0	\$0	\$0	\$38,000	\$36,400	\$0	\$0	\$0	\$0	\$74,400	0.9%
Total Allocated Funds	\$157,500	\$1,701,381	\$619,164	\$411,828	\$913,007	\$1,184,397	\$1,821,111	\$345,311	\$873,511	\$8,027,210	100%

* The total funds available for programming represents the sum of projected calendar year 2006 DMV receipts, interest earned on TFCA funds in calendar year 2005, and funds available for reprogramming from prior year projects that were canceled or completed under budget.

** Total Allocated Funds do not include \$1,843,344 from Alameda County and \$811,895 from Santa Clara County allocated to the Vehicle Buy Back Program through a swapping of TFCA and CMAQ funds.

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: July 12, 2006

Re: TFCA Regional Funds to Augment Spare the Air/Free Fare Program

RECOMMENDED ACTION

Recommend Board of Directors approval of staff recommendation to transfer \$800,000 in TFCA Regional Funds from the Vehicle Buy Back Program (program 612) to the Spare the Air Program (program 306) to add three more weekdays to the 2006 Spare the Air/Free Fare program.

BACKGROUND

This Spare the Air season, the Air District and MTC partnered with 25 Bay Area transit operators to offer free rides all day during the first three non-holiday Spare the Air weekdays. As a result of record high temperatures, high pressure, and low winds, the Air District declared consecutive weekday Spare the Air advisories on June 22, 23, and June 26, therefore, monies allocated for the 2006 Spare the Air/Free Fare campaign budget is almost fully expended, with three months remaining in the summer ozone season.

The Spare the Air/Free Fare program results to date have been exceptional. Ridership increased 10 percent regionwide, resulting in over 155,000 additional riders per day using regional transit systems. Ridership increased seven-fold over last year's campaign. Media coverage about the program and the Air District was unprecedented, resulting in high public awareness of the Spare the Air program. Free transit was implemented smoothly by each participating transit service.

DISCUSSION

MTC has expressed interest in expanding the Spare the Air/Free Fare days to include 3 additional weekdays. MTC has available a one-time allocation of State Transit Assistance funds, and the Commission is considering an MTC staff recommendation to use \$5.3 million of the STA funds to extend the Free Fare aspect of the Spare the Air program.

Air District funding is needed to augment the MTC funding, and Air District staff recommends adding three more Spare the Air/Free Fare days to the program. MTC has indicated that an additional \$688,000 is needed from the Air District for matching funds. Staff is working with its contractors to determine what additional costs may be incurred. Staff is estimating that a total of \$800,000 may be needed.

If the Board of Directors approves the transfer of approximately \$2.6 million in funding to the Vehicle Buy Back program from the TFCA County Program Managers as recommended by staff (see July 17, 2006 Mobile Source Committee item #4), the FY 2006/07 budget for the Vehicle Buy Back Program will have excess TFCA Regional Funds. Transferring \$800,000 in TFCA Regional Funds to the Spare the Air program will not affect the objectives of the Vehicle Buy Back program.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The recommendation to fund up to three additional Spare the Air/Free Fare days involves the transfer of \$800,000 in TFCA Regional Funds from the Vehicle Buy Back Program (program 612) to the Spare the Air Program (program 306) in the District's FY 2006/07 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Luna Salaver
Reviewed by: Jack M. Colbourn

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: July 10, 2006

Re: Selection of Auditor for Transportation Fund for Clean Air (TFCA)
County Program Manager Fund Projects

RECOMMENDED ACTION

Recommend Board of Directors approval of:

- 1) selection of Macias, Gini & Company as the contractor to conduct fiscal audits of TFCA Program Manager projects; and
- 2) authorizing the Executive Officer to execute a contract with the selected auditor in the amount of \$77,320 for the provision of fiscal audit services.

BACKGROUND

California Health and Safety Code Section 44242 requires that the Air District, as an agency receiving motor vehicle registration fee surcharges, conduct a fiscal audit on projects funded with those revenues at least once every two years. The fiscal audits are to be conducted by an independent auditor selected by the Air District. To date, the Air District has conducted eight rounds of TFCA fiscal audits. The currently proposed services will include the auditing of 290 TFCA Program Manager Fund projects. TFCA funds to cover the cost of the audits are included in the Air District's fiscal year (FY) 2006/2007 budget. If approved by the Board of Directors, the selected contractor will begin work in August 2006, with the final report being completed by October 2006. A summary of staff's evaluation of audit proposals is presented below.

DISCUSSION

Request for Proposals

On April 3, 2006, the Air District issued a request for proposals (RFP) seeking a qualified contractor to perform the ninth round of audits of projects funded by the TFCA program. The RFP was mailed to 61 public accounting firms, and also posted on the Air District's website. Proposals were due by May 3, 2006. The procedures used for the RFP comply with the Air District's Administrative Code Division II, Section 4.6, and with applicable portions of the California Public Contract Code Section 1100 et seq.

The Air District received three proposals in response to the RFP by the May 3, 2006, 4:00 PM deadline. The proposals were submitted by the firms indicated below.

Company Name

Caporicci & Larson
 Macias, Gini & Company
 Simpson & Simpson

Office Location

Oakland
 Walnut Creek
 Los Angeles

Evaluation of Proposals

The RFP set forth five criteria to be used in evaluating the proposals. Air District staff evaluated the proposals using these criteria and contacted references provided by the three proposing firms. In addition, past performance on prior TFCA fiscal audits was also taken into consideration. Scores were then assigned for each criterion. The table below shows each firm's score for each criterion.

Scoring of Proposals

CRITERIA	MAX. PTS.	CAPORICCI & LARSON	MACIAS, GINI & COMPANY	SIMPSON & SIMPSON
1. Technical expertise; size/structure of firm as affecting ability to perform and complete work in a professional and timely manner	30	26	27.5	21
2. References of the firms	10	8.5	10	8.5
3. Proposed cost	20	5	20	6
4. Past experience of the firm and, in particular, experience of the audit team on projects of similar scope for governmental agencies	20	17	18	16
5. Responsiveness of the proposal, stating a clear understanding of the work to be performed	20	15.5	18	15.5
Total	100	72	93.5	67

Macias, Gini & Company (Total Bid Cost: \$77,320)

Macias, Gini & Company received a total score of 93.5 points. The firm placed first in technical expertise and ability to perform the duties required for the TFCA Program Manager Fund fiscal audit. The firm's proposal conveyed significant experience in conducting financial and compliance audit services for many non-profit and government agencies, and demonstrated skills considered essential to successfully completing the audit work. The firm's proposal expressed a clear understanding of the work to be performed to conduct the TFCA Program Manager Fund audit services, and the audit process was

clearly stated in the proposal. The firm demonstrated an in-depth understanding of the TFCA Program Manager Fund fiscal audit objectives and the resources needed to complete the audit services. Air District staff contacted listed references for all the consulting firms. Macias, Gini and Company received unqualified endorsements from staff at other government agencies that had experience with this firm. The firm conducted the TFCA financial audits in 1998, 2000 and 2004 and provided organized and efficient services to the Air District. Macias, Gini & Company also submitted the lowest cost proposal.

Caporicci & Larson (Total Bid Cost: \$320,500)

Caporicci & Larson received a total score of 72. The firm ranked second in technical skills and ability to complete the work set forth in the RFP. The firm's proposal showed strong technical ability, and the firm appears qualified to perform the services for the TFCA Program Manager Fund audit. Caporicci & Larson conducted compliance audit work for numerous government agencies throughout California and the firm received good references. The proposal, however, did not convey as clear an understanding of the audit requirements as stated in the TFCA County Program Manager Fund audit RFP. Caporicci & Larson's audit plan entailed auditing each individual agency on the RFP project list, rather than auditing the records of the TFCA County Program Manager that distributed funds to the agencies on the RFP project list. Because of this, Caporicci & Larson overestimated the staff time necessary for the TFCA Program Manager Fund fiscal audit, which resulted in the highest cost proposal.

Simpson & Simpson (Total Bid Cost: \$269,000)

Simpson & Simpson received a total score of 67 points. Although the firm has the experience necessary to perform the tasks required for the TFCA audits, its proposal did not score as high in the responsiveness to proposal criteria. The firm's proposal demonstrated that the firm did not have as clear an understanding of the core expectation required for the TFCA Program Manager Fund audit services. Simpson & Simpson also scored the lowest in the technical expertise criterion. Additionally, Simpson & Simpson submitted the second highest cost proposal.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The audit cost, funded by TFCA revenues, is included in the Air District's FY 2006/07 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Andrea Gordon
Reviewed by: Jack M. Colbourn

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: July 10, 2006

Re: Vehicle Buy Back Program Fiscal Year 2005/2006 Annual Report

RECOMMENDED ACTION

Receive and file the fiscal year (FY) 2005/2006 annual report on the Vehicle Buy Back (VBB) Program.

BACKGROUND

The Air District's VBB Program began in June 1996 to provide a financial incentive to retire older, higher polluting vehicles. The VBB Program currently purchases and scraps model year 1985 and older light-duty vehicles that lack modern emission control systems and, therefore, produce more air pollution than newer cars. The VBB Program is completely voluntary and pays \$650 to a vehicle owner if the vehicle qualifies for the program. The VBB Program adheres to the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) regulation adopted by the California Air Resources Board. The VBB Program is funded by the Transportation Fund for Clean Air (TFCA).

Since its inception in June 1996 through June 30, 2006, the VBB Program has purchased and scrapped 30,819 eligible vehicles. It is expected that the total number of vehicles purchased and scrapped by the VBB program will reach 35,321 with the current level of FY 2005/2006 funding. Total emission reductions through FY 2005/2006 will amount to 4,997 tons: 3,245 tons of reactive organic gases, 1,731 tons of oxides of nitrogen and 21 tons of particulate matter. The VBB Program remains one of the most cost-effective programs funded by TFCA, with an estimated cost-effectiveness of \$7,294 (TFCA dollars) per ton of reduced emissions for FY 2005/2006. Several factors have helped to achieve and maintain an increased scrapping rate in FY 2005/2006, including the VBB Program direct mail campaign, the increase in model year to 1985 and older light-duty vehicles, and an increase in the amount paid per vehicle to \$650. The VBB Program is functioning well and, with sustained funding, will continue to serve as an excellent program to reduce mobile source emissions in the Bay Area.

The purpose of this report is to provide a summary of the VBB Program for the FY 2005/2006 TFCA funding cycle.

DISCUSSION

Following is a summary of major elements of the Vehicle Buy Back Program for the FY 2005/2006 TFCA funding cycle.

Vehicle Dismantler Scrapping Contracts: The Air District implements the VBB Program by contracting with vehicle dismantlers to screen, purchase, and destroy eligible vehicles. For FY 2005/2006, the Air District approved contracts totaling \$7,000,000 with Pick Your Part, Pick-N-Pull, and Environmental Engineering Studies to purchase and scrap 7,968 eligible vehicles. There are a total of 21 buy back sites including eleven operated by Environmental Engineering Studies, six operated by Pick-N-Pull and four operated by Pick Your Part. At the current purchase rate, the remaining funding under the FY 2005/2006 contracts should be used up by December 2006. The Air District's FY 2006/2007 budget includes \$7.4 million in TFCA funds to continue the VBB program implementation.

Direct Mail: The direct mail campaign has been in place since January 2000 and, based upon VBB Program surveys, it is the most successful method of informing potential participants about the program. The Air District's current direct mail contractor has delivered over 195,000 pieces of mail since October 2005 to eligible vehicle owners, to inform them of the program.

Vehicle Scrapping Rates: Scrapping rates have almost tripled, to approximately 520 vehicles per month, since the Board of Directors approved changes to the VBB Program in October 2004. The changes included an increase in the eligible vehicle model year to 1985 and older, and an increase in the amount paid per vehicle from \$500 to \$650.

CONCLUSION

The VBB Program is one of the most cost-effective programs funded by TFCA. The VBB Program's direct mail campaign continues to attract a high rate of voluntary participants. Air District staff believes that the near tripling of the monthly buy back rate since October 2004 is due to the expansion of the eligible model years to 1985 and older vehicles and the increase in the amount paid for each vehicle to \$650.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. VBB Program costs are covered by TFCA revenues, which are based on motor vehicle registration fee surcharges. Funding for the continuation of the VBB Program is included in the FY 2006/2007 budget under Program 612.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joseph Steinberger
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 10, 2006

Re: State Implementation Plan (SIP) Revision to Bay Area Transportation
Conformity and Interagency Consultation Procedures

RECOMMENDED ACTION

Approve proposed revisions to the State Implementation Plan (SIP) element for transportation conformity and interagency consultation procedures.

BACKGROUND

Since the 1990 amendments to the Clean Air Act (CAA), EPA has amended the federal transportation conformity procedures four times. The procedures govern the process for determining if transportation plans, programs and projects are consistent with a region's plans to attain and maintain the National Ambient Air Quality Standards. In the Bay Area, the procedures were first adopted in September 1994 to comply with the 1990 CAA amendments. Three subsequent amendments to the transportation conformity procedures in August 1995, November 1995 and August 1997 have been adopted by the three co-lead agencies (ABAG, MTC and the District), approved by EPA and are now part of the California SIP.

In August 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was signed into law. Prior to SAFETEA-LU most sections of the federal rule regarding procedures for determining conformity with the SIP and interagency consultation were required to be copied verbatim from the federal rule into a state's SIP. SAFETEA-LU has made it possible for all but a few of the required procedures to apply without being included in a SIP. This eliminates the burden on MTC, ABAG and the District to process SIP amendments every time federal actions change conformity procedural requirements. The existing federal requirements that must be followed for determining transportation conformity with the SIP will still apply, but with the proposed SIP amendment the procedures would not be part of the region's SIP.

DISCUSSION

The transportation conformity and interagency consultation procedures in the Bay Area are proposed to be updated to reflect changes resulting from SAFETEA-LU, specifically: 1) deleting from the SIP EPA's detailed procedures for determining the conformity of plans, programs and projects; and 2) updating the interagency consultation procedures. The updated interagency consultation procedures recommended by MTC staff (Attachment A)

will also clarify the topics to be addressed and the level of consultation required of each of the co-lead agencies for formal and administrative Transportation Improvement Program (TIP) amendments. The major revisions proposed by MTC for this SIP amendment include the following.

- Deletes detailed procedures for determining conformity of transportation plans, programs, and projects (except for two sections below) that, previous to SAFETEA-LU, were required to be copied verbatim from EPA's own regulation;
 - 1) Requirements that written commitments to control measures that are not included in MTC's RTP and TIP must be obtained prior to a conformity determination and the requirement that such commitments must be fulfilled (40 CFR 93.122(a)(4)(ii));
 - 2) Requirements that written commitments to mitigation measures must be obtained prior to a project-level conformity determination (40 CFR 93.125(c)); and
- Adds more detail on the consultation structure and procedures for RTP and TIP updates and amendments, clarifies agency roles and responsibilities in the conformity process, adds more detail on the consultation on RTP and TIP conformity analysis, clarifies the responsibilities of the co-lead agencies in the SIP consultation process, and clarifies other Air Quality Conformity Task Force processes and procedures.

Each of the three co-lead agencies, MTC, ABAG and the District, must adopt SIP amendments. On May 17 and May 18, 2006, the Board and ABAG, respectively, delegated authority to MTC to conduct a public hearing on the proposed SIP amendments to the conformity procedures. On June 9, 2006, MTC held a duly noticed public hearing and has provided the District with a record of the hearing (Attachment B). There were no comments received during the public hearing. EPA submitted written comments subsequent to the public hearing (Attachment C).

On July 14 and July 20, 2006, MTC and ABAG, respectively, will consider approval of the proposed conformity procedure amendments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. District staff will assist MTC staff with processing the SIP revision for California Air Resources Board and U.S. Environmental Protection Agency approval.

Respectfully submitted,

Jack P. Broadbent
Executive Officer /APCO

Prepared by: Greg Tholen
Reviewed by: Henry Hilken

Attachment A – Revised Transportation Conformity Protocol and Interagency
Consultation Procedures (MTC Resolution No. 3757)

Attachment B – Transcript of Public Hearing Held by MTC

Attachment C – Public Comments and Responses

ATTACHMENT A

REVISED TRANSPORTATION CONFORMITY PROTOCOL AND INTERAGENCY CONSULTATION PROCEDURES (MTC RESOLUTION NO. 3757)

Date: July 28, 2006
W.I.: 1412
Referred by: Planning Committee

ABSTRACT

Resolution No. 3757

This Resolution approves the “San Francisco Bay Area Transportation Air Quality Conformity Protocol,” listed as Attachment A (conformity procedures) and Attachment B (interagency consultation procedures), for determining the conformity of the Regional Transportation Plan and Transportation Improvement Program with federal air quality plans and procedures. These two Attachments constitute the “Conformity SIP” for the San Francisco Bay Area (the conformity portion of the State Implementation Plan (SIP)).

This Resolution will be submitted to the California Air Resources Board (ARB) and the U.S. Environmental Protection Agency (EPA) for approval as revisions to the California State Implementation Plan (SIP), which governs transportation conformity and decisions in the San Francisco Bay Area.

Date: July 28, 2006
W.I.: 1412
Referred by: Planning Committee

Re: Approval of San Francisco Bay Area Transportation Air Quality Conformity Protocol

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3757

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code § 66500 et seq.; and

WHEREAS, the Bay Area Air Quality Management District (BAAQMD), Association of Bay Area Governments (ABAG) and MTC are collectively responsible for developing and implementing various portions of the federal air quality plans in the San Francisco Bay Area; and

WHEREAS, prior to adopting or amending the long-range Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP), MTC must first determine that these plans and programs conform to the federal air quality plan for the San Francisco Bay Area (termed the State Implementation Plan, or SIP) using procedures established by the U.S. Environmental Protection Agency (EPA); and

WHEREAS, the three agencies have prepared a protocol for determining transportation air quality conformity in compliance with Federal regulation entitled: San Francisco Bay Area Transportation Air Quality Conformity Protocol (“the Protocol”), which includes certain conformity procedures relating to transportation plans, programs, and projects and the interagency consultation procedures, attached hereto as Attachment A and Attachment B, respectively, and incorporated herein as though set forth at length; and

WHEREAS, the three agencies have revised the Protocol to reflect the most recent guidance provided by the U.S. EPA; and

WHEREAS, Federal regulations for amending the SIP require a public hearing prior to adoption or changes to the Protocol, and the BAAQMD and ABAG have delegated authority to MTC to hold a public hearing on the Protocol as proposed herein; and

WHEREAS, MTC held a duly noticed public hearing on June 9, 2006; and

WHEREAS, at the conclusion of the public hearing, the Protocol was referred back to the three respective agencies along with the public comments and staff recommendations that each agency adopt the new Protocol; and

WHEREAS, the Protocol must be submitted to the California Air Resources Board (ARB) for review and subsequent submittal to the U.S. Environmental Protection Agency (EPA) for revision of the California State Implementation Plan (SIP), now therefore be it

RESOLVED, that the Protocol to be included in the Conformity SIP are approved for submission to CARB and to EPA; and, be it further

RESOLVED, that the MTC staff may make minor adjustments, as necessary, to the Protocol in the Conformity SIP in response to ARB and EPA comments; and, be it further

RESOLVED, that this resolution supercedes MTC Resolution No. 3075.

METROPOLITAN TRANSPORTATION COMMISSION

Jon Rubin, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on July 28, 2006.

Date: July 28, 2006
W.I.: 1412
Referred by: Planning Committee

Attachment A
Resolution No. 3757
Page 1 of 1

SAN FRANCISCO BAY AREA TRANSPORTATION AIR QUALITY CONFORMITY PROTOCOL

Conformity Procedures

Current federal law does not require that EPA's detailed procedures for determining the conformity of plans, programs and projects be included in the Conformity SIP. Therefore, Part 93 of MTC's conformity procedures (MTC Resolution 3075), which includes verbatim EPA's transportation conformity regulation from 40 CFR Part 93, is deleted in entirety, with the exception of sections 93.122(a)(4)(ii) and 93.125(c)(see below).

In accordance with 40 CFR section 93.122(a)(4)(ii), prior to making a conformity determination on the RTP or TIP, MTC will not include emissions reduction credits from any control measures that are not included in the RTP or TIP and that do not require a regulatory action in the regional emissions analysis used in the conformity analysis unless MTC or FHWA/FTA obtains written commitments, as defined in 40 CFR section 93.101, from the appropriate entities to implement those control measures. The written commitments to implement those control measures must be fulfilled by the appropriate entities.

In accordance with 40 CFR section 93.125(c), prior to making a project-level conformity determination for a transportation project, FHWA/FTA must obtain from the project sponsor and/or operator written commitments, as defined in 40 CFR section 93.101, to implement any project-level mitigation or control measures in the construction or operation of the project identified as conditions for NEPA approval. The written commitments to implement those project-level mitigation or control measures must be fulfilled by the appropriate entities. Prior to making a conformity determination on the RTP or TIP, MTC will ensure the project design concept and scope are appropriately identified in the regional emissions analysis used in the conformity analysis.

Date: July 28, 2006
W.I.: 1412
Referred by: Planning Committee

Attachment B
Resolution No. 3757
Page 1 of 15

SAN FRANCISCO BAY AREA TRANSPORTATION AIR QUALITY CONFORMITY PROTOCOL

Interagency Consultation Procedures

I. General

These procedures implement the interagency consultation process for the nine-county San Francisco Bay Area, and include procedures to be undertaken by the Metropolitan Transportation Commission (MTC), California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), Federal Transit Administration (FTA), State and local air agencies and U.S. EPA, before making transportation conformity determinations on the Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP). Air quality planning in the Bay Area is the joint responsibility of the Metropolitan Transportation Commission (MTC), Association of Bay Area Governments (ABAG) and the Bay Area Air Quality Management District (BAAQMD).

Air Quality Conformity Task Force

To conduct consultation, staff involved in conformity issues for their respective agencies will participate in an Air Quality Conformity Task Force, hereafter referred to as the "Conformity Task Force." The Conformity Task Force is open to all interested agencies, but will include staff of:

- Federal agencies: FHWA, FTA, EPA
- State DOT: Caltrans
- Regional planning agencies: MTC, ABAG
- County transportation agencies: all CMAs,
- State and local air quality agencies: California Air Resources Board and BAAQMD
- Transit operators

MTC will maintain a directory for the current membership of the Conformity Task Force. MTC will chair the Conformity Task Force and will consult with members of the Conformity Task Force to determine items for meeting agendas and will transmit all meeting materials. Agendas and other meeting material will generally be transmitted seven days in advance of meetings, or on occasion, distributed at the meetings. MTC will prepare summary minutes of each meeting. Any member of the Conformity Task Force listed above can request MTC to call a meeting of this group to discuss issues under the purview of the Conformity Task Force as described below, including whether certain events would trigger the need to make a new conformity determination for the Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP).

Persons of any organizational level in the member agencies may attend meetings of the Conformity Task Force. All meetings of the Conformity Task Force will be open to the public.

Meeting frequency will be at least quarterly, unless there is consensus among the federal and state transportation agencies and air quality agencies to meet less frequently. MTC will also consult with these agencies to determine which items may not require a face-to-face meeting and could be handled via conference call or email.

II. Consultation on Regional Transportation Plan (RTP) and RTP Amendments

a. RTP Consultation Structure and Process

The mechanism for developing the RTP and for reviewing RTP documents is through The Bay Area Partnership or its successor. MTC is responsible for convening meetings of The Bay Area Partnership and its subcommittees.

The Bay Area Partnership, hereafter referred to as the “Partnership”, was established in 1991 by MTC as a strategic alliance to advise and implement the mandates of the Intermodal Surface Transportation Efficiency Act of 1991. The Partnership includes representatives of all federal, state and local transportation agencies involved in developing and implementing transportation policies and programs in the nine-county San Francisco Bay Area as well as other regional agencies, such as the BAAQMD, ABAG, and Bay Conservation and Development Commission (BCDC). The Conformity Task Force member agencies, including EPA and ARB, are represented on the Partnership, and therefore the Conformity Task Force member agencies may participate directly in the Partnership process. MTC maintains a directory of the current membership of the Partnership. Partnership membership changes are frequent and expected. The current membership of the Conformity Task Force will be included in the Partnership directory.

Early in the RTP development process, MTC will develop a schedule for key activities and meetings leading up to the adoption of the RTP. In developing the draft RTP, MTC brings important RTP-related issues to the Partnership for discussion and feedback. MTC is responsible for transmitting all materials used for these discussions to the Partnership prior to the meetings, or on occasion, may distribute materials at the meetings. All materials that are relevant to interagency consultation, such as the RTP schedule, important RTP-related issues, and draft RTP, will also be transmitted to the Conformity Task Force for discussion and feedback. Similar consultation will occur with RTP amendments although amendments to the RTP are few and infrequent.

Public involvement in development of the RTP and RTP Amendments will be provided in accordance with MTC’s adopted public involvement procedures. Key RTP supporting documents are posted on MTC’s Web site for reference.

Policy decisions and actions pertaining to the RTP are the responsibility of MTC and will be made through MTC’s Commission and its standing committee structure. The MTC standing committee currently in charge of the RTP is the Planning Committee, but changes to committee names can be expected from time to time. Comments received on important RTP-related issues and materials will be reviewed and considered by MTC staff in preparation of issuing a draft and final RTP for public review. MTC staff will respond to all significant

comments, and the comments and response to comments will be made available for discussion with the Planning Committee and the Commission. MTC will transmit RTP-related materials to be discussed at the Planning Committee and Commission meetings to the Conformity Task Force prior to the meeting, or on occasion, may distribute materials at the meetings. Staff and policy board members of Conformity Task Force agencies may participate in these meetings.

b. Agency Roles and Responsibilities. Development of the RTP will be a collaborative process with agencies participating through participation the Partnership and/or MTC Commission and its standing committees. The following are the expected participation of key agencies in RTP development and review.

Agency	Roles
MTC	As the MPO for the San Francisco Bay Area, MTC develops, coordinates, circulates and provides for public involvement prior to adopting the RTP. Develops supporting technical documents, environmental documents, public information and other supplemental reports related to RTP. Prepares conformity analysis for RTP and makes conformity findings prior to adoption. Includes funding for TCMs in RTP. MTC Commission will act as the final policy body in the development and adoption of the RTP.
ABAG	Adopts long-range land use and demographic projections for the Bay Area. Provides detailed demographic data to MTC for travel forecasting and regional emissions analysis.
California DOT (Caltrans)	Project initiator for all state highway projects in the MTC region. Works directly with MTC in providing and reviewing detailed technical programming information. Defines the design concept and scope of projects in the RTP to conduct regional emissions analysis. Promptly notifies MTC of changes in design concept and scope, cost, and implementation year of regionally significant projects. Conducts project level CO and PM hotspot analyses. Identifies and commits to project level CO and PM mitigation measures, as required. Implements TCMs for which Caltrans is responsible in a timely fashion.
California ARB	Develops, solicits input on and adopts motor vehicle emissions factors; seeks EPA approval for their use in conformity analyses.
BAAQMD	Reviews and comments on all aspects of the conformity determinations for the RTP.
EPA	Administers and provides guidance on the Clean Air Act and Transportation Conformity regulations. Determines adequacy of motor vehicle emissions budget used for making RTP conformity findings. Reviews and comments on conformity determinations for the RTP.
Local Municipalities	Local municipalities propose projects for inclusion in the RTP and provide related information on design concept and scope for all regionally significant projects, including facilities where detailed design features have not yet been decided. Promptly notifies MTC of changes in design concept and scope, cost, and implementation year of regionally significant projects that would affect a new conformity analysis. Conducts project level CO and PM hotspot analyses. Identifies and commits to project level mitigation measures for CO and PM, as required. Implement TCMs for which local governments have responsibility in a timely fashion.

Agency	Roles
Local Transportation Agencies (CMAs, Transit Operators)	Project initiators for certain road and transit projects. See above Local Municipalities.
FHWA/FTA	FHWA and FTA consult with EPA on finding that the RTP conforms to the SIP. Provide guidance on transportation planning regulations. Ensure that all transportation planning and transportation conformity requirements contained in 23 CFR Part 450 and 40 CFR Part 93, respectively, are met.

* While these are the key areas and agencies involved in the development of the RTP, participation in the RTP process by other agencies may occur.

c. Consultation on RTP and RTP Amendment Conformity Analysis

Consultation on the assumptions and approach to the conformity analysis of the RTP or RTP Amendment will occur during the preparation of the draft RTP or RTP Amendment. MTC typically starts discussing the assumptions and approach to the conformity analysis with the Conformity Task Force at least two to three months prior to the conformity analysis being conducted. Early in the RTP or RTP Amendment development process, MTC will consult with the Conformity Task Force on, at a minimum, the following topics:

- Travel forecasting and modeling assumptions
- Latest planning assumptions
- Motor vehicle emission factors to be used in conformity analysis
- Appropriate analysis years
- Key regionally significant projects assumed in the transportation network and the year of operation
- Status of TCM implementation
- Financial constraints and other requirements that affect conformity pursuant to Federal Statewide and Metropolitan Planning regulations.
- Reliance on a previous regional emissions analysis
- The need for an Interim RTP (in the event of a conformity lapse)

The preparation of the draft conformity analysis will typically begin after public review of the draft RTP or RTP Amendment since there may be changes to projects and programs resulting from further public input. MTC will transmit the results of the draft conformity analysis to the Conformity Task Force prior to releasing the draft conformity analysis for public review. The Conformity Task Force will respond promptly to MTC staff with any comments. The draft conformity analysis will be available for public review at least 30 days prior to any final action by MTC on the final conformity analysis and RTP or RTP Amendment. MTC will consult with the Conformity Task Force, as needed, in preparing written responses to significant comments on the draft conformity analysis. The draft conformity analysis will be reviewed by the MTC standing committee responsible for the RTP and will be referred to the Commission for approval. Members of the public can comment on the draft conformity analysis in writing or in person at MTC meetings prior to the close of the 30-day public review period. After the Commission approves the final conformity analysis, MTC will provide the final conformity analysis to FHWA/FTA for joint review as required by 40 CRF 93.104 and 23 CRF 450.322 of the FHWA/FTA Statewide and Metropolitan Planning Rule. Copies of the final conformity analysis will also be transmitted

to the Conformity Task Force and made available in the MTC/ABAG Library and MTC's Web site.

III. Consultation on Transportation Improvement Program (TIP) and TIP Amendments

a. TIP Consultation Structure and Process

Similar to the RTP development, the mechanism for developing the TIP or TIP Amendments is through the Partnership or its successor. MTC is responsible for convening meetings of the Partnership and its subcommittees. These meetings are open to the public.

The Partnership includes representatives of all federal, state and local transportation agencies involved in developing and implementing transportation policies and programs in the nine-county San Francisco Bay Area as well as other regional agencies, such as the BAAQMD, ABAG, and BCDC. The Conformity Task Force member agencies, including EPA and ARB, are represented on the Partnership, and therefore the Conformity Task Force member agencies may participate directly in the Partnership process.

Early in the TIP development process, MTC will develop a schedule for key activities and meetings leading up to the adoption of the TIP. In developing the draft TIP, MTC brings important TIP-related issues to the Partnership for discussion and feedback. MTC is responsible for transmitting all materials used for these discussions to the Partnership prior to the meetings, or on occasion, may distribute materials at the meetings. All materials that are relevant to interagency consultation, such as the TIP schedule, important TIP-related issues, and draft TIP, will also be transmitted to the Conformity Task Force for discussion and feedback. Similar consultation will occur for TIP Amendments requiring an air quality conformity determination.

Public involvement in development of the TIP or TIP Amendments will be provided in accordance with MTC's adopted public involvement procedures. Key TIP supporting documents are posted on MTC's Web site for reference.

Policy decisions and actions pertaining to the TIP are the responsibility of MTC and will be made through MTC's Commission and its standing committee structure. The MTC standing committee currently in charge of the TIP is the Programming and Allocations Committee, but changes to committee names can be expected from time to time. Comments received on important TIP-related issues and materials will be reviewed and considered by MTC staff in preparation of issuing a draft and final TIP for public review. MTC staff will respond to all significant comments, and the comments and response to comments will be made available for discussion with the Programming and Allocations Committee and the Commission. MTC will transmit TIP-related materials to be discussed at the Programming and Allocations Committee and Commission meetings to the Conformity Task Force prior to the meeting, or on occasion, may distribute materials at the meetings. Staff and policy board members of Conformity Task Force agencies may participate in these meetings.

b. Agency Roles and Responsibilities

Development of the TIP will be a collaborative process with agencies participating through the Partnership or its successor. The following are the expected participation of key agencies in TIP development and review:

Agency	Roles
MTC	As MPO for the San Francisco Bay Area, MTC develops, coordinates, circulates and provides for public involvement prior to adopting the TIP. Develops supporting technical documents and memorandum. Ensures projects in the TIP are consistent with the RTP. Ensures project sponsors have written commitments to any CO or PM mitigation measures required as conditions to NEPA process, prior to funding approval. Prepares conformity analysis for the TIP and makes conformity findings prior to adoption. Includes funding for TCMs in the TIP to ensure timely implementation. MTC Commission will act as the final policy body in the development of the TIP, prior to submittal to Caltrans, FHWA and FTA.
ABAG	Adopts long-range land use and demographic projections for the Bay Area. Provides detailed demographic data to MTC for travel forecasting and regional emissions analysis.
California DOT (Caltrans)	Project initiator for all state highway projects in the MTC region. As such, works directly with MTC in providing and reviewing detailed technical programming information. Defines the design concept and scope of projects in the TIP to conduct regional emissions analysis and provides costs. Promptly notifies MTC of changes in design concept and scope, cost, and implementation year of regionally significant projects. Conducts project level CO and PM hotspot analyses. Identifies and commits to certain CO and PM mitigation measures, as required. Implements TCMs for which Caltrans is responsible in a timely fashion.
California ARB	Develops, solicits input on and adopts motor vehicle emissions factors. Seeks EPA approval for their use in conformity analyses
BAAQMD	Reviews and comments on all aspects of the conformity determinations for the TIP.
EPA	Administers and provides guidance on the Clean Air Act and transportation conformity regulations. Determines adequacy of motor vehicle emissions budget used for making TIP conformity findings. Reviews and comments on conformity determinations for the TIP.
Local Municipalities	Local municipalities propose projects for inclusion in the TIP. Responsible for informing MTC of design concept and scope and costs of all regionally significant projects, including non-FHWA/FTA funded projects when the project sponsor is a recipient of federal funds. Provides design concept and scope for facilities where detailed design features have not yet been decided. Promptly notifies MTC of changes in design concept and scope, cost, and implementation year of any regionally significant projects that would affect a new conformity analysis. Ensures regionally significant projects are in a conforming RTP and TIP (or otherwise meet the requirements of EPA conformity regulations, Sec. 93.121) prior to local approval action. Conducts project level CO and PM hotspot analyses. Identifies and commits to project level mitigation measures for CO and PM, as required. Implement TCMs for which local governments have responsibility in a timely fashion.
Local Transportation Agencies (CMAs, Transit Operators)	Project initiators for certain road and transit projects. See above Local Municipalities.
FHWA/FTA	FHWA and FTA consult with EPA on finding that the TIP conforms to the SIP. Provide guidance on transportation planning regulations. Ensure that all transportation planning and transportation conformity requirements contained in 23 CFR Part 450 and 40 CFR Part 93, respectively, are met.

* While these are the key areas and agencies involved in the development of the TIP, participation in the TIP process by other agencies may occur.

c. Consultation and Notification Procedures for Conformity Analysis of TIP and TIP Amendments

Adoption of a new TIP will occur at intervals specified in federal planning requirements, whereas TIP Amendments can be expected to occur much more frequently. Consultation on the assumptions and approach to the conformity analysis of the TIP or TIP Amendment will occur during the preparation of the draft TIP or TIP Amendment. MTC typically starts discussing the assumptions and approach to the conformity analysis with the Conformity Task Force at least two to three months prior to the conformity analysis being conducted. When preparing a new TIP, MTC will consult with the Conformity Task Force on the same topics listed for the RTP (see Section II.c.), as well as the additional topics listed below:

- Identification of exempt projects in the TIP
- Identification of exempt projects which should be treated as non exempt
- Determination of projects which are regionally significant (both FHWA/FTA and non FHWA/FTA funded projects)
- Development of an Interim TIP (in the event of a conformity lapse)

For TIP Amendments, MTC will consult with the Conformity Task Force as identified below:

Consultation Required in Situations Requiring a Conformity Determination, Including But Not Limited To:

- Add a regionally significant project to the TIP when it has already been appropriately accounted for in the regional emissions analysis for the RTP
- Add a non-regionally significant project to the TIP
- Add non-exempt, regionally significant project that has not been accounted for in the regional emissions analysis
- Change in non-exempt, regionally significant project that is not consistent with the design concept and scope or the conformity analysis years

In addition, notification at the beginning of the public comment period is required for major amendments that add/delete exempt project or project phases to/from the TIP and add environmental studies for non-exempt project to the TIP.

Some changes to an adopted TIP do not require consultation or notification of these changes to federal or state agencies.

No Consultation Required:

According to FHWA/FTA/Caltrans *Procedures for Minor Modification to the FSTIP*, minor change amendments are revisions to project descriptions that do not affect the scope or conflict with the environmental documents, funding revisions that are no more than \$2 million but not more than 20% of the total project cost, changes to fund sources, changes to project lead agency, changes that split or combine projects with no scope or funding changes, changes to required information for grouped projects and adding or deleting projects from grouped project listings. Per the *Procedures for Minor Modification to the FSTIP*, these types

of changes are considered administrative actions and do not require any public notification or consultation.

The preparation of the draft conformity analysis will typically begin during the public review period and be completed when all changes to the proposed listing of projects and programs in the draft TIP or TIP Amendment have been finalized. MTC will transmit the results of the draft conformity analysis to the Conformity Task Force prior to releasing the draft conformity analysis for public review. The Conformity Task Force will respond promptly to MTC staff with any comments. The draft conformity analysis will be available for public review at least 30 days prior to any final action by MTC on the final conformity analysis and TIP or TIP Amendment. MTC will consult with the Conformity Task Force, as needed, in preparing written responses to significant comments on the draft conformity analysis. The draft conformity analysis will be reviewed by the MTC standing committee responsible for the TIP and will be referred to the Commission for approval. Members of the public can comment on the draft conformity analysis in writing or in person at MTC meetings prior to the close of the 30-day public review period. After the Commission approves the final conformity analysis, MTC will provide the final conformity analysis to FHWA/FTA for joint review as required by 40 CRF 93.104 and 23 CRF 450.322 of the FHWA/FTA Statewide and Metropolitan Planning Rule. Copies of the final conformity analysis will also be transmitted to the Conformity Task Force and made available in the MTC/ABAG Library and MTC's Web site.

IV. State Implementation Plan (SIP) Consultation Process

a. SIP Consultation Structure and Process

The BAAQMD, MTC and ABAG have co-lead responsibilities for preparing the SIP. The SIP will normally be developed through a series of workshops, technical meetings, and public involvement forums independent of the Conformity Task Force; however, all Conformity Task Force agencies will be provided with all information and every opportunity to fully participate in the development of the SIP. The BAAQMD will provide and update schedules for SIP development that will be available to all agencies and the public. Public involvement will be in accordance with the BAAQMD's public involvement procedures. Key documents will be posted on BAAQMD's website. SIP development will normally cover inventory development, determination of emission reductions necessary to achieve and/or maintain federal air quality standards, transportation and other control strategies that may be necessary to achieve these standards, contingency measures, and other such technical documentation as required. The SIP will include a process to develop and evaluate transportation control measures as may be suggested by the co-lead agencies, other agencies, and the public.

MTC will consult with the BAAQMD and ARB in providing the travel activity data used to develop the on-road motor vehicle emissions inventory. If new transportation control strategies are necessary to achieve and/or maintain federal air quality standards, MTC will evaluate and receive public comment on potential new measures through the SIP consultation process administered by the BAAQMD. This SIP process will define the motor vehicle emissions budget (MVEB), and its various components, that will be used for future conformity determinations of the RTP and TIP. Prior to publishing the draft SIP, the Conformity Task Force will have an opportunity to review and comment on the proposed MVEB.

The BAAQMD will circulate the draft SIP for public review, and all comments will be responded to in writing prior to adoption of the SIP by the co-lead agencies. The Boards of the co-lead agencies will formally adopt the submittal. The BAAQMD will then transmit the adopted submittal, along with the public notice, public hearing transcript and a summary of comments and responses, to the ARB.

b. Agency Roles and Responsibilities

The following provides a summary on the roles and responsibilities of the different agencies with involvement in development and review of SIP submittals dealing with TCMs or emissions budgets.

Agency	Responsibilities
MTC	MTC is a co-lead agency for development of the SIP. Responsibilities may include preparing initial drafts of SIP submittals, revising those drafts, incorporating other agencies' comments, and preparing public hearing transcripts and responding to public comments. MTC is responsible for developing regional travel demand forecasts used in the SIP emissions inventory and analysis of new TCMs. MTC develops, analyzes, and monitors and reports on implementation of federal TCMs. MTC participates in public workshops and hearings on the SIP. MTC will provide final SIP documents to the Conformity Task Force and place copies in MTC's library.
ABAG	ABAG is a co-lead agency for development of the SIP. Responsibilities may include preparing initial drafts of SIP submittals, revising those drafts, incorporating other agency comments, and preparing public hearing transcripts and responding to public comments. ABAG's responsibilities include developing regional economic, land use and population forecasts used in developing SIP inventories. ABAG participates in public workshops and hearings on SIP submittals
California DOT (Caltrans)	Caltrans participates through various meetings, workshops, and hearings that are conducted by the co-lead agencies.
California ARB	ARB participates in the SIP development process in the Bay Area. ARB receives the Bay Area's SIP submittals, and upon approval, transmits them to EPA. Concurs with TCM substitution in the SIP.
BAAQMD	BAAQMD is responsible for air quality monitoring, preparation and maintenance of detailed and comprehensive emissions inventories, and other air quality planning and control responsibilities. BAAQMD is responsible for air quality planning in the region. Its responsibilities may include preparing initial drafts of SIP submittals, revising those drafts, incorporating other agencies' comments, and preparing public hearing transcripts and responding to public comments. BAAQMD organizes and participates in public workshops and hearings on SIP submittals.
EPA	EPA receives the Bay Area's SIP submittals from the California ARB, and has the responsibility to act on them in a timely manner. EPA directly influences the content of the submittals through regulations implementing the federal Clean Air Act. EPA also has the opportunity to influence the submittals through various meetings, workshops, and hearings that are conducted by the co-lead agencies. Provides guidance on the Clean Air Act. Determines adequacy of motor vehicle emissions budget used for making RTP/TIP conformity findings. Concurs with TCM substitution in the SIP.
Local Municipalities	Local municipalities will also participate through various meetings, workshops, and hearings that are conducted by the co-lead agencies.
Local Transportation Agencies (CMAs and Transit Operators)	CMAs and transit operators participate through various meetings, workshops, and hearings that are conducted by the co-lead agencies. CMAs represent the collective transportation interests of cities and counties, and, in certain cases, other local agencies.
FHWA/FTA	Provide guidance on transportation planning regulations. Opportunities to participate in the SIP are as noted above.

V. Consultation process for model assumptions, design and data collection

Consultation on model assumptions, design and data collection will take place through two forums ⁽¹⁾:

Group	Role/Focus	Approximate Meeting Frequency
Conformity Task Force	Feedback on regional travel demand forecast model development and assumptions. Consultation on regional emission models and assumptions. Feedback on CO and PM hot spot analysis models developed by others	Quarterly, unless consensus to meet less frequently
Model Coordination Working Group of the Partnership	Consultation on regional travel model data collection, analysis, forecasting assumptions, and model development and calibration.	At the call of the Chair.

⁽¹⁾ Membership and meeting frequency changes are regular and expected. Committee structure is subject to change as new committees are formed or as additional committees are included in modeling consultation.

The Model Coordination Working Group focuses on regional transportation model development and coordination. The Working Group or its successor, among other duties, provides a process for consulting on the design, schedule and funding of research and data collection efforts and on development and upgrades to the regional travel demand forecast model maintained by MTC. MTC staff coordinates meetings and helps prepare agenda items. Agendas and packets are generally mailed out one week prior to each meeting. Participation is open to all interested agencies, including members of the Conformity Task Force and the public.

Significant modeling issues that affect or pertain to conformity determinations of the RTP and TIP will be brought by MTC to the Conformity Task Force for discussion prior to any conformity analysis that requires the use of the MTC travel demand forecast model. Any member of the Conformity Task Force can independently request information from MTC concerning specific issues associated with the MTC model design or assumptions, and MTC staff will make the information available.

Models for analysis of localized CO and PM10 hot spots have been developed by others, and the Conformity Task Force does not have any direct role in their development or application. The Conformity Task Force may:

1. Periodically review and participate with Caltrans and other agencies as appropriate in the update of these models and procedures.
2. Refer project sponsors to the most up to date guidance on hot spot analyses.

VI. Project Level Conformity Determinations for Carbon Monoxide (CO)

All project-level conformity determinations are the responsibility of FHWA and FTA. Project sponsors should use the most recent Caltrans procedures for CO analysis approved by CARB and the EPA. In accordance with Government Code 66518 and 66520, MTC will determine the following:

1. That FHWA or FTA has approved the project-level CO conformity analysis which is included in the project's environmental document.
2. That the design concept and scope of the project has not changed significantly from that used by MTC in its regional emissions analysis of the RTP or the TIP.

The Conformity Task Force may periodically review and participate with Caltrans and other agencies as appropriate in the update of the Caltrans procedures for CO analysis, and provide technical guidance to project sponsors who use these procedures.

VII. Monitoring of Transportation Control Measures (TCMs)

The periodic conformity analyses for the RTP and TIP will include updates of the implementation of TCMs in the applicable SIP. The Conformity Task Force may request more frequent updates, as needed.

Prior to conducting a new conformity analysis for an RTP or TIP, MTC will document the status of TCMs that have not been completed, by comparing progress to the implementation steps in the SIP. Where TCM emissions reductions are included as part of the MVEB, MTC will also estimate the portion of emission reductions that have been achieved. If there are funding or scheduling issues for a TCM, MTC will describe the steps being undertaken to overcome these obstacles, including means to ensure that funding agencies are giving these TCM maximum priority. MTC may propose substitution of a new TCM for all or a portion of an existing TCM that is experiencing implementation difficulties (see below).

VIII. Substitution of TCMs in the SIP

After consultation with the Conformity Task Force, MTC may recommend and proceed with the substitution of a new TCM in the SIP to overcome implementation difficulties with an existing TCM(s). The substitution will take place in accordance with MTC's adopted TCM substitution procedures, which provide for full public involvement. In the event of possible discrepancies between MTC's TCM Substitution Procedures and those in SAFETEA (Public Law 109-59), the provisions of SAFETEA will govern.

IX. Other Conformity Task Force Processes and Procedures

Interagency consultation procedures for specific conformity issues are described below:

1. Defining regionally significant projects: Regionally significant projects are defined as a transportation project (other than an exempt project) that is on a facility which serves regional transportation needs and would normally be included in the coded network for the regional transportation demand forecast model, including at a minimum all principal arterial highways and all fixed guideway transit facilities that offer an alternative to regional highway travel. MTC's travel model roadway network may also include other

types of facilities for reasons of functionality or connectivity that would not normally be considered regionally significant. MTC will periodically review with the Conformity Task Force the types of facilities and projects that are coded in the network but which MTC recommends should not be classified as regionally significant (and which therefore would not trigger a new regional emissions analysis if amended into the TIP). MTC will document the decisions of the Task Force for future reference. The Task Force will also consider projects that would not be found regionally significant according to the modeling definition above, but should be treated as regionally significant for conformity purposes.

2. Determination of significant change in project design concept and scope: Project sponsors should provide timely notice to MTC of any change in the design concept or scope of any regionally significant project in the RTP and TIP. MTC will consider a significant change in design concept and scope to be one that would alter the coding of the project in the transportation network associated with the regional travel model. When a project(s) have a change in design concept and scope from that assumed in the most recent conformed TIP and RTP, MTC will not normally consider revisions to the RTP or TIP if such a revision requires a new regional emissions analysis for the entire Plan and TIP. MTC will evaluate projects that may be considered to have a change in design concept and scope and will consult with the Conformity Task Force prior to advising the project sponsor as to how MTC intends to proceed with any request to amend the RTP and/or TIP.
3. Determining if exempt projects should be treated as non-exempt: MTC will identify all projects in the TIP that meet the definition of an exempt project, as defined in the Conformity regulations. MTC will provide a list of exempt projects to the Conformity Task Force for review prior to releasing the draft TIP for public comment. If any member of the Conformity Task Force believes an exempt project has potentially adverse emission impacts or interferes with TCM implementation, they can bring their concern to the Conformity Task Force for review and resolution. If it is determined by the Conformity Task Force that the project should be considered non exempt, MTC will notify the project sponsor of this determination and make appropriate changes to the conformity analysis, as required.
4. Treatment of non-FHWA/FTA regionally significant projects: Any recipient of federal funding is required to disclose to MTC the design concept and scope of regionally significant projects that do not use FHWA or FTA funds. MTC will request that Caltrans and local agencies identify all such projects prior to conducting a new conformity analysis for the RTP or TIP. As part of the conformity analysis, MTC will also include a written response to any significant comment received about whether any project or projects of this type are adequately accounted for in the regional emissions analysis.
5. Projects that can advance during a conformity lapse. In the event of a conformity lapse, MTC will convene the Conformity Task Force to identify projects in the RTP and TIP that may move forward. MTC will also consult the Conformity Task Force on the process for preparing an Interim RTP and TIP.
6. Addressing activities and emissions that cross MPO boundaries: When a project that is not exempt is proposed in another MPO's Plan or TIP crosses MTC's boundaries, MTC will review the project with the Conformity Task Force to determine appropriate methods for addressing the emissions impact of the project in MTC's conformity analysis, consistent with EPA's conformity regulations.

MTC's planning area includes a portion of Solano County, which is in the Sacramento air basin. The Sacramento Area Council of Governments (SACOG) is the MPO for this planning area. MTC and SACOG, in consultation with Caltrans, the State Air Resources Board, and the Governor's Office, have developed and signed a Memorandum of Understanding for undertaking conformity analysis in eastern Solano County.

X. Conflict Resolution

Conflicts between State agencies, ABAG, MTC or BAAQMD that arise during consultation will be resolved as follows:

- 1 A statement of the nature of the conflict will be prepared and agreed to by the Conformity Task Force.
3. Staff of the affected agencies will meet in a good faith effort to resolve the conflict in a manner acceptable to all parties.
4. If the staff is unsuccessful, the Executive Directors or their designee of any state agency and all other parties to the conflict shall meet to resolve differences in a manner acceptable to all parties.
5. The parties to the conflict will determine when the 14-day clock (see below) starts.
6. Following these steps, the State Air Resources Board has 14 days to appeal to the Governor after Caltrans or MTC has notified the State Air Resources Board that either party plans to proceed with their conformity decision or policy that is the source of the conflict. If the State air agency appeals to the Governor, the final conformity determination must have the concurrence of the Governor. If the State Air Resources Board does not appeal to the Governor within 14 days, the MTC or State Department of Transportation may proceed with the final conformity determination. The Governor may delegate his or her role in this process, but not to the head or staff of the State or local air agency, State department of transportation, State transportation commission or board, or an MPO.

XI. Public Consultation Procedures

MTC will follow its adopted public involvement procedures when making conformity determinations on transportation plans, and programs. These procedures establish a proactive public involvement process which provides opportunity for public review and comment by, at a minimum, providing reasonable public access to technical and policy information considered by MTC at the beginning of the public comment period and prior to taking formal action on a conformity determination for the RTP and TIP, consistent with these requirements and those of 23 CFR 450.316(b). Meetings of the Conformity Task Force and Partnership are open to the public. Any charges imposed for public inspection and copying should be consistent with the fee schedule contained in 49 CFR 7.95. These agencies shall also provide opportunity for public involvement in conformity determinations for projects where otherwise required by law.

ATTACHMENT B

TRANSCRIPT OF PUBLIC HEARING HELD BY MTC

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DRAFT AIR QUALITY CONFORMITY PROTOCOL
and TCM SUBSTITUTION PROCEDURE
PUBLIC HEARING

---oOo---

Taken before CYNTHIA T. WALLIS
Certified Shorthand Reporter
State of California
CSR No. 12369
June 9, 2006

EMERICK AND FINCH (925)831-9029

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

Metropolitan Transportation Commissioners:

- Sue Lempert, Cities of San Mateo County
- James T. Beall, Jr., Santa Clara County
- Mark DeSaulnier, Contra Costa County
- James P. Spering, Solano County and Cities
- Jon Rubin, San Francisco Mayor's Appointee
- John McLemore, Cities of Santa Clara County
- Pamela Torliatt, Association of Bay Area Governments
- Anne W. Halsted, SF Bay Conservation & Development

Metropolitan Transportation Commission Staff:

- Andrew B. Fremier, Deputy Executive Director
- Therese W. McMillan, Deputy Director/Policy
- Steve Heminger, Executive Director
- Janice Richards, Commission Secretary

1 (Proceedings started at 9:31 a.m.)

2

3 R E C O R D O F P R O C E E D I N G S

4

5 (Discussion of the process before
6 proceedings began.)

6

7 MR. SPERING: I would like to begin the
8 public hearing for two items - the Draft Bay Area
9 Transportation Air Quality Conformity protocol and
10 the Draft TCM Substitution Procedures.

11 The purpose of this hearing is to receive
12 public comments on the two documents, which were
13 released for public review on May 12th. Written
14 comments will be accepted through June 12th of this
15 year. After the comment period has closed, staff
16 will review the comments and respond as appropriate.

17 No action will be taken during this hearing.
18 The Committee will review these two documents at its
19 July 14th meeting and final approval will be requested
20 of the Commission at its July 26th meeting.

21 If you wish to a make comment, please fill
22 out the blue card on the table at the side of the
23 room and give it to Janice Richards, the Committee
24 Secretary.

25 We ask that each speaker be brief and concise

EMERICK AND FINCH (925)831-9029

1 and keep their comments to no more than three minutes.

2 I will now ask our staff to present an
3 overview of these two documents.

4 MS. NGUYEN: Good morning, Commissioners.
5 This is Ashley Nguyen with MTC's Planning Section.

6 Before I begin my presentation, I would
7 like to note that we have a court reporter here to
8 transcribe the proceedings.

9 MTC staff is proposing to update the
10 procedures for consulting on air quality conformity
11 analysis for the Regional Transportation Plan and
12 the Transportation Improvement Program, as well as
13 the establish MTC's procedures for substituting
14 Transportation Control Measures, or TCM for short,
15 if a TCM is experiencing implementation problems.
16 These updates are a result of changes made by SAFETEA.

17 MTC's current conformity and interagency
18 consultation procedures is reflected in MTC Resolution
19 3075. These conformity and interagency consultation
20 procedures, along with the 2001 Ozone Attainment Plan
21 and certain Bay Area Air Quality Management District
22 rules, are Bay Area elements of the federal air quality
23 plan, which is also known as the State Implementation
24 Plan, or SIP for short. Therefore, revisions to the
25 conformity and interagency consultation procedures

EMERICK AND FINCH (925)831-9029

1 would require a formal revision to the SIP.

2 Prior to SAFETEA, EPA's detailed
3 Conformity procedures had to be included verbatim
4 in our conformity procedures. So, whenever EPA
5 changed its conformity procedures, MTC had to revise
6 our conformity procedures and go through a formal
7 conformity SIP revision to stay up-to-date with
8 EPA's procedures, as was done in 1997. SAFETEA
9 now allows for the deletion of EPA's detailed
10 conformity procedures and only requires that
11 our conformity procedures contain our interagency
12 consultation procedures and provisions to enforce
13 project-level control measure and mitigation measure
14 commitments.

15 The updated Transportation Air Quality
16 Conformity Protocol is incorporated in MTC Resolution
17 3757, which will supersede MTC Resolution 3075. The
18 major revisions proposed include the following:

19 One, deletes requirements to include EPA's
20 detailed conformity procedures in the conformity SIP.

21 Two, requires that written commitments
22 to any project-level control measure or mitigation
23 measure that is not already in the RTP or TIP and
24 that does not require a regulatory action be obtained
25 by the appropriate entity prior to MTC making a

1 conformity determination on the RTP or TIP.

2 And lastly, adds more detail on the
3 consultation structure and procedures for preparing
4 the conformity analysis on the RTP and TIP.

5 As I mentioned, because we are updating the
6 transportation air quality conformity protocol, we are
7 planning to proceed with a formal revision to the SIP.
8 So, this public hearing is being conducted by MTC on
9 behalf of the three co-lead agencies for federal air
10 quality planning. The Bay Area Air Quality Management
11 District and the Association of Bay Area Governments
12 have delegated authority to MTC to conduct this public
13 hearing. The Air District took this action on May 17,
14 and ABAG took this action on June 1st. Following the
15 adoption of MTC Resolution 3757 by the three agencies,
16 the Air District will transmit this to the California
17 Air Resources Board and EPA for approval.

18 Now, moving onto TCM substitution procedures,
19 as explained in the staff memo, prior to SAFETEA, any
20 TCM substitution had to go through a formal SIP
21 revision.

22 SAFETEA now allows metropolitan planning
23 organizations to formally adopt this process for TCM
24 substitution. And once that process has been placed,
25 we would be able to seek concurrence from the

EMERICK AND FINCH (925)831-9029

1 California Air Resources Board and EPA on any future
2 proposed substitutions.

3 More specifically, TCMs identified in the SIP
4 may be replaced or added to the SIP with alternate or
5 additional TCMs if:

6 The substitution measure achieves equal or
7 greater emission reductions.

8 The schedule is consistent with existing TCM,
9 or if the implementation date has passed, as soon as
10 practicable, but no later than the date reductions are
11 needed.

12 Adequate personnel, funding and enforcement
13 are demonstrated.

14 The substitute is developed through a
15 collaborative process, includes public comment.

16 And lastly, the California Air Resources
17 Board and EPA concur with the TCM substitution in
18 writing.

19 It is important to note that MTC staff has
20 no plans to proceed with a TCM substitution. However,
21 the adoption of these procedures will enable us to have
22 a process in place to do so in the future if any TCM
23 implementation problems do arise.

24 In closing, I would like to note that both
25 the air quality conformity procedures and the TCM

EMERICK AND FINCH (925)831-9029

1 substitution procedures have been reviewed extensively
2 by MTC's Air Quality Conformity Task Force over the
3 past two years.

4 I would also like to mention for the record
5 that the copies of the Draft Air Quality Conformity
6 Protocol and Draft TCM Procedures were available for
7 public review at the MTC-ABAG Library and at the Bay
8 Area Air Quality Management District library. The
9 public hearing was noticed in 12 Bay Area newspapers.
10 Copies of these two draft documents and the public
11 hearing notice were also posted on MTC's website.
12 Written comments on these two draft documents will
13 be accepted through June 12 of this year.

14 MTC staff will bring these two items, along
15 with responses to comments, back to the Committee for
16 action on July 14 and to the Commission on July 26.

17 This concludes my presentation. Thank you.

18 MR. SPERING: Thank you, Ashley.

19 I have not received any speaker cards. Is
20 there anyone in the audience that would like to address
21 either of these items? This is a public hearing.

22 Okay. I have no speakers. So there's no
23 comments.

24 Do any Commissioners have any comments?

25 So the public hearing, does it stay open, or

EMERICK AND FINCH (925)831-9029

1 do we close the public hearing today?

2 MS. NGUYEN: Close the public hearing.

3 Comments are accepted through Monday, June 12.

4 MR. SPERING: There's no speaker cards.

5 No one wishes to speak on this item. This public

6 hearing is closed.

7 And they have -- can you repeat the dates

8 again, Ashley, real quick, the response.

9 MS. NGUYEN: June 12th.

10 MR. SPERING: June 12th.

11 Thank you very much.

12 (Proceedings were concluded at 9:39 a.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, CYNTHIA T. WALLIS, hereby certify that said proceedings were taken in shorthand by me, a Certified Shorthand Reporter of the State of California, and were thereafter transcribed by computer-aided transcription, and that the foregoing transcript constitutes a full, true and correct report of said proceedings which took place.

That I am a disinterested person in the said action.

IN WITNESS WHEREOF, I have hereunto set my hand on this date _____.

CYNTHIA T. WALLIS
CSR No. 12369

ATTACHMENT C

PUBLIC COMMENTS AND RESPONSES

MTC released the Draft Conformity Protocol for a 30-day public review on May 12, 2006. The comment period closed on June 12, 2006. The BAAQMD and ABAG delegated authority to MTC to hold a public hearing on behalf of the three co-lead agencies on May 17, 2006 and June 1, 2006, respectively. MTC subsequently held a public hearing on June 8, 2006. MTC noticed and recorded the public hearing in accordance with MTC's public involvement procedures. No comments were offered during the public hearing.

MTC staff received one written comment from EPA (see below), and our response to this comment is as follows:

Comment: EPA staff suggested some sample language for sections 93.122(a)(4)(ii) and 93.125(c) as a way to better understand the meaning of these two required sections of the conformity rule.

Response: MTC staff consulted with EPA and Federal Highway Administration staff, and in response to EPA's comment, we collectively agreed to the language that now appears in Attachment A of MTC Resolution 3757.

Ginger Vagenas, Email

From: <Vagenas.Ginger@epamail.epa.gov>
To: <anguyen@mtc.ca.gov>, Chris Brittle <pnutbrit@comcast.net>, Jean Mazur <Jean.Mazur@fhwa.dot.gov>, Doug Kimsey <DKimsey@mtc.ca.gov>
Date: 6/6/2006 9:29:33 AM
Subject: "thought piece" for conformity procedures

In EPA's 11/18/2004 Conformity SIP Guidance, we provide the following example language for

93.122(a)(4)(ii): "Written commitments to control measures that are not included in the transportation plan and TIP must be obtained prior to a conformity determination and such commitments must be fulfilled."

93.125(c): "Written comitments to mitigation measures must be obtained prior to a positivei conformity determination and project sponsors must comply with such commitments."

This is pretty condensed, and doesn't really explain what these provisions actually mean. In order to provide some context and to have these provisions be more self explanatory, Jeff Wehling from our office of regional counsel drafted up some sample rule language. Including this more detailed language in your rule would avoid the need to go back to the old preambles to figure out what these provisions actually mean....

(See attached file: mtc.trans.conformity.notes.doc)

~~~~~  
Ginger L. Vagenas  
U.S. EPA, Mail Code AIR-2  
75 Hawthorne Street  
San Francisco, CA 94105  
tel: 415.972.3964  
fax: 415.947.3579

~~~~~  
CC: <Wehling.Jefferson@epamail.epa.gov>, <OConnor.Karina@epamail.epa.gov>, <Kelly.Johnj@epamail.epa.gov>

**SAN FRANCISCO BAY AREA TRANSPORTATION CONFORMITY RULE REVISIONS-
DRAFT REGULATORY TEXT FOR APPROVAL BY MTC, ABAG AND ADOPTION BY
BAAQMD**

___. ENFORCEABILITY OF WRITTEN COMMITMENTS RELIED UPON FOR
TRANSPORTATION CONFORMITY

(a) Purpose.

The purpose of this section is to implement section 176(c) of the Clean Air Act, as amended by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), and provide for enforcement and enforceability of written commitments relied upon for determinations of conformity for transportation plans, programs, and projects under 40 CFR 93, subpart A.

(b) Definitions.

“Written commitment” for the purposes of this section means a written commitment that includes a description of the action to be taken; a schedule for the completion of the action; a demonstration that funding necessary to implement the action has been authorized by the appropriating or authorizing body; and an acknowledgement that the commitment is an enforceable obligation under the applicable implementation plan.

(c) Written Commitments Relied Upon for Determining Regional Transportation-Related Emissions.

- (1) This subsection applies to the determination of regional transportation-related emissions under 40 CFR 93.122.
- (2) Prior to determining that a transportation plan or TIP is in conformity under 40 CFR 93, subpart A, MTC and the U.S. Department of Transportation must obtain written commitments from the appropriate entities to implement any control measures that are not included in the transportation plan and TIP and that do not require a regulatory action in order to be implemented but for which emission reduction credit is taken in determining regional transportation-related emissions.
- (3) Written commitments relied upon for determining regional transportation-related emissions must be fulfilled by the appropriate entities.

(d) Written Commitments Relied Upon for Determining Conformity of Transportation Projects.

- (1) This subsection applies to the determination of conformity of transportation projects under 40 CFR part 93, subpart A.
- (2) Prior to determining that a transportation project is in conformity under 40 CFR 93, subpart A, MTC, other recipient of funds designated under title 23 U.S.C. or the Federal Transit Law, FHWA, or FTA must obtain from the project sponsor and/or operator written commitments to implement in the construction of the project and operation of the resulting facility or service any project-level mitigation or control measures:
 - (i) which are identified as conditions for NEPA process completion with respect to local PM-10 or CO impacts, or
 - (ii) which are conditions for making conformity determinations for a transportation plan or TIP and are included in the project design concept and scope which is used in the regional emissions analysis required by 40 CFR 93.118 and 93.119 or used in the project-level hot-spot analysis required by 40 CFR 93.116.
- (3) Written commitments relied upon for determining conformity of transportation projects must be fulfilled by the project sponsor and/or operator.

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: July 5, 2006

Re: Public Hearing to Consider Adoption of Proposed Amendments to Regulation 1, General Provisions and Definitions; Regulation 2, Rule 1: Permits, General Requirements; Proposed Regulation 2, Rule 10: Large Confined Animal Facilities; and Approval of the Filing of a CEQA Notice of Exemption

RECOMMENDED ACTION:

Staff recommends that the Board of Directors take the following actions:

- A) Adopt proposed amendments to Regulation 1, General Provisions and Definitions; Regulation 2, Rule 1, General Requirements; Adopt new Regulation 2, Rule 10: Large Confined Animal Facilities; and
- B) Approve the filing of a CEQA Notice of Exemption.

BACKGROUND

California law and District regulations have historically exempted agricultural sources from the need to obtain air quality permits, or comply with most other air quality regulations. In September of 2003, Senate Bill 700 (Flores) was signed into law, removing the state's permit exemption and requiring air districts to adopt regulations for certain agricultural operations. The proposed changes to Regulation 1, Regulation 2, Rule 1, and the creation of Regulation 2, Rule 10 are necessary to meet the statutory requirements of SB 700.

PROPOSED REGULATIONS

In response to SB 700, the District is proposing to amend Regulation 1: General Provisions and Definitions; Regulation 2, Rule 1: Permits, General Requirements to include agricultural sources; and adopt a new Regulation 2, Rule 10 for Large Confined Animal Facilities.

The proposed amendments would:

- Define an agricultural source as a source of air pollution used in the production of crops, or the raising of animals located on contiguous property under common ownership or control. Included as agricultural sources are confined animal facilities, stationary and portable engines, heaters and boilers, and any other sources of air pollution at an agricultural facility regulated by the District.

- Require a permit to operate for agricultural sources with actual emissions of any regulated air pollutant (excluding fugitive dust) greater than 50 tons per year.
- Create a new Regulation 2, Rule 10 for Large Confined Animal Facilities, which would require permits and the implementation of mitigation measures to reduce air pollutant emissions.

District staff has not identified any existing or planned agricultural sources in any of the nine Bay Area counties that would exceed the trigger levels for permits and associated controls resulting from SB 700. Future District rule development efforts will evaluate the appropriateness of further regulation of air emissions from Bay Area agricultural sources.

RULE DEVELOPMENT PROCESS

On March 27, 2006 District staff presented an informational briefing to the Board of Directors' Stationary Source Committee on the proposed rule changes necessary to meet the requirements of SB 700. On May 8, 2006, the District issued a notice for two public workshops to review and discuss the proposed rule changes with interested parties. The workshops were held on June 2, 2006 at the District Office in San Francisco, and on June 5, 2006 at the Sonoma County Farm Bureau located in Santa Rosa. A total of eight members of the public attended the workshops. The proposed rule changes were also made available for public review and posted on the District's web site. The District has received no written comments as of the date of this memo.

ENVIRONMENTAL IMPACTS

Adoption of the proposed regulations is required by state law. The rules are intended to reduce emissions of air contaminants from large agricultural operations. Currently, however, District staff have not identified any existing or planned agricultural sources in any of the nine Bay Area counties that exceed the levels specified for imposing controls. Consequently, this action is not expected to have any environmental impact now or in the foreseeable future.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

Staff anticipates the proposed amendments will have an insignificant financial impact on District resources.

Respectfully submitted,

Jack P. Broadbent
Executive Officer / APCO

Prepared by: Joe Slamovich
Reviewed by: Brian Bateman

Bay Area Air Quality Management District

**939 Ellis Street
San Francisco, CA 94109**

Staff Report

**Proposed Amendments
To Regulation 1: General Provisions and Definitions;
Regulation 2, Rule 1: Permits, General Requirements;
and Proposed Regulation 2, Rule 10: Large Confined
Animal Facilities**

July 5, 2006

Prepared by:

**Joe Slamovich
Senior Advanced Projects Advisor
Engineering Division**

Reviewed by:

**Brian Bateman, Director
Engineering Division**

**Kathleen Walsh
Assistant Counsel**

Table of Contents

I.	EXECUTIVE SUMMARY	3
II.	BACKGROUND.....	3
III.	PROPOSED AMENDMENTS	6
IV.	AGRICULTURAL SOURCES.....	7
V.	SOCIOECONOMICIMPACTS.....	10
VI.	ECONOMIC IMPACTS.....	10
VII.	ENVIRONMENTAL IMPACTS.....	11
VIII.	REGULATORY IMPACTS	11
IX.	RULE DEVELOPMENT PROCESS.....	11
X.	CONCLUSION	12
XI.	REFERENCES.....	13
	ATTACHMENT A.	14

I. EXECUTIVE SUMMARY

Recent amendments to state law enacted new requirements for certain agricultural sources of air pollution. The focus of the legislation was to remove a statewide permit exemption for agricultural sources and to establish mitigation measures for confined animal facilities that are defined by the California Air Resources Board as “large”.

As a result, District staff is proposing to 1) amend Regulation 1: General Provisions and Definitions and Regulation 2, Rule 1: Permits, General Requirements, to require a permit to operate for agricultural sources with actual emissions of any regulated air pollutant (excluding fugitive dust) greater than 50 tons per year, and 2) create a new Regulation 2, Rule 10: Large Confined Animal Facilities.

The proposed rule changes are necessary to meet the requirements of SB 700 and comply with State law. Due to the nature and size of the agricultural industry in the Bay Area, it is the District’s belief that few, if any, agricultural facilities will be affected by these proposed regulations. Future District rule development efforts will evaluate the appropriateness of further regulation of air emissions from Bay Area agricultural sources.

II. BACKGROUND

California law and District regulations have historically exempted agricultural sources of air pollution from the need to obtain air quality permits, or comply with most other air quality regulations. In September of 2003, Senate Bill 700 (Flores) was signed into law, removing the State’s permit exemption and requiring air districts to adopt regulations for certain agricultural operations. The bill amended air pollution control requirements of the California Health and Safety Code (CH&SC) related to agricultural sources of air pollution, effective January 1, 2004.

Senate Bill 700 (SB 700) was needed to avoid potential sanctions from EPA related to provisions of the 1990 Clean Air Act Amendments that require major sources of air pollution, including agricultural sources, to obtain Title V operating permits. The scope of SB 700, however, goes beyond subjecting agricultural facilities that are major sources of air pollution to Title V permit requirements. The stated purpose of SB 700 is to “establish a new set of programs at the state and regional levels to reduce emissions from agricultural sources in order to protect public health and the environment.” SB 700 establishes several new programs related to agricultural sources, which are addressed in eleven new sections of the CH&SC. A summary of these requirements follows.

A. Control Measures in Federal Particulate Matter Nonattainment Areas

SB 700 requires an air district to adopt by rule or regulation a set of measures to reduce particulate matter (PM) emissions from agricultural sources (CH&SC Sections 40724 and 40724.5). This requirement applies in jurisdictions that have been designated as moderate or serious PM federal nonattainment areas as of January 1, 2004. These districts must adopt a rule requiring emissions controls for “agricultural practices”, including but not limited to tilling, discing, cultivation, and raising of animals, and from fugitive emissions from those practices. The requirements apply only to six California air districts (i.e., Great Basin APCD, Imperial APCD, Mojave Desert AQMD, Sacramento Metro AQMD, San Joaquin Valley APCD, and South Coast AQMD). **The Bay Area AQMD is not subject to these requirements.**

B. Control Measures for Large Confined Animal Facilities

SB 700 requires the District to adopt a rule or regulation for “large” confined animal facilities, after the California Air Resources Board (CARB) has developed a definition for this source category. A confined animal facility (CAF) includes equipment used for the collection, storage, treatment, and distribution of manure from domesticated animals maintained in restricted areas for commercial agricultural purposes where feeding is by means other than grazing. CARB has developed a definition for a large CAF as required by CH&SC 40724.6(a). Table 1 shows the large CAF thresholds for facilities located in the District.

Table 1: CARB Large CAF Thresholds

Livestock Category	Number of animals maintained on any one day
Dairy	1,000 milk-producing dairy cows
Beef Cattle (Beef Feedlots)	3,500 beef cattle
Other Cattle Operations	7,500 calves, heifers, or other cattle
Turkeys	100,000 head
Chickens	650,000 head
Swine	3,000 head
Sheep, lambs, and goats	15,000 head (any combination)
Horses	2,500 head
Ducks	650,000 head
Any other livestock not listed above	30,000 head

The rule adopted by the District must require large CAFs to obtain a permit from the District to reduce, to the extent feasible, emissions of air contaminants from the facility. Permits must include an emissions mitigation plan that demonstrates

that the facility will use reasonably available control technology to reduce pollutants that contribute to the nonattainment of any National Ambient Air Quality Standard (NAAQS). Based on District staff's review of USDA census data and other available resources, it is unlikely that any existing agricultural facilities in the Bay Area would be considered large CAFs.

C. Title V Permit Requirements

SB 700 removed exemptions that had prevented air districts from subjecting agricultural facilities to Title V permit requirements, but it did not change the applicability criteria or timelines associated with Title V permitting. The District had previously amended its regulatory exemptions for agricultural operations so that agricultural facilities were no longer exempt from Title V permit requirements when the SB 700 amendments to the CH&SC became effective (i.e., January 1, 2004). In the Bay Area, Title V applicability is based on the "major facility" emission thresholds of 100 tons per year of a regulated air pollutant, 10 tons per year of a single Hazardous Air Pollutant (HAP), or 25 tons per year of a combination of HAPs (BAAQMD Regulation 2, Rule 6). Any required Title V permit applications for agricultural facilities were due to be submitted within one year of becoming subject to Regulation 2, Rule 6 (i.e., by January 1, 2005). The District must take final action on any application submitted within eighteen months after the application has been deemed complete. **The District has not received any Title V permit applications for agricultural facilities, and staff is not aware of any agricultural facility in the Bay Area that would be considered a "major facility."**

D. Title I Permit Requirements

SB 700 requires "any agricultural source that is required to obtain a permit pursuant to Title I ... to obtain a permit in a manner consistent with the federal requirements." Title I permits are required for new "major sources," or for "major modifications" to existing major sources. As was stated above, the District knows of no agricultural facility in the Bay Area that is a major facility. **Thus, the Title I permit requirements for agricultural sources resulting from SB 700 are expected to have no impact in the Bay Area.**

E. Other Permit Requirements

SB 700 requires the District to issue permits to agricultural sources that have actual emissions equal to or exceeding one-half of any applicable emissions threshold for a major source, excluding fugitive dust (CH&SC Section 42301.16). In the Bay Area, a permit would be required for agricultural sources with actual emissions of any regulated air pollutant (excluding fugitive dust) equal to or greater than 50 tons per year. **Staff is not aware of any agricultural facility that would trigger this permitting requirement.**

III. PROPOSED AMENDMENTS

As required by SB 700, the Bay Area Air Quality Management District is proposing to modify the existing exclusion for agricultural operations in Regulation 1: General Provisions and Definitions; Regulation 2, Rule 1: Permits, General Requirements to include agricultural sources; and adopt a new Regulation 2, Rule 10:f Large Confined Animal Facilities.

The proposed changes to Regulation 1, and Regulation 2, Rule 1 require the permitting of (1) agricultural sources with actual emissions of any regulated air pollutant (excluding fugitive dust) greater than or equal to 50 tons per year, and (2) any large CAF. An agricultural source includes sources of air pollution used in the production of crops, or the raising of fowl or animals as defined in a new Regulation 2-1-239. A CAF is considered “large” if the number of animals maintained on any one day is greater than the thresholds shown in Table 1.

The proposed new Regulation 2, Rule 10, Large Confined Animal Facilities, requires that the District include in any permit to operate issued to a large CAF, permit conditions to implement control measures that represent reasonably available control technology (RACT) to reduce emissions of precursor organic compounds (POC), oxides of nitrogen (NOx), and particulate matter (PM₁₀) from the facility. The District will review the permit to operate within three years of the date of original permit issuance and every three years thereafter, and will update the permit conditions based on changes in the operation, or the feasibility of the mitigation measures. In accordance with Section 40724.6(g) of the CH&SC, a permit holder of a large CAF may appeal any determination or decision made by the District (Regulation 2-1-410.3).

The following rules and regulations are new or have been modified:

New	Modified
Definition, Agricultural Source: Reg. 2-1-239	Exclusions: Reg. 1-110.9
Appeal: Reg. 2-1-410.3	Exemption, Sources and Operations: Reg. 2-1-113.1.2
Regulation 2, Permits: Rule 10, Large Confined Animal Facilities	Action on Applications: Reg. 2-1-408
	Loss of Exemption or Exclusion: Reg. 2-1-424
	Determination of Complete Application: Reg. 2-1-432

IV. Agricultural Sources

A. Confined Animal Facilities

Description:

The most common CAFs found in the Bay Area are dairies and they will be the focus of this report. Virtually all dairies within the jurisdictional boundaries of the District are located in Sonoma or Marin counties. These dairies are typically small, family operated businesses that have been diminishing in numbers over the years. While dairies are an important component of their county's agricultural economy, the relative sizes of these dairies are small compared to other regions in the State (see Table 2). The average number of milk producing cows per dairy in Sonoma County (374) and Marin County (354) is much smaller than the statewide average of 825 cows per dairy. In terms of milk production, the combined Sonoma and Marin county output represents approximately 2.4% (by weight) of the state total.

Table 2. Dairies, Milk Cows and Milk Production by County, 2004

County	Number of Dairies	Avg. Number Cows per Dairy	Milk Production (1,000 Pounds)
Tulare	334	1,326	9,393,729
Kern	51	2,375	2,569,755
Fresno	117	817	2,154,785
Madera	57	1,122	1,347,915
Sonoma	82	374	646,279
Marin	29	354	216,380

Note: Not a complete listing

Source: California Department of Food and Agriculture

Emissions:

In accordance with CH&SC Section 39011.5(a)(1) a Confined Animal Facility is an operation where animals are corralled, penned, or otherwise caused to remain in restricted areas for commercial purposes and primarily fed by means other than grazing. The design and operation of a CAF varies greatly depending on the animal type, climatic conditions, regional market factors, and local preferences of the operator. Animals maintained in CAFs produce liquid and solid wastes that decompose thereby producing emissions of volatile organic compounds, ammonia, hydrogen sulfide, some nitrogen compounds, and methane. Sources of fugitive particulate matter from CAFs include storage piles consisting of bedding material, feed stocks, and dried manure. The key air emission pathways include the treatment, decomposition, distribution, and

disposal of the animal's wastes; emissions from equipment used at facilities; and emissions produced directly by the animals.

In developing the definition for a large confined animal facility, the California Air Resources Board reviewed all available scientific information, including emission factors for CAFs and the effect of these facilities on air quality in the State's various air basins. For the Bay Area, CARB estimates that the total reactive organic gas (ROG) emissions for all livestock is approximately 1 ton per day, or less than 1% of the total statewide ROG inventory for this source category (see Table 3).

Table 3. Livestock ROG Emissions for 2004

Air District	All ROG Sources (tons/day)	Dairy (tons/day)	Other livestock (tons/day)	% of ROG contributed by livestock
San Joaquin Valley APCD	368.4	23.5	5.5	8
South Coast AQMD	773.3	4.6	0.7	7
Imperial County	30.2	3.3	1.9	17
Bay Area AQMD	411.7	0.7	0.3	0.2
Monterey Unified	72.9	0.5	0.1	1
Sacramento Metropolitan	69.7	0.4	0.1	1

Notes: Not a complete listing. The base emission factor for dairy operations is 12.8 lbs/head/year.

Source: CARB Staff Report: Initial Statement of Reasons, Release Date: May 6, 2005

B. Other Agricultural Operations

Description:

Other types of agricultural operations include vineyards, orchards (fruits, nuts, etc.), nurseries (ornamentals, cut flowers, etc.) and field crops (hay, silage, vegetables, etc.). In the Bay Area, wine grapes are the dominant agricultural commodity in terms of gross production value and harvested acreage. The top two agricultural products for each county in the Bay Area are shown in Table 4. Compared to other regions in California, the Bay Area's total agricultural production is relatively small. The most productive county in the Bay Area, Sonoma, ranked 17th in the state in 2004 with a total gross production value of \$528,232,000 (see Table 5). In contrast, Fresno, the most productive county in the state, had a gross production value of \$4.7 billion in the same year.

Table 4. Leading Commodities by Bay Area County, Gross Value Agricultural Production, 2004 (\$1,000)

Alameda		Contra Costa		Marin	
Ornamental Shrubs	14,839	Bedding Plants	21,500	Milk	33,202
Wine Grapes	9,052	Cattle & Calves	13,800	Cattle & Calves	8,005
Napa		San Francisco		San Mateo	
Wine Grapes	349,500	Vegetable Crops	1,351	Ornamental Shrubs	29,496
Nursery Products	3,965	Cut Flowers	574	Potted Plants	17,060
Santa Clara		Solano		Sonoma	
Nursery Stock	94,688	Nursery Sock	43,645	Wine Gapes	309,871
Mushrooms	53,917	Cattle & Calves	26,185	Milk	98,648

Source: Summary of Agricultural Commissioners' Reports, 2004

Table 5. Bay Area County Rank by Gross Value Agricultural Production, 2004

	\$1,000	Rank
Sonoma	528,232	(17)
Napa	357,215	(19)
Santa Clara	258,289	(29)
Solano	205,749	(30)
San Mateo	179,733	(31)
Contra Costa	94,753	(37)
Marin	54,898	(42)
Alameda	40,194	(45)
San Francisco	1,925	(58)

Source: Summary of Ag Commissioners' Reports, 2004

Emissions:

Air pollution emissions sources associated with the growing of crops primarily include stationary and portable engines.¹ These engines are used in crop irrigation, frost protection, and standby power generation. Depending on the particular use, engines can be diesel, gasoline, propane or natural gas-fired. The

¹ SB 700 excludes other sources of emissions such as fugitive dust, farm vehicles, pesticide application and open burning.

total annual average NOx emissions for diesel fueled agricultural irrigation pumps in the Bay Area are estimated to be 0.67 tons per day.²

Due to the nature and scale of the agricultural industry in the Bay Area, it is highly unlikely that any facility would exceed the 50 tons per year permit trigger level. As an example, a pre-1996 diesel engine would need to consume approximately 232,000 gallons of fuel per year (636 gallons per day) in order to emit 50 tons per year of NOx.

V. SOCIOECONOMIC IMPACTS

Section 40728.5, subdivision (a) of the CH&SC requires districts to assess the socioeconomic impacts of amendments to regulations that, "...will significantly affect air quality or emissions limitations, that agency shall, to the extent data are available, perform an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of the rule or regulation." The District has determined that the proposed rule changes will not significantly affect air quality or emissions limitations. Furthermore, Section 40728.5, subdivision (e) states that a socioeconomic analysis is not necessary if the rule or regulation adopts a requirement that is substantially similar to, or is required by State law. The proposed rule changes are necessary to meet the requirements of California SB 700 and comply with State law.

VI. ECONOMIC IMPACTS

This section discusses the estimated costs associated with the proposed amendments. The CH&SC states, in part, that districts shall endeavor to achieve and maintain State ambient air quality standards for ozone, carbon monoxide, sulfur dioxide, and nitrogen dioxide by the earliest practicable date. In developing regulations to achieve this objective, districts shall consider the cost-effectiveness of their air quality programs, rules, regulations, and enforcement practices in addition to other relevant factors, and shall strive to achieve the most efficient methods of air pollution control.

The proposed regulations are required by SB 700; currently, however, District staff have not identified any existing or planned agricultural sources in any of the nine Bay Area counties that would exceed the trigger levels for permits and associated controls. As written, the new regulations allow a covered source to select the most cost effective strategy for reducing emissions; thus insuring that the controls for a source that triggers them in the future will be cost effective.

The San Joaquin Valley Air Pollution Control District has calculated the annual cost to control emissions from dairies in their district based on a dairy's baseline mitigation measures and the cost of mitigation measures as required by best available retrofit control technology (BARCT). According to their analysis, the

² Data source: CARB OFFROAD Model

overall annual cost to a dairy implementing BARCT emissions mitigation measures is \$65 per head per year. The cost effectiveness for a 1,000 head milking cow dairy was calculated to be \$17,800 per ton VOC reduced per year. The cost effectiveness values would likely be less in the Bay Area because the proposed Regulation 2, Rule 10 requires reasonably available control technology mitigation measures rather than the more stringent BARCT controls.

VII. ENVIRONMENTAL IMPACTS

Adoption of the proposed regulations is required by state law. The rules are intended to reduce emissions of air contaminants from large agricultural operations. Currently, however, District staff have not identified any existing or planned agricultural sources in any of the nine Bay Area counties that exceed the levels specified for imposing controls. Consequently, this action is not expected to have any environmental impact now or in the foreseeable future. If new or existing agricultural sources come within the scope of the mandated rule, the rule would be expected to minimize the impact of such a source or sources on air quality; because we do not know when or if such sources will materialize or any of the particulars about such potential sources, any other analysis of environmental impacts would be purely speculative.

VIII. REGULATORY IMPACTS

Section 40727.2 of the CH&SC imposes requirements on the adoption, amendment, or repeal of air district regulations. The law requires a district to identify existing federal and district air pollution control requirements for the equipment or source type affected by the proposed change in district rules. The district must then note any differences between these existing requirements and the requirements imposed by the proposed change. Where the district proposal does not impose a new emission limit or standard, make an existing emission limit or standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements, the district may simply note this fact and avoid additional analysis.

These proposed amendments do not impose a new standard, make an existing standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements. There are no existing federal or District air pollution control requirements for agricultural facilities.

IX. RULE DEVELOPMENT PROCESS

On March 27, 2006 District staff presented an informational briefing to the Board of Directors' Stationary Source Committee on the proposed rule changes necessary to meet the requirements of SB 700. On May 8, 2006, the District issued a notice for two public workshops to review and discuss the proposed rule changes with interested parties. The workshops were held on June 2, 2006 at the District Office in San Francisco, and on June 5, 2006 at the Sonoma County

Farm Bureau located in Santa Rosa. No members of the public attended the workshop held at the District office and eight people attended the Santa Rosa workshop. The District has received no written comments as of the date of this report. The proposed rule changes were also made available for public review and posted on the District's web site.

X. CONCLUSION

The proposed amendments to Regulation 1, General Provisions and Definitions; Regulation 2, Rule 1: Permits, General Requirements; and proposed Regulation 2, Rule 10: Large Confined Animal Facilities, are intended to meet the requirements set forth in State law. Pursuant to CH&SC Section 40727, new regulations must meet standards of necessity, authority, clarity, consistency, non-duplicity and reference. The proposed rule changes are:

- Necessary to meet the requirements of SB 700, including CH&SC Section 40724 and ARB's implementing regulations;
- Authorized by California Health and Safety Code Section 40702;
- Clear, in that the new regulation can be easily understood by the affected facility;
- Consistent with other District rules, and not in conflict with State or federal law;
- Non-duplicative of other statutes, rules or regulations; and
- Properly referenced and incorporates the provisions of CH&SC Section 40727(b)(6).

The District has determined that the proposed amendments to Regulation 1 and Regulation 2, Rule 1, and Regulation 2, Rule 10, are exempt from the provisions of the California Environmental Quality Act (Public Resources Code §21000 *et seq.*) in accordance with State CEQA Guidelines section 15061(b)(3). The amendments are administrative in nature and do not in themselves affect air emissions from any sources or operations subject to the rule. It can therefore be seen with certainty that there is no possibility that these proposed amendments will have a significant environmental impact now or in the foreseeable future. The District intends to file a Notice of Exemption in accordance with State CEQA Guidelines section 15062.

The proposed amendments have met all legal noticing requirements and have been discussed with interested parties. District staff recommends adoption of the amendments as proposed. Staff recommends the adoption of the proposed amendments to Regulation 1: General Provisions and Definitions; Regulation 2, Rule 1: Permits, General Requirements and the adoption of Regulation 2, Rule 10, Large Confined Agricultural Facilities.

XI. REFERENCES

1. Senate Bill No. 700 (Stats. 2003, Chapter 479), Flores
2. California Air Pollution Control Officers Association, Senate Bill 700 (Flores): Agriculture & Air Quality – Summary and Implementation
3. San Joaquin Valley Air Pollution Control District, Draft Best Available Control Technology, Dairy Operations, April 2004.
4. California Air Resources Board, Staff Report: Initial Statement of Reasons for Rulemaking, Public Hearing to Consider the Large Confined Animal Facility Definition, May 6, 2005
5. Yolo-Solano Air Quality Management District, Final Staff Report, Rule 11.2, Confined Animal Facilities Permit Program, May 10, 2006

ATTACHMENT A

PROPOSED AMENDMENTS TO REGULATION 1: GENERAL PROVISIONS AND DEFINITIONS; REGULATION 2: PERMITS, RULE 1: GENERAL REQUIREMENTS; and NEW REGULATION 2, RULE 10: LARGE CONFINED ANIMAL FACILITIES

REGULATION 1 GENERAL PROVISIONS AND DEFINITIONS

- 1-110 Exclusions:** District Regulations shall not apply to the following:
- 110.1 Engines used to propel motor vehicles, and defined by the Vehicle Code of the State of California.
 - 110.2 Deleted May 17, 2000.
 - 110.3 Aircraft.
 - 110.4 Fires from residential heating and residential cooking.
 - 110.5 Open outdoor fires, other than for the disposal of waste propellants, explosives or pyrotechnics by manufacturing facilities; recreational fires and outdoor cooking fires, except as limited by Regulation 5.
 - 110.6 Any emission point which is not an intended opening and from which no significant quantities of air contaminants are emitted.
 - 110.7 Smoke generators intentionally operated to train observers in appraising the shade of emissions.
 - 110.8 Air contaminants, where purposely emitted for the sole purpose of a specific beneficial use, and where essentially all of the air contaminants are confined to the area in which such beneficial use is obtained. The quantity and nature of the air contaminants, and the proportion of air contaminants used in relation to amounts of other materials involved in the beneficial use of air contaminants, shall conform to accepted practice in type of use employed.
 - 110.9 ~~Emissions arising from a Agricultural operations sources necessary for the growing of crops or the raising of fowl or animals, except as limited by provided in: Regulation 5, and as allowed by state law for Title V permits.~~
 - 9.1 Regulation 5: Open Burning; and
 - 9.2 Regulation 2: Permits.

REGULATION 2 PERMITS RULE 1 GENERAL REQUIREMENTS

- 2-1-113 Exemption, Sources and Operations:**
- 113.1 The following sources and operations are exempt from the requirements of Sections 2-1-301 and 302, in accordance with the California Health and Safety Code:
 - 1.1 Single and multiple family dwellings used solely for residential purposes.

- 1.2 ~~Any equipment used in Agricultural sources with actual emissions of each regulated air pollutant, excluding fugitive dust, less than 50 tons per year, except for large confined animal facilities subject to Regulation 2, Rule 10. operations, in the growing of crops or the raising of fowl or animals which is exempt from permits pursuant to the Health & Safety Code.~~
- 1.3 Any vehicle. Equipment temporarily or permanently attached to a vehicle is not considered to be a part of that vehicle unless the combination is a vehicle as defined in the Vehicle Code. Specialty vehicles may include temporarily or permanently attached equipment including, but are not limited to, the following: oil well production service unit; special construction equipment; and special mobile equipment.
- 1.4 Tank vehicles with vapor recovery systems subject to state certification, in accordance with the Health and Safety Code.

2-1-200 DEFINITIONS

2-1-239 Agricultural Source: A source of air pollution, or a group of sources, used in the production of crops, or the raising of fowl or animals located on contiguous property under common ownership or control that meets any of the following criteria:

- 239.1 Is a confined animal facility as defined in Regulation 2, Rule 10;
- 239.2 Is an internal combustion engine used in the production of crops or the raising of fowl or animals, including, but not limited to, an engine subject to Article 1.5 (commencing with Section 41750) of Chapter 3 of Part 4 of Division 26 of the California Health and Safety Code, except an engine that is used to propel implements of husbandry as that term is defined in Section 36000 of the Vehicle Code, as that section existed on January 1, 2003;
- 239.3 Is a Major Facility, as that term is defined in Regulation 2, Rule 6, or that is a source that is otherwise subject to regulation by the District pursuant to Division 26 of the California Health and Safety Code or the federal Clean Air Act (42 U.S.C. Sec. 7401 eq.).

2-1-400 ADMINISTRATIVE REQUIREMENTS

2-1-408 Action on Applications: Except for applications subject to Section 2-1-412, the publication and public notice requirements of Section 2-2-405 or Section 2-10-402, or to the provisions of Rule 6 of this Regulation, the APCO shall notify the applicant in writing of approval, approval with conditions, or denial of the application within 35 working days of receipt of a completed application, unless the time is extended with the written consent of the applicant.

- 408.1 Notwithstanding this 35-working-day limit, the APCO shall not take final action for any project for which an Environmental Impact Report or a Negative Declaration has been prepared until a Final EIR for that project has been certified or a Negative Declaration for that project has been approved, and the APCO has considered the information in that Final EIR or Negative Declaration. For cases in which the 35 working-day time period has elapsed, the APCO shall take final action on the application within 30 days after the certification of the Final EIR or approval of the Negative Declaration. This subsection shall not apply to any project that is exempt from the District's CEQA requirements pursuant to Section 2-1-311 or 2-1-312. Any substantive change to an application which occurs after the evaluation period has

commenced shall allow the APCO to start a new completeness review period, and to reset the 35 working-day limit after the application has been deemed complete.

- 2-1-410 Appeal:** The following actions of the APCO may be appealed:
- 410.1 In accordance with Section 42302 of the Health and Safety Code an applicant for an authority to construct which has been denied may request, within 30 days after receipt of the written notice to deny, the Hearing Board of the District to hold a hearing on whether or not the authority to construct was properly denied.
 - 410.2 In accordance with Section 42302.1 of the Health and Safety Code, within 30 days of any decision of the APCO, pertaining to the issuance of an authority to construct, any aggrieved person who, in person or through a representative, appeared, submitted written testimony, or otherwise participated in the action before the District may request the Hearing Board of the District to hold a public hearing to determine whether the authority to construct was properly issued or for an order modifying or reversing that decision. Such appeals shall be filed in writing and contain a summary of the issues to be raised. The Hearing Board shall consider the appeal at a public hearing within 30 days of the filing of the appeal. The Hearing Board may reverse or modify the decision of the APCO if it determines that the decision was erroneous.
 - 410.3 In accordance with Section 40724.6(g) of the Health and Safety Code, a permit holder of a large confined animal facility may appeal any District determination or decision made under Regulation 2, Rule 10, in accordance with subsection 2-1-410.2.
- 2-1-424 Loss of Exemption or Exclusion:** Within 90 days of written notification by the APCO of the need for a permit, any person who operates a source which does not require a District permit or, for a large confined animal facility subject to Regulation 2, Rule 10 in existence on <date of rule adoption >, within 180 days of that date, who loses an exemption or exclusion because of changes in federal, California or District laws or regulations shall submit a complete permit application for the subject source, as defined Section 2-1-202. A person who holds a valid permit to operate for the subject source need not reapply.
- 2-1-432 Determination of Complete Application:** Except for an application which is subject to the publication and public comment requirements of Section 2-2-405, the APCO shall determine whether an application for an authority to construct is complete not later than 15 working days following receipt of the application, or after a longer time period agreed upon by both the applicant and the APCO. If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision, specifying the information that is required. Upon receipt of any resubmittal of the application a new 15 working day period to determine completeness shall begin. For an application which is subject to the publication and public comment requirements of Section 2-2-405 or Section 2-10-402, the completeness review period(s) shall be 30 days. The application shall be deemed complete on the date of receipt of all information required for completeness. Upon determination that the application is complete, the APCO shall notify the applicant in writing. If applicable, such written notification shall include the District's determination that its evaluation of the application will be covered by the specific procedures, fixed standards and objective measurements set forth in the District's Permit Handbook and that the District's evaluation of that permit application will be classified as ministerial and will accordingly be exempt from CEQA review. Thereafter only information regarding offsets, or information to clarify, correct or otherwise supplement the information submitted in the application may be requested.

**REGULATION 2
PERMITS
RULE 10
LARGE CONFINED ANIMAL FACILITIES**

INDEX

2-10-100 GENERAL

2-10-101 Description

2-10-200 DEFINITIONS

2-10-201 Confined Animal Facility

2-10-202 Large Confined Animal Facility

2-10-300 STANDARDS

2-10-301 Emissions Mitigation Measures

2-10-302 Update of Emissions Mitigation Measures

2-10-400 ADMINISTRATIVE REQUIREMENTS

2-10-401 Content of Permit Application

2-10-402 Public Notice and Comment

2-10-403 Public Inspection

2-10-404 Permit to Operate, Final Action

2-10-500 MONITORING AND RECORDS

2-10-501 Recordkeeping

**REGULATION 2
PERMITS
RULE 10
LARGE CONFINED ANIMAL FACILITIES**

2-10-100 GENERAL

2-10-101 Description: The purpose of this Rule is to reduce emissions of air contaminants from large confined animal facilities through control measures established during permit review.

2-10-200 DEFINITIONS

2-10-201 Confined Animal Facility includes, but is not limited to, any structure, building, installation, barn, corral, coop, feed storage area, milking parlor, or system for the collection, storage, treatment, and distribution of liquid and solid manure, if domesticated animals, including, but not limited to, cattle, calves, horses, sheep, goats, swine, rabbits, chickens, turkeys, or ducks are corralled, penned, or otherwise caused to remain in restricted areas for commercial agricultural purposes and feeding is by means other than grazing.

2-10-202 Large Confined Animal Facility: A confined animal facility that maintains on any one day: 1,000 or more milk-producing dairy cows; 3,500 or more beef cattle; 7,500 or more calves, heifers, or other cattle; 100,000 or more turkeys; 650,000 or more chickens other than laying hens; 650,000 or more laying hens; 3,000 or more swine; 15,000 or more sheep, lambs, or goats; 2,500 or more horses; 650,000 or more ducks; or 30,000 or more rabbits or other animals.

2-10-300 STANDARDS

2-10-301 Emissions Mitigation Measures: The APCO shall include in any permit to operate a large confined animal facility required under Regulation 2, Rule 1 permit conditions to implement control measures that represent reasonably available control technology to reduce emissions of POC, NO_x, and PM₁₀ from the facility. The APCO shall establish a reasonable compliance schedule for facilities to implement these control measures within one year of the date on which the permit is issued.

2-10-302 Update of Emissions Mitigation Measures: The APCO shall review each permit to operate issued to a large confined animal facility within three years of the date of original permit issuance, and every three years thereafter, and update the permit conditions to meet the requirements of Section 301 based on changes in the operation, or the feasibility of mitigation measures.

2-10-400 ADMINISTRATIVE REQUIREMENTS

2-10-401 Content of Permit Application: The owner or operator of a large confined animal facility shall include in any permit application required under Regulation 2, Rule 1:

401.1 Emissions Inventory: All information necessary to prepare an emissions inventory of all regulated air pollutants emitted from the facility, including but not limited to, POC, NO_x, and PM₁₀ and fugitive emissions, using emission factors approved by the California Air Resources Board.

401.2 Emissions Mitigation Plan: An emissions mitigation plan that demonstrates that the facility will implement control measures that represent reasonably available control technology to reduce emissions of POC, NO_x, and PM₁₀,

including a reasonable compliance schedule to implement these control measures within one year of initial permit issuance.

2-10-402 Public Notice and Comment: Prior to approving the initial permit to operate for a large confined animal facility the APCO shall, within 10 days of notification of the applicant, cause to have published in at least one newspaper of general circulation within the District, and on the District's website, a notice inviting written public comment on the draft permit for a 30 day period following the date of publication. A copy of this notice shall be provided to any person who requests such specific notification in writing. A copy of the draft permit shall be sent to the ARB and each adjacent air district.

2-10-403 Public Inspection: The APCO shall make available for public inspection, at the District headquarters, the information submitted by the applicant, and the draft permit including any applicable conditions. In making information available for inspection, the confidentiality of trade secrets, as designated by the applicant prior to completion of the application, shall be handled in accordance with Section 6254.7 of the Government Code.

2-10-404 Permit to Operate, Final Action: The APCO shall, within 180 days following the acceptance of the application as complete, take final action on the application after considering all public comments. The District shall provide written notice of the final decision to the applicant and to the ARB.

2-10-500 MONITORING AND RECORDS

2-10-501 Recordkeeping: The owner or operator of a large confined animal facility shall keep records that specify the numbers of animals maintained daily and such other information as may be required by the APCO. Such records shall be maintained at a central place of business for a period of not less than three years and shall be made available upon request to the APCO.