

# BOARD OF DIRECTORS' REGULAR MEETING

September 20, 2006

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

## **Questions About** an Agenda Item

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

## **Meeting Procedures**

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

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** AGENDA

WEDNESDAY **SEPTEMBER 20, 2006**  **BOARD ROOM** 7TH FLOOR

9:45 A.M.

CALL TO ORDER

**Opening Comments** Roll Call Pledge of Allegiance 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.

## PROCLAMATION/COMMENDATION

The Board of Directors will present a plaque to James Corazza, Deputy Clerk of the Boards in the Executive Office for his dedicated service to the Air District, the Advisory Council and the Board of Directors for over 20 years.

## **CONSENT CALENDAR (ITEMS 1 – 3)**

**Staff/Phone (415) 749-**

1. Minutes of August 2, 2006

M. Romaidis/4965 mromaidis@baaqmd.gov

Communications

J. Broadbent/5052

2.

jbroadbent@baaqmd.gov

*Information only* 

3. Monthly Activity Reports

P. Hess/4971 phess@baaqmd.gov

Report of Division Activities for the months of July and August 2006

## COMMITTEE REPORTS AND RECOMMENDATIONS

4. Report of the **Public Outreach Committee** Meeting of August 30, 2006

CHAIR: B. WAGENKNECHT

J. Broadbent/5052

jbroadbent@baaqmd.gov

#### COMMITTEE REPORTS AND RECOMMENDATIONS CONTINUED

5. Report of the **Mobile Source Committee Meeting** of September 11, 2006

CHAIR: T. SMITH

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends Board of Directors' approval of the following:

- A) Vehicle Incentive Program (VIP) for fiscal year 2006/2007, including: a) allocation of \$600,000 in Transportation Fund for Clean Air (TFCA) Regional Funds for the fiscal year 2006/2007 VIP funding cycle; and b) approval of the VIP guidelines;
- B) Allocation of \$2,240,000 in Mobile Source Incentive Fund revenues to fund the Lower-Emission School Bus Program; and
- C) Direct Mail Center as the contractor for the FY 2006/2007 Vehicle Buy-Back Program direct mail service provider and authorize the Executive Officer to execute a contract for up to \$88,935 to provide such service
- 6. Report of the **Executive Committee Meeting** of September 13, 2006

CHAIR: G. UILKEMA

J. Broadbent/5052

jbroadbent@baaqmd.gov

Action(s): The Committee recommends that the Board of Directors' authorize the Executive Officer/APCO to initiate a program with the Sacramento Metropolitan Air Quality Management District for joint use of Carl Moyer Program Funds for multi-regional project in the amount \$500,000.00.

## **CLOSED SESSION**

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

Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO

Michael Rich, Human Resources Officer

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

8. Conference with Legal Counsel – *Existing Litigation* 

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following cases:

- 1. <u>Bay Area AOMD v. Pacific Steel Casting Company, et al.</u>, Alameda County Superior Court, Case No. RGO6284043
- 2. <u>Thomasina Mayfield v. Bay Area AQMD</u>, San Francisco Superior Court, Case No. CGC-06-455723

## **OPEN SESSION**

## **OTHER BUSINESS**

- 9. Report of the Executive Officer/APCO
- 10. Chairperson's Report
- 11. 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)

- 12. Time and Place of Next Meeting 9:45 a.m., Wednesday, October 4, 2006-939 Ellis Street, San Francisco, CA 94109
- 13. 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: Chair Gayle B. Uilkema and Members

of the Board of Directors

From: Jack P. Broadbent

Executive Officer/APCO

Date: September 13, 2006

Re: <u>Commendations/Proclamations</u>

## **RECOMMENDED ACTION:**

The Board of Directors will recognize and present a plaque to James Corazza, Deputy Clerk of the Boards in the Executive Office for his dedicated service to the Air District, the Advisory Council and the Board of Directors for over 20 years.

## BACKGROUND:

The Air District's Board of Directors would like to recognize and commend James Corazza for his contributions to the goals of the Air District.

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: September 6, 2006

Re: <u>Board of Directors' Draft Meeting Minutes</u>

## **RECOMMENDED ACTION:**

Approve attached draft minutes of the Board of Directors meeting of August 2, 2006.

## **DISCUSSION**

Attached for your review and approval are the draft minutes of the August 2, 2006 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

AGENDA: 1

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

Draft Minutes: Board of Directors' Regular Meeting – August 2, 2006

## Call To Order

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

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

Roll Call: Present: Gayle B. Uilkema, Chair, Tom Bates (9:54 a.m.), Harold Brown, Mark

DeSaulnier, Dan Dunnigan, Scott Haggerty, Jerry Hill, Yoriko Kishimoto, Carol Klatt, Liz Kniss (10:09 a.m.), Janet Lockhart, Jake McGoldrick (9:55 a.m.), Nate Miley, Mark Ross, Michael Shimansky,

Tim Smith, Pamela Torliatt (9:57 a.m.), Brad Wagenknecht.

Absent: Chris Daly, Erin Garner, Patrick Kwok, John Silva.

**<u>Public Comment Period:</u>** The following individuals came forward and spoke on issues relating to the Pacific Steel Casting facility in Berkeley:

Janice Schroeder Adrienne Bloch

West Berkeley Alliance and Communities for a Better Environment

Communities for a Better Environment

Director Tom Bates arrived at 9:54 a.m., Director Jake McGoldrick arrived at 9:55 a.m., and Director Pamela Torliatt arrived at 9:57 a.m.

Director Haggerty requested that an update on Pacific Steel Casting be provided.

Commendations/Proclamations: The Board of Directors recognized Peter F. Hess, Deputy Air Pollution Control Officer for his exemplary leadership as the 2006 President of the Air & Waste Management Association. The Board of Directors recognized and presented a plaque to Peter F. Hess for the work he has done for air quality and for his leadership of the Air & Waste Management Association.

Director Liz Kniss arrived at 10:09 a.m.

## **Consent Calendar** (Items 1 – 2)

- 1. Minutes of July 19, 2006
- 2. Communications. Correspondence addressed to the Board of Directors. For information only.

**Board Action:** Director Wagenknecht moved approval of the Consent Calendar; seconded by Director Brown; carried unanimously without objection.

## **Presentation**

3. Status Report on the 2006 Ozone Season and the Spare the Air Program

Staff provided a status report on the 2006 Ozone Season and Spare the Air Program.

Gary Kendall, Director of Technical Services, presented the report on the 2006 ozone season. Mr. Kendall reviewed the preliminary data of the national 8-hour, state 1-hour, and state 8-hour 2006 ozone exceedances through July 31<sup>st</sup>. A comparison of Bay Area ozone exceedances versus exceedances in other major air basins throughout the state was presented. Mr. Kendall explained the Bay Area ozone and maximum temperature trends from 1995 through July 31, 2006. The threshold value for non-attainment, based on a three year average, was discussed.

Mr. Kendall stated that the 2005 Ozone Strategy includes 38 control measures (19 transportation control measures; 15 stationary/area source control measures; and four mobile source control measures) and 20 Further Study measures. Since 1984, ozone precursors have been reduced by 300 tons per day in the Bay Area. Mr. Kendall presented a graph that showed Bay Area VOC and NOx emission trends from 1980 through 2020.

Discussion ensued regarding the amount of pollution outside of California and how it compares to the Bay Area; measuring pollutants coming from China or other countries; the affect that hybrid cars and use of the car pool lane have in helping to reduce emissions; and the possible tapering off of biogenic emissions after spring.

Director McGoldrick requested that staff explore the use of congestion management tools, such as restricting driving, driving only four out of five days, or being able to drive based on the license plate number of the vehicle.

Jack Colbourn, Director of Outreach and Incentives, summarized the 2006 Spare the Air outreach campaign and stated that the Spare the Air season runs from June 1<sup>st</sup> to October 13<sup>th</sup>. Twenty-six Bay Area transit operators offered free rides all day during the first three non-holiday Spare the Air weekdays. With three months remaining in the summer ozone season, the Metropolitan Transportation Commission (MTC) and the Air District Board approved \$6.2 million to fund three additional free fare days.

Mr. Colbourn reviewed the Spare the Air advisories and noted that data indicates that ridership increased 15 percent region-wide resulting in an additional 222,700 riders per day. There was high public awareness due to the media coverage of the Program. Mr. Colbourn provided an overview of the surveys conducted on each Spare the Air/Free Fare day.

Director Miley raised the question of addressing air quality and the Air District's obligation to provide free transit. There was also discussion on how to subsidize transit, such as raising bridge tolls, and what effect the free transit had on pollution levels during certain times of the

Draft Minutes of August 2, 2006 Regular Board Meeting

day. Mr. Colbourn stated that an in-depth analysis will be done and a preliminary report will be presented at a future meeting.

**Board Action:** None. This report provided for information only.

## **Other Business**

- 5, Report of the Executive Officer/APCO Mr. Broadbent reviewed the following:
  - A) A list of community events is at each Board member's place.
  - B) August 1, 2006 is the date the Flare Minimization Plans were due from each of the refineries. The Plans will go through a 45 day review period.
- 6. Chairperson's Report Chair Uilkema reported on the following items:
  - A) On July 27<sup>th</sup>, several Board members met with members of the Air Resources Board. The meeting was productive with discussion on air quality, land use, and information on other topics was shared. It is recommended that these meetings continue on an annual basis.
  - B) The following issues are slated for the Board Executive Committee agenda: Spare the Air; a preliminary report on the issue of mercury as it relates to crematoriums; and developing policy as to whether or not the Air District should move in the direction of free transit and, if so, how that would be done.
  - C) If Board members are receiving mail on the issue of free transit, it should be brought to the attention of the Air District staff.
  - D) Starting to get mail on climate change; if any Board member would like a copy, they should contact the Chair.
  - E) Under the name of the Air Board, letters of thanks were sent to all the attendees at the voluntary Clean Air Plan workshop held in North Central Contra Costa County. Encouraged each Board member to meet with their constituents on how to obtain grants for clean air school buses.
  - F) The August 16<sup>th</sup> and September 6<sup>th</sup> Regular Board meetings are cancelled. The next regular Board meeting is scheduled for September 20<sup>th</sup>. The August 23<sup>rd</sup> Budget and Finance Committee meeting has been cancelled. The next Mobile Source Committee meeting is scheduled for September 11<sup>th</sup>.
- 7. Board Members' Comments There were none.

## **Closed Session**

4. Conference with Legal Counsel – The Board convened to Closed Session at 11:03 a.m.

## **Existing Litigation Government Code Section 54956.9(a)**

Pursuant to Government Code Section 54956.9(a), a need existed to meet in closed session with legal counsel to consider the following case:

A. <u>Paul Mauriello v. Bay Area AQMD</u> (Public Employment Relations Board, Unfair Practice Charge No. SF-CE-336-M)

## B. Potential Litigation

Pursuant to Government Code Section 54956.9(c), a need existed to meet in closed session to discuss one item of potential litigation by the District.

The Board reconvened to Open Session at 11:37 a.m. and Brian Bunger, Legal Counsel reported that the Board of Directors met in Closed Session on items A. and B. under agenda 4 and the Board provided direction to staff on these items.

- 8. Time and Place of Next Meeting 9:45 a.m., Wednesday, September 20, 2006 939 Ellis Street, San Francisco, CA 94109
- 9. Adjournment The meeting adjourned at 11:39 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: September 13, 2006

Re: <u>Board Communications Received from August 2, 2006 through September 19, 2006</u>

## **RECOMMENDED ACTION:**

Receive and file.

## **DISCUSSION**

A list of Communications received by the Air District from August 2, 2006 through September 19, 2006, if any, will be at each Board member's place at the September 20, 2006 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

AGENDA: 3

## 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: August 16, 2006

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

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

## **Payroll System Replacement**

The District rolled out (July 1) the new Ceridian Payroll system without incident.

**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                           | 9/01/05  | TBD by<br>asbestos<br>work | Evaluation of asbestos abatement plan in process.                                                                           |
| Life Safety Fire Alarm upgrades.                    | 8/03/04  | 9/30/06                    | 99.9% completed waiting for final hook up and testing.                                                                      |
| West exterior wall sealing and painting.            | 11/29/05 | 6/30/06                    | Painting will be completed Wednesday, June 7, 2006. <b>COMPLETED</b>                                                        |
| Roof top penthouse equipment room needs a new roof. | 2/15/06  | TBD                        | Existing roof is old and needs to be replaced at the earliest possible date. Water getting into elevator and HVAC equipment |

## COMPLIANCE & ENFORCEMENT DIVISION - K. WEE, DIRECTOR

## **Enforcement Program**

Staff documented five public nuisance violations attributed to Pacific Steel Castings in Berkeley. These violations occurred during the heat wave when more Berkeley residents had to open their windows for ventilation. Staff continues to monitor PSC's progress towards completing their odor abatement plan and installing the odor abatement equipment. Staff met with the Contra Costa County Fire Protection District and Contra Costa Health Services at Henry's Wood Farm in Martinez to discuss recent fires at the site that were the subject of two alleged public nuisance violations. Staff met with representatives of the Daly City Code Enforcement Office, the City Attorney's Office, Daly City Fire Department, San Mateo Health Services Division, and Daly City Planning Department to discuss smoke and odors from restaurant in Daly City.

## **Compliance Assurance Program**

During the month of July, 697 facility inspections were conducted. Staff attended a meeting with various emergency response agencies to review the General Chemical acid plume release that occurred on June 23, 2006. Staff attended a two-day CAPCOA Vapor Recovery Committee meeting in Sacramento. An 18-month study of the performance of an operational In-Station Diagnostics (ISD) system at a 7-11 gasoline station in Fremont was implemented.

## **Compliance Assistance Program**

Staff issued a Compliance Assistance Advisory to owners and operators of natural gas production facilities to inform them of permitting and control requirements for equipment at their facilities. Another Compliance Assistance Advisory describing new services and resources available for Reportable Compliance Activities was also released. Four Green Business compliance reviews for certification were completed, one in Alameda County and three in Santa Clara County.

#### **Operations**

Staff scheduled internal flare work group meetings to discuss strategy for review of the refinery Flare Minimization Plans (FMP) due on August 1, 2006, including discussions on the draft completeness determination guidelines and scheduling for the first portion of the FMP review project. All Reg. 12-11 refinery flare monitoring data have been received for May. A Naturally Occurring Asbestos grading and construction application for Goble Lane and Monterey Highway Project in San Jose was approved. On July 13, 2006, staff attended an Informational Public Meeting conducted in Oakland by Union Pacific Railroad Company and BNSF Railway Company providing a presentation on developments in locomotive emission controls. New Inspector Training was completed for two new inspectors. Contract trainer Shipley Associates provided two technical writing courses to approximately 30 staff members for in-service training.

(See Attachment for Activities by County)

## ENGINEERING DIVISION - B. BATEMAN, DIRECTOR

## **Toxics Program**

The Toxic Evaluation Section completed 32 health risk screening analyses (HRSAs) during July; the majority of these HRSAs were for diesel engine emergency generators and gas stations. Staff completed a review of a complex Health Risk Assessment for a ConocoPhillips refinery modification project. Staff continued participation in CARB's process to revise Airborne Toxic Control Measures for Perchloroethylene Dry Cleaners and Chrome Plating Operations. Staff also continued to work with Pacific Steel Casting Company (Berkeley) and their consultants in preparation of their Air Toxics Hot Spots Program Emissions Inventory Report and Health Risk Assessment.

## Title V Program

Staff continues to process a significant number of Title V permit revisions and plant compliance certifications. Engineering Division staff has prepared the latest revisions to the refinery Title V permits, and Statements of Basis, for EPA review. The revisions to the Chevron, ConocoPhillips, and Tesoro Title V permits have been submitted to EPA for review and staff is addressing comments received on the Chevron and ConocoPhillips revisions. A meeting was held with EPA and ConocoPhillips to discuss resolution of an issue related to applicability of NSPS Subpart J to flares. The revisions for the two other Bay Area refineries (Shell and Valero) are currently undergoing legal review, and should be completed in August.

## **Permit Evaluation Program**

Staff completed the permit evaluation of the proposed Pacific Steel Casting - Plant 3 collection and carbon adsorption control system to abate odorous emissions, and an Authority to Construct was issued. The permit evaluation of the proposed Tesoro Golden Eagle Refinery Coker Modification Project was completed, and an Authority to Construct was issued. This evaluation included a detailed CEQA Analysis, and a Notice of Exemption was filed with the Contra Costa County Clerk. Staff continues permit evaluations for several other large refinery projects, including the Chevron Energy and Renewal Project and the ConocoPhillips Clean Fuels Expansion Project. Staff met with ConocoPhillips, their EIR consultant, and Contra Costa Community Development (the CEQA lead agency) to discuss the CEQA review of the proposed ConocoPhillips Clean Fuels Expansion Project. Engineering Division staff continued to actively participate in the District's Flare Working Group and contributed to the development of Rule 12-12 guidance documents and the recent Compliance Advisory regarding Authority to Construct issues. The Flare Minimization Plans for each refinery are due on August 1<sup>st</sup>. Staff hosted a CAPCOA Engineering Managers Committee meeting in July.

## **Engineering Special Projects Program**

An update to the District's Permit Handbook was completed in July, and has been posted to the District website. The updated version features more detailed content and extensive links to supporting documentation.

## LEGAL DIVISION - B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 36 Violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 65 Violations reflected in NOVs. In addition, Mutual Settlement Program staff sent six Final 30 Day Letters regarding civil penalties for nine Violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$44,300 in civil penalties for 53 Violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 12 Violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$135,700 in civil penalties for 24 Violations.

(See Attachment for Penalties by County)

## PLANNING DIVISION - H. HILKEN, DIRECTOR

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

Staff conducted a meeting of the CARE Task Force to discuss and receive input on the development of an emissions inventory of toxic air contaminants (TAC). Presentations were made by District staff and by the consultant Sonoma Technology Inc., who assisted the District in developing the TAC emissions estimates. Staff also participated in a conference call with the Port of Oakland and the California Air Resources Board to discuss the development of the Port of Oakland Health Risk Assessment.

#### **Rule Development Program**

Staff conducted a workshop in the Contra Costa County Board of Supervisors' Chambers in Martinez to discuss draft amendments to Regulation 8, Rule 5: Storage of Organic Liquids. Staff conducted a meeting with restaurant industry representatives to discuss draft emission control concepts for commercial charbroilers for proposed Regulation 6, Rule 2: Commercial Charbroilers.

## **Air Quality Planning Program**

The Board of Directors approved revisions to the transportation conformity element of the State Implementation Plan (SIP). The revisions reflect changes in federal transportation conformity regulations due to the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users in 2005. Staff made a presentation on air quality elements for general plans to the Brisbane Planning Commission. Staff submitted comments on the Conoco Phillips Refinery Administrative Draft Environmental Impact Report, Staples Ranch Project (Pleasanton) Notice of Preparation and the Caldecott Improvement Project/State Route 24 Draft Environmental Assessment/Draft Environmental Impact Report.

#### **Research and Modeling**

Staff participated in a Central California Ozone Study (CCOS) Technical Committee meeting to discuss the development and evaluation of the modeling emissions inventory. Staff also participated in a CCOS Policy Committee (PC) conference call. The PC has extended the terms of two CCOS contracts (Improving model performance in aloft layers and evaluating emissions inventory against ambient pollutant measurements). Staff improved and updated the District's gate1 web site which provides real time ambient pollutant measurements.

## OUTREACH AND INCENTIVES - J. COLBOURN, DIRECTOR

**Spare the Air:** The Air District has issued a total of nine Spare the Air advisories for this summer thus far. The free transit rides were offered on participating systems on the first six Spare the Air weekdays: June 22<sup>nd</sup>, 23<sup>rd</sup>, and 26<sup>th</sup> and July 17<sup>th</sup>, 20<sup>th</sup>, and 21<sup>st</sup>, 2006.

Public awareness of the Spare the Air Campaign increased according to a telephone survey of 1,250 Bay Area residents.

The six Spare the Air/Free Transit Days produced the following *preliminary* results:

- Transit ridership increased by approximately 15 percent region-wide, averaging an additional 222,700 riders per day.
- 9.8 percent of survey respondents reduced at least one driving trip because of Spare the Air ads, or because of air quality concerns.
- The most common forms of trip reduction were linking trips, eliminating trips, and walking instead of driving.
- 65 percent of the respondents were aware it was a Spare the Air Day.
- 66 percent were aware of free public transit rides.
- 8 percent of the respondents rode transit on the Spare the Air Day
- 49 percent said they would be more likely to ride transit on Spare the Air days if it were free.

Sign ups for AirAlerts increased by 12,000 new registrants since the June 1<sup>st</sup> start of the ozone season, bringing the total registration list to nearly 40,000 residents. 4,830 of these subscribers signed up in July of 2006.

Media interest in the Spare the Air/Free Fare program has reached unprecedented levels. Coverage included media inquiries from Toronto, Ontario, Los Angeles, CA, and from as far away as Australia.

<u>Outreach</u>: Staff attended the July 13, 2006 "Railroad 101" meeting in West Oakland. Questions regarding railyard operations were answered by BNSF and Union Pacific staff, and input/suggestions from the community were recorded. The "Railroad 101" portion of the meeting involved locomotive emissions, environmental concerns, types of locomotives and new locomotive technologies and their benefit to the community.

<u>Grants:</u> Staff conducted a Transportation Fund for Clean Air (TFCA) Regional Fund workshop on July 13, 2006 for Contra Costa County parties interested in applying for grants in the fiscal year 2006/2007 funding cycle. A total of 91 TFCA Regional Fund grant applications, requesting approximately \$25.6 million in funding, were received by the July 24, 2006 deadline.

The Board of Directors approved on July 19, 2006 staff's recommendations for eight of the nine expenditure plans proposed by the TFCA County Program Managers for fiscal year 2006/2007. The San Francisco County Program Manager requested, and the Board of Directors approved, that their expenditure plan be reconsidered at the next Mobile Source Committee meeting. The Board of Directors also approved staff's recommendations regarding the selection of a contractor to perform auditing services for the TFCA program, and the reception and filing of the Vehicle Buy Back Program report for fiscal year 2005/2006.

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).

A total of 512 eligible light-duty vehicles were purchased and scrapped by the three Vehicle Buy Back Program contractors during this month.

<u>Woodsmoke Rebate:</u> Staff has provided an update on the status of the District's Woodstove Rebate program. We are within 10% of reaching completion of the PM 10 reduction goals. Thus far 29,996 lbs. out of a goal of 33,400 lbs of PM 10 have been reduced through the program, with only 3,404 lbs remaining. The District has processed approximately 1,247 rebates, including 175 non-EPA woodstove replacements and 1072 fireplace retrofits.

## TECHNICAL DIVISION – G. KENDALL, DIRECTOR

#### **Air Quality**

Air quality was in the Good or Moderate Air Quality Index (AQI) category from July 1<sup>st</sup> through July 7<sup>th</sup> due to onshore flow and mild temperatures. On July 8<sup>th</sup>, temperatures warmed to the low-100s in southern Santa Clara Valley and the national 8-hour ozone standard was exceeded at San Martin (86 ppb). Air quality returned to the Good or low-Moderate AQI category from July 9<sup>th</sup> through July 15<sup>th</sup> as the sea breeze returned and inland temperatures cooled.

From July 16, 2006 through July 25, 2006 the Bay Area experienced a prolonged period of very hot temperatures with a weaker than normal sea breeze. This was due to an extremely warm high pressure area that covered most of the western half of the United States. During that tenday period, the 8-hour national ozone standard was exceeded on seven days, the State 8-hour ozone on nine days, and the State 1-hour ozone on all ten days. Air District weather stations recorded maximum temperatures over 100 °F on nine of the ten days, and three days had temperatures exceeding 110 °F. Air quality returned to the Good category from July 26<sup>th</sup> to the end of the month.

On June 10<sup>th</sup> the State 24-hour PM<sub>10</sub> standard was exceeded at Santa Rosa on and is believed to have been caused by nearby road construction.

## **Air Monitoring**

All 29 air monitoring stations were operational during the month of July 2006 with all equipment operating on routine schedules.

#### **Meteorology and Forecasting**

April 2006 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Calibrations of the District meteorological network were completed. Staff continued to make daily air quality and burn forecasts.

## **Quality Assurance**

The Quality Assurance (QA) group conducted regular, mandated performance audits of 11 monitors at 7 Air District monitoring stations. H<sub>2</sub>S and SO<sub>2</sub> monitors were audited at the Tesoro Refinery Ground Level Monitoring (GLM) networks. All GLM of monitors passed the audit. Staff conducted performance audits on carbon monoxide and oxides of nitrogen analyzers for the UC Berkeley study in the Caldecott Tunnel. Audits were conducted on PM<sub>10</sub>, PM<sub>2.5</sub>, and ozone monitors for the Community Development Institute in East Palo Alto.

## Laboratory

In addition to ongoing routine analyses, three samples collected from the charbroiler outlet at a Carl's Junior Restaurant in Alameda were analyzed for organic particulate matter.

An onsite laboratory technical system/instrument audit was performed by EPA as part of the National Air Toxics Trends Study (NATTS) Grant. No major deficiencies were found.

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

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

## Alameda County

NONE

| <b>Status Date</b> 7/05/200 | <b>Site #</b><br>6 B1873 | Site Name<br>Cooks Collision                                                                   | <b>City</b><br>Berkeley | Regulation Title Failure to Meet Permit Conditions; Motor Vehicle & Mobile Equip Coating                                                                  |
|-----------------------------|--------------------------|------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7/11/200                    | 6 A0703                  | Pacific Steel Casting Co-Plant #2 Asbestos Management Group of                                 | Berkeley                | Operations; Public Nuisance Asbestos Demolition,                                                                                                          |
| 7/25/200                    | 6 J9290                  | California                                                                                     | Oakland                 | Renovation & Mfg.                                                                                                                                         |
| Contra Cos                  | sta County               |                                                                                                |                         |                                                                                                                                                           |
| <b>Status Date</b> 7/26/200 | <b>Site #</b><br>6 B2758 | Site Name Tesoro Refining and Marketing Company                                                | <b>City</b><br>Martinez | Regulation Title Flare Controls at Petroleum Refineries; Area Monitoring; Failure to Meet Permit Conditions; NOx & CO from Stationary Internal Combustion |
| 7/24/200<br>7/24/200        |                          | Allied Waste Industries (Keller Canyon<br>Landfill)<br>ConocoPhillips - San Francisco Refinery | Pittsburg<br>Rodeo      | Engines Solid Waste Disposal Sites  Area Monitoring; Wastewater (Oil - Water) Separators; NOx from Stationary Gas Turbines                                |
| 7/26/200                    | 6 C5810                  | USA #20                                                                                        | San Pablo               | Gasoline Dispensing Facilities                                                                                                                            |
| Marin Coul                  | nty                      |                                                                                                |                         |                                                                                                                                                           |
| Status<br>Date              | Site#                    | Site Name                                                                                      | City                    | Regulation Title Asbestos Demolition,                                                                                                                     |
| 7/11/200                    | 6 R6207                  | Downing Heating & Air Conditioning, Inc.                                                       | San Rafael              | Renovation & Mfg.                                                                                                                                         |
| Napa Cour                   | ty                       |                                                                                                |                         |                                                                                                                                                           |
| Status<br>Date              | Site#                    | Site Name                                                                                      | City                    | Regulation<br>Title                                                                                                                                       |

## These facilities have received one or more Notices of Violations Report period: July 1, 2006 – July 31, 2006 (continued)

| San | Francisco | County |
|-----|-----------|--------|
|-----|-----------|--------|

| Received<br>Date | Site # | Site Name | City | Regulation<br>Title |
|------------------|--------|-----------|------|---------------------|
| NONE             |        |           |      |                     |

## San Mateo County

| Received  |        |                                   |              | Regulation                      |
|-----------|--------|-----------------------------------|--------------|---------------------------------|
| Date      | Site # | Site Name                         | City         | Title                           |
|           |        |                                   |              | Standards of Performance        |
| 7/25/2006 | B0923  | California Rock & Asphalt Inc     | Brisbane     | for New Stationary Sources      |
|           |        |                                   |              | Failure to Meet Permit          |
| 7/25/2006 | B5787  | Intertek Testing Services NA, Inc | Menlo Park   | Conditions                      |
|           |        |                                   |              | Asbestos Demolition,            |
| 7/10/2006 | R5963  | Jack Chen Const.                  | Millbrae     | Renovation & Mfg.               |
| 7/26/2006 | D0623  | Woodside Gas & Shop               | Redwood City | Authority to Construct; Permit  |
|           |        |                                   | •            | to Operate; Gasoline Dispensing |
|           |        |                                   |              | Facilities                      |

## Santa Clara County

| Received  |        |                               |             | Regulation                     |
|-----------|--------|-------------------------------|-------------|--------------------------------|
| Date      | Site # | Site Name                     | City        | Title                          |
|           |        |                               |             | Failure to Meet Permit         |
| 7/25/2006 | B1251  | Boston Scientific Corporation | San Jose    | Conditions                     |
|           |        |                               |             | Failure to Meet Permit         |
| 7/25/2006 | B1669  | Gas Recovery Systems, Inc     | San Jose    | Conditions                     |
| 7/26/2006 | C9705  | Valley Fair Market and Gas    | San Jose    | Gasoline Dispensing Facilities |
|           |        |                               |             | Motor Vehicle & Mobile Equip   |
| 7/24/2006 | B1223  | 88 Auto Body                  | Santa Clara | Coating Operations             |
|           |        |                               |             | Failure to Meet Permit         |
| 7/17/2006 | A9851  | Radiatorland                  | Santa Clara | Conditions                     |
| 7/26/2006 | C9404  | Saratoga Gas Company          | Saratoga    | Gasoline Dispensing Facilities |

## Solano County

| Received<br>Date | Site # | Site Name | City | Regulation<br>Title |
|------------------|--------|-----------|------|---------------------|
| NONE             |        |           |      |                     |

## Sonoma County

| Received | Site # | Sita Nama | City | Regulation |
|----------|--------|-----------|------|------------|
| Date     | Site # | Site Name | City | Title      |
| NONE     |        |           |      |            |

## July 2006 Closed NOV's with Penalties by County

## Alameda

| Site Name                         | Site<br>Occurrenc<br>e | City        | Penalty<br>Amount | # of Violations<br>Closed |
|-----------------------------------|------------------------|-------------|-------------------|---------------------------|
|                                   |                        |             |                   |                           |
| California Readymix Inc           | B4927                  | Oakland     | \$1,500           | 1                         |
| CEMEX                             | A3358                  | Pleasanton  | \$3,000           | 1                         |
|                                   |                        |             |                   |                           |
| Container Recycling Alliance      | B2687                  | Union City  | \$500             | 1                         |
| David Nunez                       | P6197                  | Hayward     | \$1,500           | 1                         |
|                                   |                        | ,           | ψ.,σσσ            | ·                         |
| Felardo Construction              | R0789                  | Union City  | \$5,000           | 4                         |
| Foothill Chevron                  | C0693                  | San Leandro | \$250             | 1                         |
| 1 Oothiii Grievion                | 00093                  | San Leanuro | Ψ230              | '                         |
| J L Construction Company          | Q3474                  | San Leandro | \$2,000           | 2                         |
|                                   |                        |             |                   |                           |
| Jennifer Osborne                  | Q9442                  | Berkeley    | \$850             | 1                         |
|                                   |                        |             |                   |                           |
| Pacific Steel Casting Co-Plant #2 | A0703                  | Berkeley    | \$3,000           | 1                         |
|                                   |                        |             |                   |                           |
| Super Station                     | C9743                  | Fremont     | \$1,000           | 2                         |
| United States Pipe & Foundry      |                        |             |                   |                           |
| Company, LLC                      | A0083                  | Union City  | \$70,000          | 1                         |

Total Violations Closed:

16

## **Contra Costa**

| Site Name                              | Site<br>Occurrence | City         | Penalty<br>Amount | # of Violations<br>Closed |
|----------------------------------------|--------------------|--------------|-------------------|---------------------------|
| ARCO AM/PM Fueling Facility            | D0723              | Richmond     | \$400             | 1                         |
| Bob's Washette Cleaners                | A4494              | Richmond     | \$150             | 1                         |
| Central Contra Costa Sanitary District | A0907              | Martinez     | \$3,000           | 3                         |
| Chevron #3072                          | C1719              | Walnut Creek | \$750             | 1                         |
| Jeff Figone                            | Q9219              | Walnut Creek | \$2,000           | 3                         |
| San Ramon Shell                        | C8670              | San Ramon    | \$500             | 1                         |
| Southland 7-Eleven Store #32305        | C9952              | Antioch      | \$1,000           | 1                         |
| Unocal #2502 Niaz Nazir                | C7408              | Rodeo        | \$400             | 2                         |
| USS-POSCO Industries                   | A2371              | Pittsburg    | \$27,500          | 2                         |

Total Violations Closed: 15

Napa

| Site Name                      | Site<br>Occurrence | City | Penalty<br>Amount | # of Violations<br>Closed |
|--------------------------------|--------------------|------|-------------------|---------------------------|
| Myers & Sons Hi-Way Safety Inc | A4015              | Napa | \$750             | 1                         |

#### San Francisco

| Site Name                      | Site<br>Occurrenc<br>e | City          | Penalty<br>Amount | # of Violations<br>Closed |
|--------------------------------|------------------------|---------------|-------------------|---------------------------|
| First Quality Cleaners         | B3041                  | San Francisco | \$750             | 1                         |
| Jeremiah's Pick Coffee Company | B0582                  | San Francisco | \$1,500           | 1                         |
| M-B Body Shop of San Francisco | B4264                  | San Francisco | \$1,750           | 2                         |
| Pyramid Builders               | Q4641                  | San Francisco | \$1,000           | 1                         |
| Veteran's DeLuxe Cleaners      | A2075                  | San Francisco | \$1,250           | 2                         |

Total Violations Closed: 7

#### San Mateo

| Oan Matco                                    |                        |                |                   |                           |
|----------------------------------------------|------------------------|----------------|-------------------|---------------------------|
| Site Name                                    | Site<br>Occurrenc<br>e | City           | Penalty<br>Amount | # of Violations<br>Closed |
|                                              |                        |                |                   |                           |
| CEMEX                                        | A0265                  | Redwood City   | \$6,000           | 2                         |
| Cypress Amloc Land Co , Inc                  | A1364                  | Colma          | \$2,000           | 3                         |
| Romic Environmental Technologies Corporation | A0468                  | East Palo Alto | \$9,000           | 1                         |
| Tom Randall                                  | R2410                  | San Bruno      | \$250             | 1                         |
| Westates Management                          | Q7383                  | San Mateo      | \$1,500           | 2                         |

## Santa Clara

| Site Name                | Site<br>Occurrence | City        | Penalty<br>Amount | # of Violations<br>Closed |
|--------------------------|--------------------|-------------|-------------------|---------------------------|
| Camaro Cleaners          | A3285              | Sunnyvale   | \$500             | 2                         |
| Evenstar                 | A3628              | Santa Clara | \$2,000           | 2                         |
| North Capitol Ave Valero | D0522              | San Jose    | \$250             | 1                         |
| Radiatorland             | A9851              | Santa Clara | \$1,000           | 1                         |
| USA Petroleum            | C8379              | San Jose    | \$800             | 2                         |

**Total Violations Closed:** 8

#### Solano

| Columb       |                    |             |                   |                           |
|--------------|--------------------|-------------|-------------------|---------------------------|
| Site Name    | Site<br>Occurrence | City        | Penalty<br>Amount | # of Violations<br>Closed |
| Sunset Shell | C8035              | Suisun City | \$500             | 1                         |

## Sonoma

| Odilollia                   |                        | 1          |                   |                           |
|-----------------------------|------------------------|------------|-------------------|---------------------------|
| Site Name                   | Site<br>Occurrenc<br>e | City       | Penalty<br>Amount | # of Violations<br>Closed |
|                             |                        |            |                   |                           |
| Carpenter Parmatech         | B1948                  | Petaluma   | \$1,000           | 1                         |
|                             |                        |            |                   |                           |
| Chevron                     | C5021                  | Santa Rosa | \$750             | 1                         |
|                             |                        |            |                   |                           |
| Daniel O Davis Inc.         | F6985                  | Santa Rosa | \$1,500           | 2                         |
|                             |                        | Rohnert    |                   |                           |
| Dr Dryclean Inc             | A7225                  | Park       | \$500             | 1                         |
| -                           |                        |            |                   |                           |
| Ken Mc Adams                | R3925                  | Sebastopol | \$500             | 1                         |
|                             |                        |            |                   |                           |
| Max Redalia                 | Q4341                  | Sebastopol | \$100             | 2                         |
|                             |                        |            |                   |                           |
| Redwood Coast Petroleum     | B2758                  | Santa Rosa | \$1,750           | 3                         |
| Sonoma County Department of |                        |            |                   |                           |
| Public Works                | A2254                  | Petaluma   | \$18,200          | 8                         |
|                             |                        |            |                   |                           |
| Suzi Houswald               | R5479                  | Petaluma   | \$350             | 1                         |

## ACRONYMS AND TERMINOLOGY

| ADAC      | A consisting of Deep Area Comments                                                                                                                                                     |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 national 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 <sup>3</sup> | micrograms per cubit meter                                              |
| ULEV              | Ultra low emission vehicle                                              |
| ULSD              | Ultra low sulfur diesel                                                 |
| USC               | United States Code                                                      |
| UV                | Ultraviolet                                                             |
| VMT               | Vehicle miles traveled (usually per day, in a defined area)             |
| VTA               | Santa Clara Valley Transportation Authority                             |
| ZEV               | Zero Emission Vehicle                                                   |
|                   |                                                                         |

AGENDA: 3

## 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: September 20, 2006

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

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

## **Facilities Projects in Process:**

| Project                                                       | Start   | Complete | Status                                                                       |
|---------------------------------------------------------------|---------|----------|------------------------------------------------------------------------------|
| Phase IV HVAC Replacement                                     | 9/01/05 | TBD      | Awarded contract for asbestos abatement                                      |
|                                                               |         |          | work on the west side of the roof.                                           |
| Roof top penthouse equipment room needs a new roof. (Sense of | 2/15/06 | ASAP     | Existing roof is old and needs to be replaced at the earliest possible date. |
| urgency)                                                      |         |          | Water getting into elevator and HVAC equipment. Lawson Roofing received      |
|                                                               |         |          | purchase order to set a schedule to begin                                    |
|                                                               |         |          | work.                                                                        |

## COMPLIANCE & ENFORCEMENT DIVISION - K. WEE, DIRECTOR

## **Enforcement Program**

The District has filed a lawsuit in Alameda County Superior Court against Pacific Steel Castings (PSC). The lawsuit charges the company with failure to meet statutory deadlines for reporting air emissions and for violating the schedule contained in a recent settlement agreement designed to resolve an ongoing series of air quality complaints. PSC has filed an appeal of their Authority to Construct permit conditions with the District's Hearing Board. The appeal involves conditions associated with installation of a carbon abatement system. Inspection staff tagged gasoline nozzles at Bedrock Pinole Chevron "Out of Order" for operating an uncertified Phase II vapor recovery system. The owner has withdrawn the variance application filed after the tags were issued and applied for an Authority to Construct and installed a complying vapor recovery system.

## **Compliance Assurance Program**

During the month of August, 666 facility inspections were completed. Staff prepared a Compliance Monitoring Strategy for reporting compliance information to EPA. The strategy was finalized, approved, and forwarded to EPA in August. Staff participated in a joint inspection with EPA Region IX staff at Owens Corning, a fiberglass manufacturer in Santa Clara. Staff attended a two day EPA planning meeting on August 29th and 30th to prepare for a multi-agency oil spill response exercise scheduled for November 2006 at Valero.

## **Compliance Assistance Program**

A Compliance Advisory was published that requires all refinery construction projects that impact flare use at Petroleum Refineries to be included in an updated Flare Minimization Plan (FMP), consistent with the flare control rule. Staff gave a presentation in Palo Alto to the Pacific Industrial and Business Association (PIBA) on air quality compliance.

## **Operations**

Flare Minimization Plans (FMPs) were received from all five refineries and District staff has begun completeness determinations and preliminary evaluation of the FMPs for approval. Western States Petroleum Association (WSPA) made a presentation about refinery flare operation to the District on August 16, 2006. WSPA and refinery representatives also met with Compliance and Enforcement Division (CED), Legal, Planning, and Engineering staff to discuss issues associated with the recent Compliance Assistance Advisory. Flare data for March through May was added to the website. Staff was notified high monitoring readings from three construction grading projects subject to the State Air Toxics Control Measure for Naturally Occurring Asbestos (NOA). The project sites are in San Francisco (Hunter's Point), San Jose (Hitachi), and Hayward (LaVista). The projects have stopped work in order to implement additional dust mitigation measures. Staff participated with Legal and Technical Services representatives in a conference call with CARB regarding the District's proposed Smoke Management Program. Thirteen inspectors completed a Defensive Driving training class on August 21, 2006. Inspection staff also completed training on the ARB Statewide Railroad Memorandum of Understanding. Acceptance testing and delivery of the smoke machine to be used for visible emissions evaluation training was completed in August.

(See Attachment for Activities by County)

## **ENGINEERING DIVISION – B. BATEMAN, DIRECTOR**

## **Toxics Program**

The Toxic Evaluation Section completed a total of 26 health risk screening analyses (HRSAs) during August. The majority of these HRSAs were for diesel engine emergency generators and gas stations. Staff completed a review of a CEQA Health Risk Assessment, and PSD analysis, for a ConocoPhillips refinery modification project. Staff also participated in CARB's process to revise Airborne Toxic Control Measures for Perchloroethylene Dry Cleaners and Chrome Plating Operations. Work continued with Pacific Steel Casting Company (Berkeley) and their consultants in the preparation of their Air Toxics Hot Spots Emission Inventory Report and Health Risk Assessment.

## **Title V Program**

Staff prepared the latest revisions to the refinery Title V permits, and Statements of Basis, for EPA review. The revisions to the Chevron, ConocoPhillips and Tesoro Title V permits have been submitted to EPA for review, and staff is addressing the comments received on the Chevron and ConocoPhillips permits. The EPA comment period for the Tesoro permit ends on September 4, 2006. The revisions to the Shell and Valero Title V permits are expected to be issued in September. Staff participated in a conference call with EPA and their consultant to discuss the District's responses to an EPA survey on the timeliness of Title V renewal and significant revision permits.

## **Permit Evaluation Program**

Staff continues permit evaluations for several large refinery projects, including the Chevron Energy and Renewal Project and the ConocoPhillips Clean Fuels Expansion Project. Staff met with Chevron three times in August to discuss their Energy and Renewal Project. Staff met with ConocoPhillips and their CEQA consultant to discuss the CEQA review and engineering evaluation of the proposed Clean Fuels Expansion Project. Engineering Division staff began their review of the flare minimization plans (FMPs) submitted for each of the five Bay Area refineries. Staff met with the Western States Petroleum Association and the refineries to discuss the District's FMP update process. Staff also met with: (1) Pacific Steel Casting to discuss their progress on odor control measures, (2) Dow Chemical to discuss permitting issues and upcoming permit applications, and (3) Flavanpro Inc. to discuss issues related to a new industrial process.

## **Engineering Special Projects Program**

Staff published and posted on the District website an update to the Permit Handbook which is intended to improve public information access and permit evaluation consistency. Staff participated in the technical review process for internal combustion engines, gas turbines, and pressure relief devices at oil refineries, in support of rule development efforts. Engineering Projects Section staff met with Russell Hinton Company to discuss compliance issues, and with Transbay Cable to review several possible sites for an electric transmission line from Pittsburg to San Francisco. Staff is also addressing public comments received on Ameresco's proposal to install six engines at the Ox Mountain Landfill. This proposal is the first landfill project to include catalytic controls for reducing NOx and CO emissions. Staff developed draft responses to a number of issues raised by a Landfill Gas-to-Energy Coalition. Finally, staff continued participation in the District's Production System conversion project.

#### LEGAL DIVISION - B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 35 violations reflected in Notices of Violation ("NOVs") for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 46 violations reflected in NOVs. In addition, Mutual Settlement Program staff sent three Final 30 Day Letters regarding civil penalties for three violations reflected in NOVs. Finally, settlement negotiations by Mutual Settlement Program staff resulted in collection of \$30,275 in civil penalties for 34 violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 6 violations reflected in NOVs. Settlement negotiations by counsel in the District Counsel's Office resulted in collection of \$29,900 in civil penalties for 16 violations reflected in NOVs.

(See Attachment for Penalties by County)

## PLANNING DIVISION – H. HILKEN, DIRECTOR

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

Staff conducted a meeting of the CARE Task Force to discuss and receive input on updates to an emissions inventory of toxic air contaminants (TAC) and on a document describing Phase I Findings and Recommendations for the CARE program. Staff also presented a status report on the CARE program to the Advisory Council Technical Committee.

#### **Rule Development Program**

Staff received final comments on proposed amendments to Regulation 8, Rule 5: Storage of Organic Liquids and is preparing final drafts for consideration at a future public hearing. Staff met with county health department inspectors and a representative of PG&E's Food Technology Center to discuss proposals for regulation of commercial charbroilers. Staff is preparing a revised workshop draft of amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines.

#### **Air Quality Planning Program**

In preparation of the Climate Protection Leadership Summit, staff mailed out save the date notices to approximately 350 invitees, secured PG&E and Sun as signature sponsors, and continued event planning activities. Staff attended the Focusing our Vision and Smart Growth/Parking Study regional meetings. Staff met with representatives from Contra Costa County and Conoco Phillips on the administrative Draft EIR for the refinery expansion project. Staff met with MTC, the Port of Oakland and Port operators regarding CMAQ funding for an LNG fueling facility and heavy duty LNG truck purchases. A staff brown bag lunch was held to discuss the District's internal and external climate protection program.

## **Research and Modeling**

The National Oceanic and Atmospheric Administration (NOAA) have upgraded the computer of the District's wind profiler/RASS system in Livermore. Real time hourly upper air wind and temperature data from this station can be viewed at NOAA's web site (htpp://www.etl.noaa.gov/et7/data). Staff organized several internal meetings with staff members from the Engineering Division to continue the preparation of meteorological inputs to be used in AERMOD (U.S. EPA's new regulatory model). Staff met with ARB staff to refine the preparation of inputs to the U.S. EPA's Community Multiscale Air Quality (CMAQ) model that will be used for particulate matter modeling in the Bay Area. Staff participated in a CCOS Emissions Inventory Coordination Group conference call to continue review and evaluation of the emission inventory to be used by ARB for modeling for 8-hour ozone SIPs in northern California.

#### OUTREACH AND INCENTIVES - J. COLBOURN, DIRECTOR

<u>Spare the Air:</u> Staff continued to work with the Metropolitan Transportation Commission representatives on the evaluation of the Spare the Air Program and changes to the Memorandum of Understanding (MOU). Staff also reviewed and evaluated this year's Spare the Air/Free Fare expenses.

Media: Staff participated in the kick-off of "Plug-In Bay Area," an initiative designed to bring plugin hybrid electric vehicles (PHEV's) to Bay Area roadways. These vehicles have hybrid (electric/gasoline) engines with larger capacity batteries, able to reach up to 100 traveling miles on electric power alone. PG&E, Rainforest Action Network and Bluewater Network participated in the event, which also featured experts in plug-in technology, policy and local government. The Executive Officer moderated the panel discussion and the District funded the conversion of a Toyota Prius into a plug-in hybrid vehicle. The Contra Costa Times published a related article "Tomorrow's hybrids: Plug in, tune up, turn on."

The Director of Outreach & Incentives was interviewed by a television film crew from Indonesia on August 3, regarding District programs and incentives to reduce air pollution. The Director had a live interview for KFPA's "Terra Verde," a weekly environmental program.

<u>Outreach</u>: Staff began work to determine the District's role in the 2007 Aviation Symposium, tentatively scheduled for February 2007 in San Francisco. Staff is coordinating with UC Davis representatives to identify sponsorships and participation in relevant events.

<u>Grant Programs:</u> Staff coordinated work related to the fiscal audit of the TFCA program, which the contracted firm is scheduled to begin in September 2006, and to the procurement of direct mail and motor vehicle scrapping services for the Vehicle Buy Back (VBB) Program.

A total of 489 eligible motor vehicles were purchased and scrapped by the three VBB Program contractors during this month.

Other: Staff welcomed Karen Messina Schkolnick, Agency Spokesperson, who joined the District on Monday, August 28, 2006.

## TECHNICAL DIVISION – G. KENDALL, DIRECTOR

#### **Air Quality**

Air quality was in the Good Air Quality Index (AQI) category from August 1<sup>st</sup> through August 8<sup>th</sup> due to mild temperatures and onshore flow. On August 9<sup>th</sup> the onshore flow weakened and the sea breeze did not reach the inland valleys until very late in the afternoon. As a result, temperatures reached 100 °F in the Santa Clara Valley and the national 8-hour ozone standard was exceeded at San Martin (88 ppb) and San Jose (87 ppb). In addition, ten sites exceeded the State 8-hour standard and eight sites exceeded the State 1-hour standard. For the remainder of the month, ozone remained in the Good or low-Moderate AQI category.

On July  $22^{nd}$  the State 24-hour  $PM_{10}$  standard was exceeded at Concord. The exceedance was most likely the result of wildfires in Contra Costa County.

#### **Air Monitoring**

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

## **Meteorology and Forecasting**

Staff continued to make daily air quality and burn forecasts. The District received an executed copy of an ARB Agreement authorizing funding from an EPA National Environmental Information Exchange Network (NEIEN) grant for a new Air District air quality data management system.

## **Quality Assurance**

The Quality Assurance (QA) group conducted regular, mandated performance audits of 42 monitors at 19 Air District air monitoring stations. H<sub>2</sub>S and SO<sub>2</sub> monitors were audited at the Valero Refinery Ground Level Monitoring (GLM) networks. All GLM monitors passed the audit. Staff conducted final performance audits on carbon monoxide and oxides of nitrogen analyzers for the UC Berkeley study in the Caldecott Tunnel.

## Laboratory

In addition to ongoing routine analyses, 17 samples from the Caldecott Tunnel were analyzed for non-methane organic compounds as part of an ongoing cooperative study with UC Berkeley.

The Laboratory has begun to analyze ambient air samples from the San Jose air monitoring site for formaldehyde and acetaldehyde as required under an EPA National Ambient Toxics Trends Stations (NATTS) grant.

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

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

## Alameda County

| Status<br>Date | Site #    | Site Name                                  | City               | Regulation<br>Title                                               |
|----------------|-----------|--------------------------------------------|--------------------|-------------------------------------------------------------------|
| 8/23/2006      | A0703     | Pacific Steel Casting Co-Plant #2          | Berkeley           | Public Nuisance; Authority to                                     |
|                |           | G                                          | •                  | Construct; Permit to Operate;                                     |
|                |           |                                            |                    | Failure to Meet Permit Conditions                                 |
| 8/16/2006      | A1009     | Hayward Waste Water Treatment Plant        | Hayward            | Failure to Meet Permit Conditions;                                |
|                |           |                                            |                    | NOx & CO from Stationary                                          |
|                |           |                                            |                    | Internal Combustion Engines                                       |
| 0/07/0000      | 1.0050    | D.D. Construction                          | Fremont            | Asbestos Demolition, Renovation                                   |
| 8/07/2006      | L6353     | R B Construction                           | Fremont            | & Mfg. Surface Coating of Misc Metal                              |
| 8/16/2006      | B0197     | Enclosures Engineering, Inc                | Fremont            | Parts & Products                                                  |
| 8/30/2006      | D0359     | Valero Refining Co SS#7983                 | Fremont            | Gasoline Dispensing Facilities                                    |
| 8/16/2006      | A2710     | Melrose Metal Products, Inc                | Fremont            | Failure to Meet Permit Conditions                                 |
| 8/21/2006      | C0443     | USA Petroleum                              | Livermore          | Gasoline Dispensing Facilities                                    |
| 0/21/2000      | 00110     | OOAT CHOICHIT                              | Liverinoic         | Authority to Construct; Permit to                                 |
| 8/16/2006      | B7839     | Niles Machine & Tool Works, LLC            | Livermore          | Operate                                                           |
|                |           | ,                                          |                    | Particulate Matter & Visible                                      |
| 8/30/2006      | A0153     | PABCO Gypsum                               | Newark             | Emissions                                                         |
|                |           |                                            |                    | Particulate Matter & Visible                                      |
| 8/30/2006      | A0079     | Morton International Inc                   | Newark             | Emissions                                                         |
| 8/21/2006      | A0591     | East Bay Municipal Utility District        | Oakland            | Failure to Meet Permit Conditions                                 |
| 0/40/0000      | D7745     | <b>5</b>                                   | 0 11 1             | Authority to Construct; Permit to                                 |
| 8/16/2006      | B7715     | Eagle Bag Corporation                      | Oakland<br>Oakland | Operate; Operations                                               |
| 8/16/2006      | B7824     | Agricultural Bag Mfg, Inc                  | Oakiand            | Authority to Construct; Permit to Operate; Graphics Arts Printing |
|                |           |                                            |                    | & Coating                                                         |
|                |           | ARCO Facility #02185 - BILLY J             |                    | Gasoline Dispensing Facilities                                    |
| 8/02/2006      | C0540     | AMBERS INC                                 | Oakland            |                                                                   |
| 8/14/2006      | C8200     | Express Gas & Mart                         | Oakland            | Gasoline Dispensing Facilities                                    |
|                |           | •                                          |                    | Particulate Matter & Visible                                      |
| 8/21/2006      | A0073     | Gallagher & Burk, Inc                      | Oakland            | Emissions                                                         |
| 8/21/2006      | C7901     | Guy's Service Gas-Diesel                   | Oakland            | Permit to Operate                                                 |
| 8/21/2006      | C0279     | SAVE ON GAS                                | Oakland            | Gasoline Dispensing Facilities                                    |
| 8/02/2006      | C8544     | Seminary Gas                               | Oakland            | Gasoline Dispensing Facilities                                    |
| 8/02/2006      | C6951     | Shell/Bansal Inc #135675                   | Oakland            | Gasoline Dispensing Facilities                                    |
|                |           |                                            |                    | Graphics Arts Printing & Coating                                  |
| 8/16/2006      | B2075     | Solstice Press                             | Oakland            | Operations                                                        |
| 8/21/2006      | C8774     | Tony's Express Auto Service                | Oakland            | Gasoline Dispensing Facilities                                    |
| 0/40/0000      | A O 4 4 E | National Flourier Co                       | Diagonatas         | Surface Coating of Misc Metal<br>Parts & Products                 |
| 8/16/2006      | A9445     | National Elevator Co                       | Pleasanton         | Failure to Meet Permit Conditions                                 |
| 8/16/2006      | A4810     | Alameda Newspaper Group                    | Pleasanton         | Authority to Construct; Permit to                                 |
| 8/16/2006      | B5592     | City and County of San Francisco-PUC       | Sunol              | Operate                                                           |
| 3/10/2000      | 20002     | only and obtainly of oart transition to to | Julioi             | Asbestos Demolition, Renovation                                   |
| 8/10/2006      | R2288     | Restoration Management Company             | Union City         | & Mfg.                                                            |
|                | -         | 5 1 - 7                                    | ,                  | •                                                                 |

## These facilities have received one or more Notices of Violations Report period: August 1, 2006 – August 31, 2006 (continued)

## Contra Costa County

| Status      | Sito #    | Site Name                                    | City           | Regulation<br>Title                                        |
|-------------|-----------|----------------------------------------------|----------------|------------------------------------------------------------|
| Date        | Site #    |                                              | City           |                                                            |
| 8/21/2006   | C9590     | Shell Inc                                    | Antioch        | Gasoline Dispensing Facilities                             |
| 0/00/0000   | A 0.C.C.4 | Createst Commercian A Call to Darta archin   | Crackatt       | Failure to Meet Permit                                     |
| 8/02/2006   | A8664     | Crockett Cogeneration, A Cal Ltd Partnership | Crockett       | Conditions                                                 |
| 8/14/2006   | B0408     | County Apphalt                               | Martinez       | Failure to Meet Permit Conditions                          |
|             |           | County Asphalt                               |                |                                                            |
| 8/14/2006   | B2758     | Tesoro Refining and Marketing Company        | Martinez       | Flare Monitoring at Petroleum                              |
|             |           |                                              |                | Refineries; Particulate Matter & Visible Emissions; Sulfur |
|             |           |                                              |                | Dioxide                                                    |
|             |           |                                              |                | Gasoline Bulk Terminals &                                  |
| 8/18/2006   | B1956     | Equilon Enterprises LLC                      | Martinez       | Gasoline Delivery Vehicles                                 |
| 8/21/2006   | C5234     | Pitcock Petroleum Inc                        | Pleasant Hill  | Gasoline Dispensing Facilities                             |
| 0/21/2000   | C5234     | FILCOCK Felioleum inc                        | Pleasailt Hill | Failure to Meet Permit                                     |
| 8/02/2006   | A1396     | Container Management Service-LLC             | Richmond       | Conditions                                                 |
| 0/02/2000   | A1390     | Container Management Service-LLC             | Kiciiiioiiu    | Failure to Meet Permit                                     |
| 8/02/2006   | A1396     | Container Management Service-LLC             | Richmond       | Conditions                                                 |
| 8/14/2006   | A0016     | ConocoPhillips - San Francisco Refinery      | Rodeo          | Equipment Leaks                                            |
|             |           |                                              |                |                                                            |
| 8/21/2006   | C6594     | Superstop                                    | Rodeo          | Gasoline Dispensing Facilities                             |
| Marin Count | ty        |                                              |                |                                                            |
| Status      | C:4 - #   | Cita Nama                                    | O:to.          | Regulation                                                 |

| Status    |        |                   | Regulation  |                              |  |
|-----------|--------|-------------------|-------------|------------------------------|--|
| Date      | Site # | Site Name         | City        | Title                        |  |
|           |        |                   |             | Perc & Synthetic Solvent Dry |  |
| 8/04/2006 | A7036  | Spotless Cleaners | San Anselmo | Cleaning Operations          |  |
|           |        |                   |             |                              |  |

## Napa County

| Status |        |           |      | Regulation |
|--------|--------|-----------|------|------------|
| Date   | Site # | Site Name | City | Title      |
| NONE   |        |           |      |            |

### These facilities have received one or more Notices of Violations Report period: August 1, 2006 – August 31, 2006 (continued)

#### San Francisco County

| Rec | eived       |        |                                    |               | Regulation                             |
|-----|-------------|--------|------------------------------------|---------------|----------------------------------------|
| D   | ate         | Site # | Site Name                          | City          | Title                                  |
|     | 10.1.10.000 | D      | <b>5</b>                           |               | Failure to Meet Permit                 |
| 8/  | 24/2006     | B0271  | Darling International              | San Francisco | Conditions                             |
|     |             |        |                                    |               | Asbestos Demolition,                   |
| 8/  | 10/2006     | R6927  | Murrieta Livermore Associates, LLC | San Francisco | Renovation & Mfg. Asbestos Demolition, |
| 8/  | 09/2006     | R6893  | Yip Hop Ng Company                 | San Francisco | Renovation & Mfg.                      |

#### San Mateo County

| Received  |        |                                                          |                | Regulation                                              |
|-----------|--------|----------------------------------------------------------|----------------|---------------------------------------------------------|
| Date      | Site # | Site Name                                                | City           | Title                                                   |
| 8/30/2006 | C2781  | Chevron Station #9-0571 Romic Environmental Technologies | Burlingame     | Gasoline Dispensing Facilities Wastewater (Oil - Water) |
| 8/07/2006 | A0468  | Corporation                                              | East Palo Alto | Separators `                                            |
| 8/14/2006 | C5943  | Neighborhood Mart #2                                     | Montara        | Gasoline Dispensing Facilities                          |
| 8/30/2006 | C9772  | Fifth Avenue Enterprises dba Silver Gas                  | Redwood City   | Gasoline Dispensing Facilities Failure to Meet Permit   |
| 8/30/2006 | C8799  | Gas at Jefferson                                         | Redwood City   | Conditions                                              |
| 8/30/2006 | C3158  | Brittan Shell-Shell Oil Products                         | San Carlos     | Gasoline Dispensing Facilities                          |

#### Santa Clara County

| Received  |        |                                  |             | Regulation                       |
|-----------|--------|----------------------------------|-------------|----------------------------------|
| Date      | Site # | Site Name                        | City        | Title                            |
|           |        |                                  |             | Particulate Matter & Visible     |
| 8/07/2006 | A0017  | Hanson Permanente Cement         | Cupertino   | Emissions                        |
| 8/02/2006 | R6737  | Ms Sylvia Bellinghausen          | Gilroy      | Open Burning                     |
| 8/04/2006 | C9462  | Gilroy CHEVRON                   | Gilroy      | Gasoline Dispensing Facilities   |
|           |        |                                  |             | Asbestos Demolition,             |
| 8/10/2006 | R6933  | Bob LaBeau Hardwood Floors       | San Jose    | Renovation & Mfg.                |
| 8/21/2006 | C7194  | Calderons Station                | San Jose    | Gasoline Dispensing Facilities   |
| 8/04/2006 | C3876  | Chevron #9-5771                  | San Jose    | Gasoline Dispensing Facilities   |
|           |        | City of San Jose (Singleton Road |             | Solid Waste Disposal Sites       |
| 8/14/2006 | A4175  | Landfill)                        | San Jose    |                                  |
| 8/04/2006 | C3830  | Classic Car Wash                 | San Jose    | Gasoline Dispensing Facilities   |
|           |        |                                  |             | Asbestos Demolition,             |
| 8/07/2006 | R6809  | Conditioned Air Associates       | San Jose    | Renovation & Mfg.                |
| 8/04/2006 | D0490  | Gas N Save                       | San Jose    | Gasoline Dispensing Facilities   |
|           |        |                                  |             | Major Facility Review (Title V); |
| 8/09/2006 | A4020  | SFPP, LP                         | San Jose    | Storage of Organic Liquids       |
|           |        |                                  |             | Asbestos Demolition,             |
| 8/10/2006 | R6936  | TEP Construction                 | San Jose    | Renovation & Mfg.                |
| 8/21/2006 | C9899  | Costco Wholesale                 | Sunnyvale   | Gasoline Dispensing Facilities   |
| 8/14/2006 | R6995  | Western ECI                      | Watsonville | Open Burning                     |

### These facilities have received one or more Notices of Violations Report period: August 1, 2006 – August 31, 2006 (continued)

#### Solano County

| Received  |        |                                 | Regulation |                                |  |
|-----------|--------|---------------------------------|------------|--------------------------------|--|
| Date      | Site # | Site Name                       | City       | Title                          |  |
|           |        |                                 | •          | Gasoline Bulk Terminals &      |  |
| 8/18/2006 | B2611  | Valero Refining Company         | Benicia    | Gasoline Delivery Vehicles     |  |
|           |        |                                 |            | Failure to Meet Permit         |  |
| 8/14/2006 | A1404  | Fairfield-Suisun Sewer District | Fairfield  | Conditions                     |  |
| 8/14/2006 | C6491  | Tabor Shell                     | Fairfield  | Gasoline Dispensing Facilities |  |

#### Sonoma County

| Received  |        |                      |            | Regulation                        |
|-----------|--------|----------------------|------------|-----------------------------------|
| Date      | Site # | Site Name            | City       | Title                             |
| 8/01/2006 | B7859  | Barlow Printing      | Cotati     | Authority to Construct; Permit to |
|           |        | _                    |            | Operate; Graphics Arts Printing   |
|           |        |                      |            | & Coating Operations              |
|           |        |                      |            | Failure to Meet Permit            |
| 8/01/2006 | B6490  | Flowmaster, Inc      | Santa Rosa | Conditions                        |
| 8/04/2006 | B6229  | Sears                | Santa Rosa | Architectural Coatings            |
|           |        |                      |            | Perc & Synthetic Solvent Dry      |
| 8/04/2006 | A4905  | Stony Point Cleaners | Santa Rosa | Cleaning Operations               |

#### Outside Bay Area

| Received  |        |                              |                 | Regulation                   |
|-----------|--------|------------------------------|-----------------|------------------------------|
| Date      | Site # | Site Name                    | City            | Title                        |
|           |        |                              | -               | Gasoline Bulk Terminals &    |
| 8/18/2006 | R0860  | Sabek                        | King City       | Gasoline Delivery Vehicles   |
|           |        |                              |                 | Particulate Matter & Visible |
| 8/14/2006 | R6998  | MV Atlantica c/o Transmarine | Stockton        | Emissions                    |
|           |        |                              |                 | Gasoline Bulk Terminals &    |
| 8/18/2006 | N1032  | Beneto Tank Lines            | West Sacramento | Gasoline Delivery Vehicles   |
|           |        |                              |                 |                              |

### August 2006 Closed NOV's with Penalties by County

#### Alameda

| Site Name                                    | Site<br>Occurrenc<br>e | City        | Penalty<br>Amount | # of<br>Violations<br>Closed |
|----------------------------------------------|------------------------|-------------|-------------------|------------------------------|
| 7-Eleven                                     | C0138                  | Livermore   | \$1,150           | 1                            |
| Chevron #3751                                | C8521                  | Newark      | \$500             | 1                            |
| Kemen and Son Engineering Contractor         | J6726                  | Hayward     | \$3,000           | 2                            |
| My Union 76                                  | C9936                  | San Leandro | \$250             | 1                            |
| Quik Stop #67                                | C0667                  | Oakland     | \$650             | 1                            |
| Restec Contractors                           | L3618                  | Hayward     | \$500             | 1                            |
| Robert Smith                                 | R2120                  | Hayward     | \$1,500           | 1                            |
| Santa Rita Shell #135786                     | C8739                  | Pleasanton  | \$500             | 1                            |
| United States Pipe & Foundry<br>Company, LLC | A0083                  | Union City  | \$4,000           | 1                            |

#### **Contra Costa**

| Site Name                             | Site<br>Occurrenc<br>e | City       | Penalty<br>Amount | # of<br>Violations<br>Closed |
|---------------------------------------|------------------------|------------|-------------------|------------------------------|
| Antioch Building Materials<br>Company | A0092                  | Pittsburg  | \$1,500           | 1                            |
| Best Gas and Car Wash                 | D0310                  | El Cerrito | \$200             | 1                            |
| SF Bay Area Rapid Transit District    | A2351                  | Concord    | \$425             | 2                            |
| Tri-Convenience Store                 | C7345                  | Martinez   | \$400             | 1                            |
| Unocal #3766                          | C1620                  | Richmond   | \$350             | 1                            |
| Williams Tank Lines/Mike Stewart      | F4406                  | Martinez   | \$2,000           | 1                            |

Total Violations Closed: 7

#### Marin

| Site Name                                   | Site<br>Occurrenc<br>e | City       | Penalty<br>Amount | # of<br>Violations<br>Closed |
|---------------------------------------------|------------------------|------------|-------------------|------------------------------|
| Downing Heating & Air<br>Conditioning, Inc. | R6207                  | San Rafael | \$4,000           | 2                            |

#### Napa

| Site Name     | Site<br>Occurrenc<br>e | City      | Penalty<br>Amount | # of<br>Violations<br>Closed |
|---------------|------------------------|-----------|-------------------|------------------------------|
| Baty Property | P1732                  | Calistoga | \$2,500           | 1                            |

Total Violations Closed: 1

#### San Francisco

| Site Name            | Site<br>Occurrenc<br>e | City          | Penalty<br>Amount | # of<br>Violations<br>Closed |
|----------------------|------------------------|---------------|-------------------|------------------------------|
| Howard Quinn Company | B0964                  | San Francisco | \$500             | 1                            |

**Total Violations Closed:** 1

#### San Mateo

| San wateo                  |                        |                        |                   |                              |  |  |
|----------------------------|------------------------|------------------------|-------------------|------------------------------|--|--|
| Site Name                  | Site<br>Occurrenc<br>e | City                   | Penalty<br>Amount | # of<br>Violations<br>Closed |  |  |
| Bay Area Asbestos Removal  | N1517                  | South San<br>Francisco | \$4,000           | 2                            |  |  |
| Belmont Apollo Inc         | C9133                  | Belmont                | \$750             | 1                            |  |  |
| Holiday Cleaners Belmont   | A9155                  | Belmont                | \$250             | 1                            |  |  |
| Perkin Elmer Fluid Science | B4952                  | San Carlos             | \$500             | 1                            |  |  |

#### Santa Clara

| Site Name                        | Site<br>Occurrenc<br>e | City             | Penalty<br>Amount | # of<br>Violations<br>Closed |
|----------------------------------|------------------------|------------------|-------------------|------------------------------|
|                                  |                        |                  |                   |                              |
| Bay Sheets                       | B2585                  | Gilroy           | \$750             | 1                            |
| Camaro Cleaners                  | A3285                  | Sunnyvale        | \$500             | 2                            |
| NASA-AMES Research Center        | A0550                  | Mountain<br>View | \$3,000           | 1                            |
| Owens Corning                    | A0041                  | Santa Clara      | \$19,000          | 3                            |
| Qwest Communications Corporation | B4682                  | Sunnyvale        | \$1,400           | 1                            |
| Saratoga Gas Company             | C9404                  | Saratoga         | \$250             | 1                            |
| Valero Refining Co SS#7760       | D0368                  | San Jose         | \$300             | 1                            |

**Total Violations Closed:** 10

#### Solano

| Site Name           | Site<br>Occurrenc<br>e | City               | Penalty<br>Amount | # of<br>Violations<br>Closed |
|---------------------|------------------------|--------------------|-------------------|------------------------------|
| Mike's Mart         | C0327                  | American<br>Canyon | \$850             | 1                            |
| Nurich Cabinets Inc | B7631                  | Fairfield          | \$750             | 2                            |

#### Sonoma

| Site Name                           | Site<br>Occurrenc<br>e | City       | Penalty<br>Amount | # of<br>Violations<br>Closed |
|-------------------------------------|------------------------|------------|-------------------|------------------------------|
| Bonneau's Tire and Auto             | C5076                  | Sonoma     | \$200             | 1                            |
| Bonnead & The and Auto              | 00070                  | Conoma     | ΨΖΟΟ              |                              |
| Diaz Auto Brokers & Body Shop       | R5121                  | Santa Rosa | \$500             | 1                            |
| Mayacama Golf Club                  | D1541                  | Santa Rosa | \$750             | 2                            |
| Quarryhill Botanical Garden         | R3217                  | Glen Ellen | \$650             | 1                            |
| Santa Rosa Recycling and Collection | B5694                  | Cotati     | \$1,500           | 5                            |
| Thomas G. Tepe                      | R4502                  | Kenwood    | \$350             | 1                            |

### 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 cubit meter                                                     |
| ULEV        | Ultra low emission vehicle                                                     |
| ULSD        | Ultra low sulfur diesel                                                        |
| USC         | United States Code                                                             |
| UV          | Ultraviolet                                                                    |
| VMT         | Vehicle miles traveled (usually per day, in a defined area)                    |
| VTA         | Santa Clara Valley Transportation Authority                                    |
| ZEV         | Zero Emission Vehicle                                                          |
|             |                                                                                |

#### 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: September 13, 2006

Re: Report of the Public Outreach Committee Meeting of August 30, 2006

#### **RECOMMENDED ACTION**

For information only.

#### **BACKGROUND**

The Public Outreach Committee met on Wednesday, August 30, 2006 and received two reports: 1) an update of the current Spare the Air/Free Fare program; and 2) an update on the Air District's Youth Outreach Program.

Attached are the staff reports presented to the Committee.

Chairperson Brad Wagenkencht will give an oral report of the meeting.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the aforementioned outreach programs is included in the 2006/2007 budget. The funding for youth outreach programs is \$100,000.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chairperson Wagenknecht and Members

of the Public Outreach Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: August 15, 2006

Re: Spare the Air Program Update

#### RECOMMENDED ACTION

For information only.

#### **BACKGROUND**

Staff will present an updated summary of the 2006 Spare the Air/Free Fare campaign.

#### DISCUSSION

The *Spare the Air/Free Fare* campaign began on June 1. Nine *Spare the Air* advisories have been issued to date. Originally, the Air District and the Metropolitan Transportation Commission (MTC) approved funding for three free transit days whenever a Spare the Air day fell on a non-holiday weekday; however, a heat wave early in the season necessitated issuing advisories on June 22, 23 and 26. In July, MTC Commissioners and the Air District Board approved funds for an additional three days. Another heat wave resulted in three advisories on July 17, 20 and 21; thus concluding the *Free Fare* portion of the Spare the Air campaign. The *Spare the Air* season continues until October 13.

Staff will present details on ridership data, survey results, behavioral changes and air quality.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for the advertising, media and employer campaigns have been allocated in the 2005-06 and 2006-07 budgets. Supplementary funds for the additional three days were approved at the July 19, 2006 regular board meeting.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Luna Salaver</u> Reviewed by: <u>Jack M. Colbourn</u>

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chairperson Wagenknecht and

Members of the Public Outreach Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: August 17, 2006

Re: Update on Youth Outreach Program

#### RECOMMENDED ACTION

For information only.

#### BACKGROUND

Staff will update the committee on activities of the District's youth outreach program including the performance of "Smogzilla" and the Clean Air Challenge teacher workshops.

#### DISCUSSION

For four years the Air District has had a presence in Bay Area schools through two programs. The performances of "Smogzilla" have been carried out by the National Theatre for Children for grades K-6. It is a live theatre performance with costumes and sets performed for school assembly groups. The Clean Air Challenge is a curriculum based teacher workshop developed by the Enterprise for Education for sixth through twelfth grades.

#### BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for these activities for 2006-07 has been included in the current budget. The funding for youth outreach programs is \$100,000.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: Ralph Borrmann Reviewed by: Jack M. Colbourn

#### 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: September 13, 2006

Re: Report of the Mobile Source Committee Meeting of September 11, 2006

#### **RECOMMENDED ACTIONS**

The Mobile Source Committee recommends Board of Directors' approval of the following:

- A) Vehicle Incentive Program (VIP) for fiscal year 2006/2007, including: a) allocation of \$600,000 in Transportation Fund for Clean Air (TFCA) Regional Funds for the fiscal year 2006/2007 VIP funding cycle; and b) approval of the VIP guidelines;
- B) Allocation of \$2,240,000 in Mobile Source Incentive Fund revenues to fund the Lower-Emission School Bus Program without requiring matching funds from participating school districts; and
- C) Direct Mail Center as the contractor for the FY 2006/2007 Vehicle Buy-Back Program direct mail service provider and authorize the Executive Officer to execute a contract for up to \$88,935 to provide such service

#### **DISCUSSION**

The Mobile Source Committee met on Monday, September 11, 2006 to discuss the items listed above as well as a status report on Further Study Measure 18: Indirect Source Mitigation.

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

#### **BUDGET CONSIDERATION/FINANCIAL IMPACTS**

The Vehicle Incentive Program costs for items above are covered through TFCA Regional Fund revenues.

The requested allocation of in the Mobile Source Incentive Funds for the replacement of school buses would come from the additional \$2 surcharge in motor vehicle registration fees for vehicles registered within the Air District's jurisdiction.

### BUDGET CONSIDERATION/FINANCIAL IMPACTS CONTINUED

Funding for the continuation of the Vehicle's Buy Back Program direct mail campaign is included in the approved FY 2006/2007 Air District budget, under Program 612.

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: September 1, 2006

Re: Vehicle Incentive Program for Fiscal Year 2006/2007

#### **RECOMMENDED ACTION**

Recommend Board of Directors approval of the Vehicle Incentive Program (VIP) for fiscal year (FY) 2006/2007, including:

- the allocation of \$600,000 in Transportation Fund for Clean Air (TFCA) Regional Funds, and
- the proposed VIP guidelines presented in Attachments A and B.

#### **BACKGROUND**

The VIP was established by the Board of Directors in FY 1999/2000 to help public agencies acquire light-duty alternative fuel vehicles. Each year since the program's inception, the Board of Directors has allocated TFCA Regional Funds to the VIP to provide fixed incentive amounts for public agencies to acquire new light-duty alternative fuel vehicles that:

- have a gross vehicle weight (GVW) of 10,000 pounds or less;
- are powered by natural gas, propane, hydrogen, a electric battery, or a hybrid electric engine;
- are certified to either the super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), or zero emission vehicle (ZEV) emission standards by the California Air Resources Board (CARB).

The VIP is a key element of the Air District's efforts to encourage local agencies to incorporate low-emission, alternative fuel vehicles in their fleets. The VIP grant application process is streamlined and user-friendly. VIP grant applications are accepted, processed, and, if eligible, funded on a first-come, first-served basis.

To date, only public agencies have been eligible to apply for VIP incentives. In addition to acquiring vehicles for their own fleets, public agencies have had the option to apply for incentives on behalf of certain third-party fleets, such as taxi and door-to-door shuttle operators.

#### **DISCUSSION**

The VIP continues to be well received by public agencies. In FY 2005/2006, the Air District awarded thirty VIP grants totaling \$499,000. In March 2006, after a second call for VIP grant applications, the program was oversubscribed by \$8,000. Since then, Air District staff has received several phone calls regarding the next VIP funding cycle and the availability of funds. In preparation for the FY 2006/2007 VIP funding cycle, staff verified that the VIP is a cost-effective emissions reduction program. Staff confirmed that the eligible VIP projects did not exceed the \$90,000 cost-effectiveness threshold established by the Board of Directors for projects and programs funded with TFCA funds.

To determine the cost-effectiveness of eligible VIP projects, staff contacted agencies that received a VIP grant prior to FY 2005/2006 to obtain actual vehicle usage information. Based on the actual annual miles driven by these vehicles, the cost-effectiveness in reducing ozone precursors and particulate matter is estimated to be \$77,364 per ton of emissions reduction. Thus, the VIP program is a cost-effective program that does not exceed the threshold of \$90,000 per ton of emissions reduction and, therefore, can continue to be funded in FY 2006/2007. Since the program was oversubscribed in FY 2005/2006, there is an increase in demand for hybrid-electric vehicles in the Bay Area, and potential new interest in the program from airport taxi fleets, staff believes that an increase in the level of funds from \$500,000 to \$600,000 is justified. Staff believes that \$600,000 will be sufficient to accommodate demand for VIP incentives in the FY 2006/2007 funding cycle.

Staff also recommends retaining the existing VIP guidelines, structure and process. Although the current legislation enabling the TFCA program allows for non-public entities to apply for funding to implement clean air vehicle projects, staff recommends limiting the VIP funding eligibility to public entities, for their own fleets and/or on behalf of certain third-party fleets, such as taxi and door-to-door shuttle operators. The reasons for this recommendation are the same as those presented to the Committee in November of 2003:

- monitoring: it would be difficult to effectively prevent the potential abuse of the program (e.g., vehicle registered in the Bay Area but then transferred to another location) and to recover funds if necessary;
- scope of program: there is already a robust demand for hybrid vehicles, especially from non-public entities; therefore, additional incentives are not needed;
- funding: the likely high demand for VIP funding by non-public entities could affect the level of funding for other more cost-effective programs/projects; and
- program administration: offering VIP funding to non-public entities will likely result in increased administrative work and the need for significant additional resources.

The proposed per-vehicle incentive amounts are the same as in FY 2005/2006. The proposed VIP guidelines for FY 2006/2007, provided in Attachments A and B, are essentially the same as the approved guidelines for FY 2005/2006.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

None. VIP costs are covered through TFCA Regional Fund revenues.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

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

Attachments

#### Attachment A

#### Vehicle Incentive Program Guidelines for Fiscal Year 2006/2007

**Available Funds**: \$600,000 in Transportation Fund for Clean Air (TFCA) funds is available for the fiscal year (FY) 2006/2007 Vehicle Incentive Program (VIP).

#### **Eligible Applicants:**

- Public agencies located within the jurisdiction of the Bay Area Air Quality Management District (Air District) are eligible to apply for VIP incentives.
- State and federal agencies and utility fleets that are subject to federal EPACT (Energy Policy Act of 1992) alternative fuel vehicle requirements are not eligible for VIP incentives.
- A public agency may apply for VIP incentives on behalf of a non-public entity (i.e., a private or non-profit fleet), subject to the conditions defined in TFCA Policy # 6.
   Public agencies that apply on behalf of third-party fleets must agree to fulfill the oversight and monitoring responsibilities specified in Attachment B.

#### **Maximum Request:**

- Each eligible public agency may request up to \$100,000 in VIP incentives.
- If VIP funds remain available as of March 1, 2007, then agencies that have applied for and received the maximum grant award (i.e., \$100,000) may request VIP funds for additional vehicles, to a maximum of \$150,000 total per agency.

#### **Eligible vehicles:**

A **new vehicle** is defined as a model year 2006 vehicle. A model year 2005 vehicle that has never been owned or sold previously <u>and</u> has less than 1,000 odometer miles will also be considered a new vehicle. New vehicles must meet the following eligibility criteria:

- 1) Vehicles must have a gross vehicle weight (GVW) of 10,000 pounds or less.
- 2) Vehicles must be powered by natural gas, propane, hydrogen, electricity, or hybrid electric. Except for hybrid electrics, vehicles with the ability to run on gasoline or diesel as their primary fuel are not eligible.
- 3) Vehicles must be certified by the California Air Resources Board (CARB) to the Super Ultra Low Emission Vehicle (SULEV), Partial Zero Emission Vehicle (PZEV), Advanced Technology-Partial Zero Emission Vehicle (AT-PZEV), or Zero Emission Vehicle (ZEV) emission standards.
- 4) Vehicles must be operated in the Bay Area for the duration of their useful life (or lease term), and at least 75% of the miles driven must be within the boundaries of the Air District.
- 5) The vehicle purchase or lease order must be issued July 1, 2006 or later.

A **used vehicle** is defined as any vehicle that is model year 2005 or older, as well as any model year 2006 vehicle with more than 1,000 odometer miles. Used vehicles must meet the criteria defined for new vehicles above, plus the following two requirements:

- The used vehicle must not have been previously funded by the Air District.
- The used vehicle must have been registered outside the boundaries of the Air District for at least the last 180 calendar days, prior to the date of purchase.

**Incentive amounts**: The incentive amounts for the FY 2006/2007 VIP funding cycle are as follows:

| Vehicle Type / Emission<br>Rating         | New<br>Vehicle | Used Vehicle:<br>One-Year Old<br>(60%) | Used<br>Vehicle:<br>2-Years Old<br>(40%) | Used<br>Vehicle:<br>3-Years Old<br>(20%) |
|-------------------------------------------|----------------|----------------------------------------|------------------------------------------|------------------------------------------|
| Hybrid electric – SULEV or PZEV           | \$2,000        | \$1,200                                | \$800                                    | \$400                                    |
| Natural gas or propane –<br>SULEV or PZEV | \$4,000        | \$2,400                                | \$1,600                                  | \$800                                    |
| Full-function ZEV                         | \$5,000        | \$3,000                                | \$2,000                                  | \$1,000                                  |
| City ZEV                                  | \$3,000        | \$1,800                                | \$1,200                                  | \$600                                    |
| Neighborhood ZEV                          | \$1,000        | \$600                                  | \$400                                    | \$200                                    |

#### Notes:

- The SULEV incentive amounts also apply to light-duty vehicles that are certified to the PZEV or AT-PZEV standards.
- If the project sponsor elects to lease an eligible vehicle that is available for purchase, the VIP incentive amount will be prorated based on the length of the lease compared to the expected useful life of the vehicle.
- Incentives for Zero Emission Vehicles apply to battery electric vehicles or fuel cell vehicles that are certified to ZEV standard by CARB. In the case of ZEVs that are only available for lease, the VIP incentive amount is based on a three-year lease period. The incentive amount will be pro-rated for shorter lease terms.
- The Air District will not award VIP incentives for any vehicle that has received TFCA County Program Manager funds.

#### The VIP Process:

- 1. The Air District receives and reviews application; issues VIP voucher (if funds are available).
- 2. Applicant has 60 calendar days from date of VIP voucher in which to issue purchase or lease order for the vehicles. (If applicant fails to submit copy of the purchase order (PO) to the Air District within 60 calendar days, the Air District cancels the voucher.)
- 3. Upon receipt of purchase or lease order, the Air District issues confirmation letter, and provides 180 calendar days for applicant to take delivery of the vehicle(s). (The Air District may grant an extension to the 180-day delivery period, as warranted.)
- 4. Applicant submits VIP Payment Request Form after taking delivery of all of the vehicles covered by the VIP voucher.
- 5. The Air District issues payment.

#### Attachment B

# Responsibilities of Public Agencies Applying for VIP Incentives on Behalf of a Non-Public Entity

The Air District has defined in Transportation Fund for Clean Air Policy #6 the conditions whereby a public agency may apply for clean vehicle incentives on behalf of a non-public entity.

To apply for VIP incentives on behalf of a non-public entity, the public agency must agree to assume the following responsibilities:

- To develop a policy to ensure that all eligible fleets are provided equitable access to the funds, prior to submitting a VIP application.
- To transfer the incentive funds to the non-public entity and to provide documentation of said process to the Air District.
- To monitor the use of the VIP-funded vehicles, ensure that the non-public entity operates the vehicle(s) in accordance with the VIP guidelines, and ensure that the vehicle(s) is (are) garaged and operated within the boundaries of the Air District for the duration of the useful vehicle life.
- To notify the Air District within 10 calendar days if the non-public entity violates VIP guidelines or fails to operate the vehicle(s) according to the terms of the incentive.
- To maintain information as to the operational status of each vehicle, and to provide operational data and status for each vehicle to the Air District within 60 calendar days of a request from the Air District for this information.
- To provide written notification to the Air District of any change in vehicle ownership or operational status within 30 calendar days of its occurrence.
- To refund the VIP incentives to the Air District, on a prorated basis, if any vehicle funded by this program is removed from service, wrecked, scrapped, or sold before it achieves at least five full years of service or 150,000 miles in the thirdparty fleet.

## 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: September 1, 2006

Re: Contractor Selection for Direct Mail Service for the Vehicle Buy Back

**Program** 

#### RECOMMENDED ACTIONS

Recommend Board of Directors approval of:

- 1) The selection of Direct Mail Center as the contractor for the fiscal year (FY) 2006/2007 Vehicle Buy Back (VBB) Program direct mail service provider; and
- 2) The authorization for the Executive Officer to execute a contract for up to \$88,935 with Direct Mail Center to provide direct mail services for the VBB Program, with the option to renew the contract for an additional year at the Air District's discretion.

#### **BACKGROUND**

The Air District's VBB Program purchases and scraps 1985 and older light-duty vehicles that lack modern emission control systems and produce more air pollution than newer cars. The Air District pays \$650 to the vehicle owner if the vehicle qualifies for the VBB Program. Since January 2000, the Air District has used a direct mail campaign to inform potentially eligible vehicle owners about the VBB Program. Based on the VBB Program surveys, the direct mail letters are the most effective means of generating participation in the program.

The VBB Program direct mail effort uses the California Department of Motor Vehicle's (DMV) database to contact, by mail, the owners of 1985 and older light-duty vehicles that may be eligible for the program. The scope of work requires the direct mail contractor to convert the DMV database of registered vehicle owners into a MS Access database format. Using the DMV database on a bi-monthly basis, the direct mail contractor will create a list of vehicles that are due for DMV registration renewal. The average bi-monthly list will have approximately 13,750 names. The direct mail contractor will print and merge the text of the one-page VBB Program letter with the names and addresses of vehicle owners on the bi-monthly list, and mail the letters via the United States Postal Service.

#### DISCUSSION

On June 16, 2006, the Air District issued a Request for Proposals (RFP) seeking a direct mail service provider for the FY 2006/2007 VBB Program. The RFP was mailed to 34 mail service providers in the Bay Area, including minority and women's business enterprises. Responses to the RFP were due by July 17, 2006. The procedures used in the issuance of this RFP comply with the Air District's Administrative Code and with Division 2 of the California Public Contract Code.

The Air District received six (6) proposals in response to the RFP. The proposals were evaluated against criteria set forth in the RFP: price and demonstration of ability to perform the work. All proposals had to include prices for data management costs, letter and envelope production costs, and standard mail bulk rate postage and delivery cost for up to 330,000 pieces of mail. The 330,000 figure represents the approximate number of vehicles registered within the Air District's jurisdiction, model years 1985 and older, which would be eligible for the VBB Program. Model year 1965 and older vehicle owners will not be targeted because vehicles of this vintage are usually classic or collector vehicles and would not be suitable for the program.

The table below lists the bid prices, from lowest to highest, for data management, production costs and postage for each proposal. The evaluation of the proposals using the price criterion set forth in the RFP indicates that Direct Mail Center's price was the lowest, followed by Ad Mail and Data Marketing, Inc. Based on the second criterion, ability to perform the mailing, staff believes that Direct Mail Center, located in San Francisco, also ranked first. Direct Mail Center has been under contract with the Air District in the past for direct mail services and performed well. Based on these factors, staff recommends Direct Mail Center be awarded the contract. If approved by the Board of Directors, the contract with the proposed new direct mail contractor will commence on October 15, 2006 and extend to November 1, 2007, with the option to renew the contract for an additional year at the Air District's discretion.

#### **Direct Mail Service Provider Proposed Costs**

| Company                 | City          | Cost      |  |
|-------------------------|---------------|-----------|--|
| Direct Mail Center      | San Francisco | \$88,935  |  |
| Ad Mail                 | Hayward       | \$94,747  |  |
| Data Marketing, Inc.    | San Jose      | \$104,445 |  |
| Accurate Mailings, Inc. | Belmont       | \$120,124 |  |
| Infolmage               | Menlo Park    | \$134,640 |  |
| City Print & Mail       | Oakland       | \$180,370 |  |

### BUDGET CONSIDERATION / FINANCIAL IMPACT

Funding for the continuation of the direct mail campaign is included in the approved FY 2006/2007 Air District 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: Chairperson Smith and

Members of the Mobile Source Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: August 30, 2006

Re: <u>2005 Ozone Strategy Further Study Measure 18: Indirect Source Mitigation</u>

**Program** 

#### RECOMMENDED ACTION

Receive and file.

#### <u>BACKGROUND</u>

The <u>Bay Area 2005 Ozone Strategy</u> (Ozone Strategy) includes Further Study Measure 18: Indirect Source Mitigation Program (FS-18). As stated in FS-18, the District will evaluate ways to reduce emissions from land use development. The Ozone Strategy identifies several measures for further study where additional evaluation is needed before the District may decide to commit the measure to rule development.

Indirect sources of emissions are land development projects, such as residential, commercial or office development, which attract mobile sources of air pollution. FS-18 describes the current District programs that reduce emissions from indirect sources, including: review and comment on CEQA documents prepared by other agencies, promotion of air quality elements in local general plans, the Transportation Fund for Clean Air grant program, and cooperation with other regional agencies and stakeholder groups in the Smart Growth Strategy/Regional Livability Footprint project. In adopting the Ozone Strategy, the District identified for further study the potential enhancement of our existing indirect source programs and assessment of existing indirect source programs at other air districts throughout the state. Among the programs currently being evaluated are the indirect source review rule recently adopted by the San Joaquin Valley Unified APCD (SJVUAPCD) and the indirect source rule for construction currently under development by the Sacramento Metropolitan Air Quality Management District (SMAQMD).

#### **DISCUSSION**

On December 15, 2005, the SJVUAPCD adopted Rule 9510–Indirect Source Review (ISR), the most comprehensive indirect source regulation in the state. The rule applies to residential, commercial, industrial, office and recreational development projects above a certain size (e.g., 50 residential units or 2,000 square feet of commercial). The rule seeks to reduce emissions of nitrogen oxides (NOx) and particulate matter ( $PM_{10}$ ). The rule is structured so as to encourage on-site mitigation of emissions, and assesses fees for "unmitigated" emissions to fund implementation of off-site emission reduction projects.

The rule provides SJVUAPCD the authority to collect fees from projects that are unable to mitigate their air quality impacts on-site. Fees are assessed on a sliding scale based on the level of on-site mitigation achieved through the project's design or operation. Projects that mitigate to the level required of the rule on-site are not assessed an impact mitigation fee. The fee formula is structured to encourage on-site mitigation measures. For example, on-site mitigation of 12 percent of a project's operational NOx would result in about a 36 percent reduction in off-site fees for that pollutant. SJVUAPCD uses the fees collected to fund off-site mitigation projects and programs to offset a project's air quality impacts, such as paving unpaved roads, upgrading dirty engines to cleaner models, PM<sub>10</sub>-efficient street sweepers and fireplace retrofits/replacements.

The purpose of the rule is to fulfill emission reduction commitments in the SJVUAPCD federal  $PM_{10}$  and ozone attainment plans. SJVUAPCD set the level of mitigation required per project based in part on the level of emission reductions needed from indirect sources to attain ozone and particulate matter ambient air quality standards.

SMAQMD is developing an indirect source rule that will apply to construction activity. As currently envisioned, the SMAQMD rule will apply to dust and diesel exhaust emissions from grading operations. The rule is proposed as a fee-based rule that will not require developers to reduce emissions on-site. Fees collected by the district will be used to fund off-site mitigation projects and programs that reduce emissions from sources not required by law to reduce emissions. Voluntary on-site mitigation measures incorporated into the project by the applicant will lower required fees. SMAQMD plans to publish a concept paper on the rule in September 2006 and begin public workshops in October 2006. SMAQMD Board adoption is currently scheduled for May 2007.

Staff is evaluating a variety of possible approaches for further reducing indirect source emissions in the Bay Area, including:

- An indirect source rule similar to the SJVUAPCD or SMAQMD rules.
- An indirect source rule focused on large diesel emission sources.
- Enhanced outreach, technical assistance and commenting to cities and counties.

Staff will provide the Committee with an overview of the SJVUAPCD and SMAQMD rules, and discuss options that the Air District may evaluate.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer /APCO

Prepared by: <u>Greg Tholen</u> Reviewed by: <u>Henry Hilken</u>

#### 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: September 13, 2006

Re: Report of the Executive Committee Meeting of September 13, 2006

#### RECOMMENDED ACTION

The Executive Committee recommends that the Board of Directors authorize the Executive Officer/APCO to initiate a program with the Sacramento Metropolitan Air Quality Management District with the allocation of \$500,000.00 annually from Carl Moyer Program funds towards multi-regional projects.

#### **BACKGROUND**

The Executive Committee met on Wednesday, September 13, 2006.

Kraig Kurucz, Chairperson of the Advisory Council, presented summaries of the key issues discussed at meetings of the Council and Standing Committees from May 10 – August 9, 2006.

Terry Trumbell presented the Hearing Board Quarterly Report for the second quarter of 2006.

Staff presented the attached reports and updates on the following items:

- ➤ Initiation of Program with the Sacramento Metropolitan Air Quality Management District for joint use of Carl Moyer Program funding allocation in the amount of \$500,000.00;
- > Spare the Air Update;
- ➤ Community Air Risk Evaluation Program Update;
- Presentation on Mercury Emissions from Crematories; and a
- ➤ Joint Policy Committee Update.

Chair Uilkema will give an oral report of the meeting.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

Annually, \$500,000.00 will be allocated from Carl Moyer Program funds to multi-regional projects in cooperation with the Sacramento Metropolitan Air Quality Management District.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members of the Board Executive Committee

From: Kraig Kurucz, Chairperson, Advisory Council

Date: August 13, 2006

Re: Report of the Advisory Council: May 10 – August 9, 2006

#### **RECOMMENDED ACTIONS:**

Receive and file.

#### DISCUSSION:

Presented below are summaries of the key issues discussed at meetings of the Advisory Council and its Standing Committees during the above reporting period.

- a) Regular Meeting of May 10, 2006. The Council received a presentation from Cindy Tuck, Assistant Secretary for Policy, California Environmental Protection Agency, regarding goods movement in California. It also received and discussed its Standing Committee reports and the report of the Executive Officer.
- b) Public Health Committee Meeting of May 10, 2006. The Committee received presentations from representatives of Hearth Products & Patio Association and the North Bay Association of Realtors in its discussion of wood smoke abatement and implementation of model wood smoke ordinances.
- c) <u>Air Quality Planning Committee Meeting of June 14, 2006</u>. The Committee received a presentation from Marin County Planning staff on the update of the County General Plan to include reference to climate change.
- d) <u>Technical Committee Meeting of June 14, 2006.</u> The Committee received a presentation from Committee member Sam Altshuler, P.E., on particulate matter based on information presented at a recent conference in the South Coast AQMD.
- e) Regular Meeting of July 12, 2006. The Council received a presentation on key regulatory issues facing the state from California Air Resources Board Chair Robert Sawyer, Ph.D. The Council also received and discussed its Standing Committee reports and the report of the Executive Officer.
- f) <u>Air Quality Planning Committee Meeting of August 9, 2006</u>. The Committee received staff presentations on methane gas recovery at landfills and the revision of District guidance on the inclusion of climate change categories and air quality elements in local general plans and the California Environmental Quality Act review process.

| g) <u>Technical Committee Meeting of August 9, 2006</u> . The Committee received a staff update on the District's Community Air Risk Evaluation (CARE) program. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Respectfully submitted,                                                                                                                                         |
| Kraig Kurucz<br>Advisory Council Chairperson                                                                                                                    |
| Prepared by: <u>James N. Corazza</u> Reviewed by: Mary Romaidis                                                                                                 |
| FORWARDED BY: G:Acreports/2006/9-13-06/AGENDA_4                                                                                                                 |

AGENDA: 4a

#### Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### APPROVED MINUTES

Advisory Council Regular Meeting 10:00 a.m., Wednesday, May 10, 2006

#### CALL TO ORDER – ROLL CALL

Opening Comments: Vice-Chairperson Glueck called the meeting to order at 10:00 a.m.

Roll Call: Present: Fred Glueck, Vice-Chair, Cassandra Adams, Sam Altshuler, P.E., Ken

Blonski, Robert Bornstein, Ph.D., Jeffrey Bramlett, Harold M. Brazil, Irvin Dawid, Emily Drennen, William Hanna, Stan Hayes, John Holtzclaw, Ph.D., Janice Kim, M.D., Steven Kmucha, M.D., Karen

Licavoli-Farncopf, MPH, Ed Proctor, Linda Weiner.

Absent: Louise Bedsworth, Ph.D., Kraig Kurucz, Chairperson, Brian Zamora.

**PUBLIC COMMENT PERIOD**: There were no public comments.

#### **CONSENT CALENDAR:**

1. Approval of Minutes of March 22, 2006. Dr. Bornstein moved approval of the minutes; seconded by Ms. Adams; carried unanimously.

#### **COMMITTEE REPORTS**:

2. Public Health Committee Meeting of April 11, 2006. Mr. Bramlett stated that the Committee received reports from Puget Sound and San Joaquin Valley air district staff on wood smoke abatement. The speakers noted that the process for addressing wood smoke requires patience over the long-term. Ms. Weiner added that the speakers urged that the discussion of wood smoke focus on smoke and not the combustion unit. Later today, the Committee will meet to receive presentations on wood smoke abatement from members of the Hearth Products, Patio & Barbeque Association and the North Bay Association of Realtors.

Mr. Altshuler inquired if health risk assessment has ever been applied to wood smoke. Mr. Bramlett suggested that the Public Health Committee could follow-up on this question. Mr. Dawid inquired if there is a ban on outdoor burning of leaves in the Bay Area. Mr. Bramlett replied that the District's Regulation 5 on Open Burning prohibits this kind of activity.

3. Air Quality Planning Committee Meeting of April 12, 2006. Mr. Hayes stated that the Committee received a presentation from Abby Young from the International Council on Local Environmental Initiatives—now known as Local Governments for Sustainability—on climate protection activities at the local level. Mr. Hayes referred the Council members to the minutes in today's agenda packet which set forth the details of the presentation. The Committee discussed possible areas of climate protection activities for recommendation to the full Council.

One topic that has emerged is the possible creation of a carbon footprint for the Committee. Environ International Corporation has conducted a corporate carbon footprint—the emissions contents of which are comprised primarily of employee travel data—in attempting to offset its carbon emissions. In applying this approach to the Committee, climate protection and the setting of an emission reduction target would be brought to the personal level using the ICLEI process. Mr. Dawid noted that the Loma Prieta Chapter of the Sierra Club has posted a carbon footprint calculator on its website. He added that a number of local governments have dropped out of the California Climate Action Registry. This is an issue that requires further investigation.

- 4. Report of the Technical Committee Meeting of April 12, 2006. Dr. Bornstein stated the Committee received a presentation from Amy Luers of the Union of Concerned Scientists (UCS) on global warming in California. She reviewed the impacts of projected higher temperatures on various environmental, agricultural and economic sectors in the state. The details of the lecture are provided in the minutes in today's agenda packet. The Committee's future directions—based on the topics of climate change, particulate matter (PM) research and the Community Air Risk Evaluation (CARE) program—that were adopted at the Council Retreat in January, will be discussed in the context of where these overlap with the work of the other Committees. Mr. Hayes inquired as to the status of the Community Air Risk Evaluation (CARE) program. Peter Hess, Deputy APCO, stated that the preliminary draft results should be ready for review by the end of July, and the AQPC and Technical Committees should consider jointly receiving a presentation on these results at that time.
- **5. Report of the Executive Committee Meeting of May 10, 2006.** Vice-Chair Glueck stated that the Committee met earlier this morning and briefly reviewed today's Committee reports.

#### **PRESENTATION**

6. California Goods Movement Action Plan. Cindy Tuck, Assistant Secretary for Policy at the California Environmental Protection Agency (Cal-EPA) presented "California Goods Movement Action Plan," stating that Cal-EPA is developing this Plan with the California Business Transportation and Housing Agency (CBTHA). The concept is to develop an integrated Plan that addresses infrastructure, public health, environmental impact mitigation, community impact mitigation, workforce development, and port security. A cabinet level work group was formed and is chaired by Secretaries Alan Lloyd of Cal-EPA and Sunne Wright McPeak of CBTHA.

At the end of 2004, a policy statement for the Plan was issued which declared that "the State's economy and quality of life depend on the efficient, safe delivery of goods to and from our ports and borders. At the same time the environmental impacts from goods movement activities must be reduced to ensure protection of public health." Public health and environmental issues must both be addressed. Goods movement is not limited only to ports: it encompasses the delivery to ports and the subsequent distribution of goods throughout four major corridors in California.

Listening sessions were held around the state early in 2005, and later in September a Phase I "Foundations" report was issued which addressed four key regions and corridors in the State: Los Angeles-Long Beach, Bay Area, Central Valley, and San Diego. The assessment took account both of port and rail activities, and addressed various needs and challenges in infrastructure, environmental impact mitigation, community impact mitigation, workforce development, security and public safety, and innovative finance and alternative funding.

Input from regulators and the community was sought on all of these categories. Emission source information was obtained for cargo handling equipment, ships, harbor craft, locomotives, diesel trucks and airplanes. Trucks are now the largest source of emissions, but these will be surpassed by emissions from ships by the year 2020.

The preliminary findings on air pollution issued in the September 2005 report indicate that even if no growth is expected from trade, the current emissions from goods movement constitute a significant contribution to air pollution. Another finding was that future emissions are expected to increase unless aggressive action is taken to turn current trends around, especially as the number of containers coming into California is expected to triple by 2020. With regard to health effects, the report projects an increase in cancer risk and non-cancer respiratory and cardiovascular effects. The report also forecasts a significant increase in the cost of mitigating adverse air quality effects. A December 2005 estimate of the cost of mitigation ranged between \$2-5 billion, while a revised estimate for the statewide Plan increases this to \$6-10 billion.

The Phase II portion of the Plan identifies the actions needed to address the challenges presented in the Phase I report, and the Action Plan was the outcome of this analysis. The public process includes the Governor, to whom the Cabinet Work Group reports. In turn, the Integrating Work Group—which is comprised of five groups: Public Health and Environmental Impact Mitigation, Infrastructure, Innovative Finance & Alternative Funding, Homeland Security & Public Safety, Community Impact Mitigation and Workforce Development—reports to the Cabinet Work Group. The Emission Reduction Plan that has been developed by the Air Resources Board (ARB) is integrated into the Public Health & Environmental Impact Mitigation group, and is an added key component for environmental mitigation and public health issues. The Integrating Work Group has been regularly conducting meetings and will meet again in June. Meetings have been held in more highly impacted communities near ports and rail yards and public comment has been received. There are approximately 40 participants in this Group.

Phase II produced the "Framework for Action" which was the predecessor document to the Action Plan. Three drafts were issued, in December 2005, February 2006 and March 2006. The report addressed environmental challenges and included summary information on air quality, water quality and hazardous waste. It also included an overview of issues as background, draft principles developed by the Work Group, draft criteria for how actions will be selected, draft metrics for the evaluation of actions after implementation, and a draft list of actions. More specifically, on the draft actions, they cover infrastructure, public health and environmental mitigation, community impact mitigation and workforce development and public safety at ports.

The ARB Emission Reduction Plan is extensive and its first draft was issued in December 2005. It was revised in March and approved by the ARB on April 20, 2006. It addressed diesel PM, nitrates and sulfates that form particles in the atmosphere, and ozone—with a focus on the contribution of nitrogen oxide (NOx) and reactive organics to ozone formation. The Plan estimates that diesel PM is the pollutant of the greatest concern in terms of statewide emissions from goods movement, with 70% of statewide diesel emissions deriving from goods movement.

In terms of health issues, ARB studies in October of 2005 calculated increased lifetime cancer risk for the population near the ports of Los Angeles and Long Beach. An ARB study in October of 2004 found increased life cancer risk for the year 2000 at the Roseville rail yard.

The goals of the Emission Reduction Plan are:

- By 2010, to reduce emissions from goods movement to the greatest extent possible and at least back to 2001 levels.
- By 2015, to reduce South Coast NOx 30% and by 50% in 2020 (these are preliminary targets).
- Apply strategies statewide to aid all regions in attaining standards. (This demonstrates that the ARB is a statewide plan).
- Reduce diesel PM cancer risk by 85% by 2020.
- Reduce localized risk in communities adjacent to goods movement facilities. (This goal is also consistent with the District's CARE program).

The Emission Reduction Plan sets forth strategies to achieve its goals, and to take the elements from the goods movement plan and incorporate them into the State Implementation Plan (SIP) elements by early 2008. The next steps are to revise the March 24 draft of the Plan, release it in June, convene an Integrating Work Group meeting in June, and then finalize the Action Plan.

There are linkages to this effort in the SB1266 bond package (Perata) which proposes \$1 billion for emission reductions from activities related to movement of freight along trade corridors. It is intended as incentive funding for areas that are not reached by broader regulatory measures. These funds must be appropriated by the Legislature, which will promulgate allocation criteria.

In reply to questions, Ms. Tuck stated:

- cost/benefit analysis for the measures proposed in the Plan is a future feature of the rule-making. There will be a "price tag" for each infrastructure project. However, the listed projects are still in draft form and have not yet been approved.
- A chapter on greenhouse gases (GHGs) may be included in the report, but the focus was on criteria pollutants. The State has a Climate Action Team, which has discussed the mandatory reporting requirement for GHGs from local entities.
- emergency response issues for the ports are being worked on by a Group in the plan development that is addressing port security and emergency preparedness.
- among the largest element of the \$6-10 billion in air pollution mitigation costs is the cleanup of truck transport to and from the ports.
- the lack of regulation of ship emissions even at the international level is of concern, and a proposal under consideration is placing conditions on ships that come into the ports.
- there is a need to increase the placement of containers on trains, and to improve railroad track beds as well as the placement of containers on trains at the dock. CARB is promoting these. Review of short sea shipping is underway, pending further environmental evaluation.
- the report addresses "other critical issues" in Chapter VII regarding land-use, and this addresses the issue of sprawl and increased densification for in-fill development.

- diesel emissions will decrease by 2020 due to new and more stringent truck emission standards and fleet turnover.
- coordination of ship arrivals with the ebb and flow of tides has been considered for port expansion project work in the City of Pittsburg.
- the estimation of environmental mitigation costs did take into account cost savings on health care in the context of avoiding lost work days. The Plan proves to be cost-effective when its medical benefits are factored into the overall cost/benefit analysis.
- technology is being considered as a mitigation measure by the Ad Hoc Group on Technology with regard to effective movement of goods at the port. Ms. Weiner noted that at a recent climate change meeting in San Francisco, a panel addressed this issue and provided an update on the relevant research currently being conducted in Silicon Valley.

#### **AIR DISTRICT OVERVIEW**

- **7. Report of the Executive Officer/APCO.** Jack P. Broadbent, Executive Officer/APCO, introduced Gayle B. Uilkema, Chair, Air District Board of Directors, who stated:
  - the Budget & Finance Committee today forwarded the proposed Budget for FY 2006-07 to the full Governing Board for review and approval.
  - the Governing Board is sensitive to the issues the Council is discussing, including diesel emissions, refinery flaring, and emissions from port activities.
  - the Governing Board appreciates the Council's devotion of time and effort in serving the Air District and in providing advice to the Governing Board. The Council should reach out to the public and be reflective of the public's concerns.
  - in county supervisory activities, there is a common theme of health, safety and welfare. The Council needs to keep these criteria in mind in its deliberations and recommendations.

#### Mr. Broadbent stated that:

- the District is gearing up for the summer Spare the Air program. It will cover three full work days of free commutes with public transit funding. This effort is being conducted in partnership with the Metropolitan Transportation Commission (MTC) and almost every transit operator in the Bay Area. The free transit days will be offered for those days when an ozone excess is predicted the previous day. With regard to the wintertime Spare the Air Tonight season, no advisories were called as PM levels were low due to the high level of precipitation.
- the proposed Budget will continue the core programs of the District, with slight (8%) fee increases contemplated for certain schedules on certain schedules.
- due to air quality concerns at the Port of Oakland, the District has started to engage the Port
  in collaboration with MTC and local communities to discuss the pooling of resources to
  mitigate port-related emission activities and develop a Bay Area Goods Movement & Air
  Quality Plan. This will complement the State plan. The District has funded Carl Moyer
  projects in the Port, and will endeavor to get more trucking activities involved in retrofits.

Jean Roggenkamp, Deputy APCO, stated that:

- the Program Manager position for the CARE program has been filled by Dr. Phil Martien from the District.
- for the District's Climate Protection Leadership Program, the Board adopted a six-initiative approach. It includes moving forward with a climate protection planning summit in September based on recommendations from a steering committee which has met three times and will meet again. The District has released an RFP to identify and evaluate different GHG emission reduction processes and technologies, as an informational tool. Staff is reviewing the proposals and a contractor will be selected soon. The District will also integrate climate protection into its other programs. Staff will include an energy and climate protection component in the District's comment letters issued in the context of the California Environmental Quality Act (CEQA) process. For grant programs under the Transportation Fund for Clean Air (TFCA) the District will evaluate both CO2 emissions and criteria pollutants, and on Monday of next week, the Mobile Source Committee will consider adopting a CO2 criterion for inclusion in ranking and evaluating TFCA projects.

Mr. Hess stated that the State Legislature has removed exemptions from the agricultural permit process, and staff has now put together a regulatory package to include agricultural operations in its permit system. Workshops on the new rule are being planned for the near future. He added that at the June meeting of the Air & Waste Management Association in New Orleans, he will host an open house in the Presidential Suite at the Hilton.

In reply to Council member questions and comments, executive management replied as follows:

- the deferral of the CARE pilot project is due to the District's current focus on the emission density graphs for the region and the assessment of areas with high potential for exposure to emissions. There are also new issues regarding the Port of Oakland that must be reviewed in the immediate future. The pilot project is therefore going to be held in abeyance.
- proposed new guidelines for the Transportation Fund for Clean Air (TFCA) will be presented to the Mobile Source Committee on May 15, and have received public comment. The largest change is that state law governing TFCA funding now allows both private and public agencies to submit projects for funding from the Regional TFCA fund.
- with regard to controversy in Napa County over the absence of a PM2.5 monitor, the District has used its air quality models and larger measuring devices to assess the PM issues there, which is the only county to date that has not adopted the District's model wood smoke ordinance. The District will continue its outreach to that county regarding the ordinance.
- staff will continue to review the literature on the significance of ultrafine particles in exposure to the public, including the information provided at a recent conference at the South Coast AQMD on ultrafine particles. There is a great deal of research currently regarding nanoparticles and the measurement of PM not on the basis of a mass basis but on the number of particles per a specified volume of air. The Advisory Council may want to consider receiving presentations on the state of research in this area and prepare its own recommendations. Mr. Altshuler volunteered to compile some summary slides and make a presentation for the Council after the South Coast AQMD completes the Proceedings disk.

Ms. Weiner added that EPA held three conferences on the PM standards and is considering making the standards more stringent. Many speakers addressed the EPA at these conferences. There is a wealth of expertise on PM in the Bay Area. Mr. Hayes urged the Council to receive a presentation on new developments in the PM field. PM is a key element in the Council's work plan this year. There is enormous potential implications for source attribution and understanding of the emission inventory if the form of the standard shifts from a mass basis to a particle per volume ratio.

• the CARE program will assess which communities are disproportionately impacted. The results could lead to the adoption of other policies which may be directed to specific communities to help reduce their relative exposure risk and increase funding for targeted emission mitigation. The District participated in the creation of ARB's guidelines for landuse, exposure and siting. The Bay Area is an increasingly dense area, in which there is advocacy for in-fill development and affordable housing near transit stations and hubs.

#### **OTHER BUSINESS**

- **8. Report of Advisory Council Chair.** Vice-Chairperson Glueck stated there was no report.
- 9. Council Member Comments/Other Business. There were no further comments.
- **10. Time and Place of Next Meeting.** 10:00 a.m., Wednesday, July 12, 2006, 939 Ellis Street, San Francisco, CA 94109.
- **11. Adjournment.** 11:58 a.m.

James N. Corazza

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4b

## Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### **DRAFT MINUTES**

Advisory Council Public Health Committee Meeting 12:30 p.m., Wednesday, May 10, 2006

- 1. Call to Order Roll Call. Chairperson Bramlett called the meeting to order at 12:30 p.m. Present: Jeffrey Bramlett, Chairperson, Cassandra Adams, Steven Kmucha, M.D., Karen Licavoli-Farnkopf, MPH, Linda Weiner. Absent: Janice Kim, M.D., Brian Zamora.
- **2. Public Comment Period.** There were no public comments.
- **3. Approval of Minutes of April 11, 2006.** Dr. Kmucha moved approval of the minutes; seconded by Ms. Adams; carried unanimously.
- **4. Wood Smoke Abatement Efforts.** John Crouch, Director of Public Affairs of the Hearth, Patio & Barbeque Association (HBPA) presented "Wood Smoke Abatement Program Applications," stating that he would focus on developments in the field of appliance change-outs, both locally and nationwide. He indicated that hearth products fall into two categories: (a) heating (wood stoves, pellet stoves, gas hearth products, and others—such as electric, oil, and corn stoves) and (b) decorative products (wood open fireplaces, and also gas and electric appliances). With respect to the latter, an open wood burning fireplace is primarily a decorative feature in most houses. In wood burning surveys, some individuals note that their fireplace is primarily decorative but also a secondary heating source. Others may only use their fireplace on major wintertime holidays. A number of heating appliances come as a free-standing item or as an insert for a fireplace, and are known as "aftermarket" products. Inserts include a gas heating element, and a pellet or woodstove insert. In phone surveys of homes, responses vary considerably such that residents identify a fireplace with an insert as a single unit, or as two separate units.

Operating assumptions for air quality and hearth products from the hearth products industry are that metropolitan areas contain substantially more fireplaces than wood stoves or inserts but that the inserts are also used substantially more than open fireplaces. Some open fireplaces are not used at all. Approximately 85-90% of wood stoves on a nationwide basis are pre-Environmental Protection Agency (EPA) certified. As much as 50% of Bay Area wood combustion units are not certified. In 1990, the HBPA conducted a change-out program in Seattle, and a similar program in Northern California/Southern Oregon. There have been modest industry discounts provided for such change-out programs but little public funding has been forthcoming. The California Energy Commission has offered funding for change-out programs for emission offsets.

The EPA has created a "change-out team" to coordinate change-out programs nationwide. It models its approach on diesel engine retrofit programs. It has held workshops, at times colocated with HBPA trade shows, on wood appliance change-out products and strategies.

EPA has reached out to state and local tribes in this program, and has upgraded its wood burning data on its website. It has issued guidance on State Implementation Plan (SIP) credits. It also has instituted a national woodstove change-out campaign with program elements that focus on raising awareness, developing partnerships, targeting specific areas and providing tools for program work. EPA uses a slide at the National Chimney Sweep Guild to educate viewers on the importance of addressing wood smoke emissions. It indicates of that approximately 80% of fine particle (PM2.5) pollution derives from woodstoves. This total exceeds the total PM2.5 emissions from petroleum refineries, cement manufacturers and pulp and paper plants.

On-going or completed woodstove change-out campaigns in 2005 were conducted in Libby, Montana; Southwest Pennsylvania; Washoe County, Nevada; Butte County, California; Christiansburg, Virginia; Darrington, Washington; Whatcom/Island County, Washington; Swinomish Tribe, Washington; Questa, New Mexico; Yakima, Washington; and Delta County, Colorado. Similar campaigns are planned in 2006/2007 in Washington County, Ohio; Sacramento and San Joaquin, California; Oakridge, Oregon; Christiansburg, Virginia; Whatcom/Island County, Washington; Swinomish Tribe and Yakima, Washington; Libby Montana, Greenville; South Carolina, Hagerstown; Maryland, Central Washington, Maine; Rutland, Vermont; New Jersey, Minnesota; Catawba County, North Carolina and Oneida Nation, Wisconsin. The HBPA is soliciting interest in a "state wide" change-out this winter in California and would welcome District participation. In 1999, the District got PG&E to include a two-sentence statement on electricity bills in Northern California/Central California that resulted in the change-out of many wood stoves. This was not costly for the District.

In Libby, Montana there is a "Whole Town" change-out of wood burning appliances underway. As there is no natural gas in Libby, there is considerable wood burning during cold weather that contributes to 82% of total PM2.5 in the area. Through assistance from the HBPA, the EPA and federal funding, all stoves in Libby will be changed-out over a two-year period. In late 2007, data from "before" and "after" PM monitoring will be analyzed and compared.

Key elements of wood stove change-out programs include the verification of the emission reductions, the provision of financial incentives for change-out, and public education. In Libby, the HBPA is providing free-of-charge over 300 EPA-certified stoves to low-income families. Some public resources are being applied in the form of Supplemental Environmental Projects (SEPs) funds as well as emission offset programs.

Rising energy costs have created major challenges to wood burning appliance change-out programs because there is a greater interest in supplementing home heating with wood due to anticipated increases in home heating costs. Old wood stoves and inserts do not break and consumers do not shop for replacements as with electric appliances. Incentives must therefore be larger to trigger change-outs. However, with the heightened awareness about increasing energy and fuel costs, access to the media on heating and energy costs is much easier.

Mr. Crouch added that change-out campaigns, in order to maximize effectiveness, must be sponsored by both public and private funding. Media attention is also crucial to program effectiveness. Targeted funding of change-out programs to areas with higher incidences of asthma is an area for future consideration. EPA certification applies to wood stoves, but not to fireplaces, pellet stoves, masonry heaters and outdoor wood furnaces. To expand the jurisdiction of certification over other appliances and units, EPA would have to reopen its new source performance standards process.

Kathy Hayes, Government Affairs Director, North Bay Association of Realtors, stated that having participated in local community discussions on the change-out of wood burning appliances in the home at the point of its sale, and having observed how local government policy is moved forward on this field, she believes that point-of-sale is both challenging and problematic. It not only takes a long time to implement but also places a huge responsibility and liability on the real estate industry. It takes 25 to 40 years for an entire housing stock to turnover, and this does not provide a rapid response to air quality, health and safety issues. It also leads to the inequitable treatment of property, with one house regulated and another house unregulated. It also makes the realtor a *defacto* employee of whatever agency or group is imposing the rule, and the work that is done is without compensation for the real estate representatives. Evaluation of wood burning appliances in the home, under any wood smoke ordinance with a point-of-sale provision, becomes a liability on the real estate community and becomes an inherent part of the escrow process. It encumbers a real estate transaction with additional inspections, inspection fees, and other processes which could take multiple weeks to schedule and accomplish, depending upon the jurisdiction.

Point-of-sale has had various applications. The City of Santa Rosa has chosen different paths to address health and safety, or water conservation issues, and has not included point-of-sale in these. The City of Marin adopted a point-of-sale ordinance for water conservation devices in homes, but it later repealed it as it was too slow, too bureaucratic and too great a burden on realtors. The Las Galinos Municipal Service District repealed a similar point-of-sale approach for water conservation units. The City of Sebastopol adopted a point-of-sale program for wood burning appliances in homes that included a community wide "don't use" policy. This posed a major problem for its real estate community, which found itself saddled with work that belonged to the City: preparing forms for implementing the ordinance and setting deadlines for the submission of paperwork. The City had not developed any guidance for the implementation of the policy, and some procedures that the City had committed to developing have yet to be developed. Liability issues created by the policy lead to lawsuits against realtors. Many escrows were completed without any wood burning appliance change-out occurring. Although realtors were not the moving party in the point-of-sale requirement, they were nevertheless named a party to a lawsuit concerning certain property sales.

The City of Santa Rosa instead implemented a community wide "can't use" policy. It did not ask for a wood burning appliance insert, but instead created an honor system approach to compliance. Santa Rosa took its lead from a model that advocated water conservation devices, with similar discussion attempting to provide incentives for the purchase and installation of water-conserving toilets on a community-wide basis. Citizens could pick up free toilets from the city and have them installed. Paying the plumber to install the water-saving devices turned out to be less expensive than the overall costs involved in the point-of-sale approach.

Several years ago the City of Truckee passed a point-of-sale ordinance. One-third of all the homes had a woodstove or fireplace insert that was not EPA-certified. The implementation date of the point-of-sale ordinance was extended several times due to the time and expense to train staff and to discuss the implementation problems with the real estate community. Since that time the City of Truckee reconsidered and rescinded the ordinance and elected instead to require the change-out of wood burning appliances in all homes over a five-year period. The City of Truckee will be divided into five quadrants, and priority for change-out will be given to those areas determined to have the largest wood smoke problem. Within five years, the entire community will be retrofitted. This will allow the air quality staff and inspectors one

concentrated area per year on which to focus. Homeowners must certify that they are in compliance. A non-certified stove must be replaced or removed, and regulatory staff will then have to follow-up to ensure this is done.

Community education must also be a part of any Bay Area-wide campaign. Although one speaker who addressed the Public Health Committee in April opined that the public is well educated on wood smoke issues, that viewpoint may not be shared by others. Ms. Hayes added that she has learned a great deal over the last several years about wood smoke on both a family and professional level, and the choices she would make now about wood smoke are different from ones she would have previously made. The need to get quality information out to the public about wood smoke, and in a coordinated fashion with all stakeholders to the process, cannot be sufficiently emphasized. With the right data, citizens will make informed choices.

It is premature to move into any regulatory mode without having maximized public education. Ordinances such as the one implemented in Sebastopol are less preferable to a universal change-out program such as the one which the City of Truckee is implementing. The question of accurately measuring the impact of any program or regulation is important to the total wood smoke abatement effort.

Ms. Hayes concluded that there are alternatives to point-of-sale that treat every home equally and provide a much bigger result for the investment in dealing with wood burning appliances. The real estate community is interested in working with the Air District to come up with an approach to wood smoke abatement that does not unduly impact realtor industry.

In reply to questions, Ms. Hayes noted that in any discussion with regulators, two issues must be addressed: the use of the real estate community staff as *defacto* employees to the regulatory process, and the matter of liability in suits over housing and property. From a health and safety point of view, point-of-sale is not an effective or timely approach. A more viable approach would be phased-in, beginning with education and moving to a "can't use" policy, and thereafter to a universal change-out program that moves through a community and indicates to residents that if they obtain a certified device, they have plenty of time in which to make the change, and that financial incentives are available to them in order to achieve this goal.

Chairperson Bramlett directed that at the next meeting the Committee will discuss an initial draft of possible recommendations which will be refined and then presented to the Council.

- 5. Committee Member Comments/Other Business. There were none.
- **6. Time and Place of Next Meeting.** The June 13, 2006 meeting was canceled. Chairperson Bramlett directed that members be surveyed as to their availability on future suggested dates.
- **7. Adjournment.** 2:04 p.m.

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4c

## Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### **APPROVED MINUTES**

Air Quality Planning Committee 9:30 a.m., Wednesday, June 14, 2006

- 1. Call to Order Roll Call. Chairperson Hayes called the meeting to order at 9:40 a.m. <a href="Present"><u>Present</u>: Stan R. Hayes, Chairperson, Ken Blonski, Irvin Dawid, Emily Drennen, Fred Glueck, John Holtzclaw, Ph.D., Kraig Kurucz, Ed Proctor. <a href="Absent"><u>Absent</u>: Harold Brazil.</a>
- **2. Public Comment Period.** There were no public comments.
- **3. Approval of April 12, 2006 Minutes.** Ms. Drennen moved approval of the minutes; seconded by Dr. Holtzclaw; carried unanimously.
- **4. Marin County General Plan Update:** Dawn Weisz, Sustainability Planner, County of Marin, stated that she would review the County's update of its General Plan and Environmental Impact Review process that are addressing climate change concerns. She added that every municipality in the country should have a general plan that is updated every decade.

The first Marin Countywide Plan (CWP) was adopted in 1973 and was seen as a visionary document. It established environmental corridors—coast, inland rural, and the city-centered—which allows concentrations on jobs, housing and transit within the County, and assists in identifying and defining air quality issues. Another corridor ("Baylands") will be set aside primarily as wetlands and open space, with some flexibility for sparse development.

Marin County has a population of 250,000 people, with 84% of its land being open space and parks, 11% developed and 5% is potentially developable—although much of the latter is hill-side or marsh. The theme of the CWP is planning sustainable communities, with guiding principles that emphasize alignment of the built environment and socioeconomic activities with the natural systems that support life; adaptation of human activities to the constraints and opportunities of nature; and meeting the needs of the present and the future.

In 2000, the County conducted an analysis of its "ecological footprint"—that is, of how much land is used to provide resources per person—and calculated an average of 24.7 acres per person. The national average is 24 acres per person. Italy's ecological footprint is 9.5 acres per person. The average ecological footprint on the planet is four acres per person.

The composition of the County's greenhouse gas emissions (GHGs) inventory, as analyzed in 2003, indicates that transportation contributes 50%, the residential sector 24%, the commercial sector 16%, agriculture 6% and waste 3%. The integration of environment, economy and social-equity will be used throughout the CWP in its policies, programs and goals.

The CWP contains three primary elements: natural systems and agriculture, the built environment, and the socioeconomic context. The natural systems element includes such topics as biological resources, water resources, environmental hazards, atmosphere and climate, open space, trails and agriculture/food. The Bayfront Conservation Zone is proposed in the east side of the county, with greenbelts and community separators included for the extended protection of prominent ridgelines. Agricultural zones will be expanded and there is an increase in organic food production in the county.

For the built environment, the CWP addresses community development, design, energy and green building, mineral resources, housing, transportation, noise and related issues. Key elements include promoting affordable employee housing units, focusing on mixed use commercial areas, placing housing and jobs near transit. The improvement of the Marinwood and Strawberry Shopping Centers toward a mixed-use scenario with improved pedestrian access is intended.

The socioeconomic element includes interactions of people in economy, childcare and the broader social field. Economic programs that are promoted include targeted businesses, especially those considered green and clean, and that give back to the community and implement socially responsible business practices. Diversity is assessed in terms of ethnic diversity, participation by minorities, public health analyses that link land use planning and public health and promotion of healthy lifestyles, and emergency services.

Programs under development include *Cities for Climate Protection Campaign*—which is now in the phase that develops an implementation plan to reduce carbon emissions; a *Million Solar Roofs Program*, and a *Green Business Program*. The County's Residential Energy Ordinance and Green Building Checklist require that any building larger than 3,500 square feet be limited to energy use for that amount of space, and beyond that the building must address the energy burden. Renewable energy on site must also be installed. In the Oakview Project, a rating of "certified" or better must be met under the Marin new Home Green Building Residential Design Guidelines. A solar site analysis can be conducted to assess potential energy generation capacity, and free technical assistance will be provided to anyone in the County seeking to install solar power in their home. The Oakview project will use solar power and integrate other green building elements. The Fireside building will be redeveloped into a mixed-use affordable housing unit integrating solar energy.

Participants in the Green Business & Sustainable Partners Programs must demonstrate how they will reduce energy and waste, and water consumption as well. Sustainable partner standards will direct manufacturing operations toward a closed loop system which takes the waste and returns it to the manufacturing stream. The success of these programs will be measured by indicators, targets and benchmarks. There are 70 proposed indicators that will be tracked at two year intervals. For example, the "energy mix" will be tracked with regard to both renewables and fossil fuels. In 1999, renewables constituted 15% of energy generation in the County, and the target is 20% for 2010 and 40% for 2017. If the County pursues a community choice aggregation and becomes a power purchaser for its constituents, it would acquire greater control over purchasing power from clean sources of energy. The County is presently looking into this course of action.

Another target is to reduce GHG emissions. In 1990, County government emissions were 16,000 tons of GHGs. County-wide 2.6 million tons were emitted. The goal is to reduce this by 15-20% by 2015 for internal government and by 15% for the entire County by 2015. The County has worked with a team of graduate school interns from UC Berkeley on these targets, and the study indicates that the County has met the target, due to compliance with regulations chiefly at the state and national level. The County hopes to be a leader in reducing GHGs, and to establish a paradigm which other counties can adopt.

The analysis by the UC Berkeley interns lead to the development of a list of six measures, based on loitial cost, high payback, and transferability from County to city. These include hybridizing fleet vehicles, electric vehicles for parking enforcement, efficient lighting retrofits, energy star equipment purchasing, landfill methane electric generation, and photovoltaic installation in municipal buildings. The generation of electricity from methane at the Redwood Landfill has 75 times the impact of the other measures. The landfill is presently in the process of obtaining a new operating permit, and discussions with the Air District on the permit are underway as there are several technological issues associated with methane capture and particulate matter that require evaluation.

The CWP's Environmental Impact Report (EIR) includes a review of a letter from the Attorney General to Orange County in March, 2006 criticizing the County for not including GHGs in an EIR for a transportation plan. Municipalites in California are beginning to take note of this letter. The EIR for Marin County is due soon. The modeling that will be conducted to evaluate these measures is based on population and vehicle miles traveled. The prospect of adding population density as a criterion is under discussion.

The CWP is estimated to reduce Marin County's ecological footprint to 400,000 global acres of footprint annually, if a 20% County wide decrease in electricity usage can be achieved by 2015. If a shift to renewable sources of energy of 40% can be achieved by 2015, then an additional 470,000 global acres of footprint will be reduced.

In discussion, Ms. Weisz noted that Sonoma County has a landfill that generates electrical power from methane capture, and Marin County would like to follow their lead. There was a great deal of community support in Sonoma County for this project, and that landfill supported the community direction. Mr. Hess noted that 15 years ago the Air District adopted a regulation that all gases generated at landfills must be collected, burned or abated. The US Environmental Protection Agency (EPA) following that action adopted a similar rule for landfills. The issue of converting landfills from the process of burning methane emissions to generating electricity is under discussion at this time. There are about 20 landfills in the Bay Area that could be candidates for generating electricity from methane gas burned in internal combustion engines. The total amount of electricity that could be generated is estimated at 20MW. This could power 20,000 homes, reduce GHGs and displace some power plant emissions. However, flaring methane emissions at landfills is less polluting than combusting such emissions in internal combustion engines. Staff is examining the potential impact of a 20% increase in NOx emissions from internal combustion engines (ICEs) under a methane capture scenario. The relationship between limiting NOx- or VOChas an influence on this question, as NOx has a more important relationship to ozone generation in the Bay Area.

On another level, some of the constituents of methane gas—ranging from sulfur to extant compounds from silica—can be a problem for internal combustion engine contamination as well. District staff are working with the Ox Mountain Landfill for a demonstration program for methane gas clean-up and combustion in clean burning engines, as well as after-treatment processes. Cost benefit questions raised by the Redwood City Landfill regarding engine wear are also under discussion. Marin County could partner with the landfill staff at Ox Mountain to use their technology that extends the life of diesel engines. The cost-benefit issue concerns the break-even point in this waste management/air quality relationship.

Mr. Hess indicated that staff is preparing a White Paper on this entire matter, which addresses the various trade-offs that are perceived at the present time. This could be reviewed by the Committee at a future date. He added that a number of key agencies throughout the state met yesterday with District staff on this issue and that the discussion is pending in other regulatory contexts as well.

Ms. Weisz noted that more recently the CWP has emphasized GHGs, and its air and climate section has expanded its pollutant coverage beyond the more standard categories related to criteria pollutants and ambient air quality. The CWP looks at impacts on GHG emissions and cross-references other areas in the CWP in terms of public transit, bicycle usage, mixed-use housing, renewable energy sources, and fossil fuel use reduction. Other components examine climate change impact mitigation on the community in a broader sense, such as projected rise in sea level and where to plan for development near wetland areas. In that section of the CWP, storm surges and flood potential are specifically addressed.

In reply to a question on how the District might be helpful to other jurisdictions in this capacity, Ms. Weisz stated that the District could provide assistance in the air quality elements of other County general plans that may be revised in a similar manner. If the District is taking up climate change as an issue, this will spread the word to other entities. The air and climate section of the CWP might itself become a reference resource, and the District might consider the concepts in that section and make it broadly available to other jurisdictions. Marin County is a high consumer of resources but the impacts from the use of those resources do not have a major impact on the County. The County imports many products and exports considerable garbage, except for what goes to the Redwood Landfill. The County has no refineries, enjoys an ocean breeze, and has few air quality issues that stem from transportation. Mr. Hess added that many Marin County residents use Golden Gate Transit, clean vehicles, hybrid buses, and ferry boats. The County has also adopted a wood smoke ordinance. Dave Vintze, Air Quality Planning Manager, indicated that District staff is preparing draft air quality element guidelines for local jurisdictions to use, and will review what Marin County has done in terms of GHGs.

Chairperson Hayes directed the Committee to review the air and climate element in the plan, and he asked Mr. Vintze to share the draft, when it is ready for comment, with the Committee. Chairperson Hayes added that in terms of the Attorney General letter that was sent to Orange County, the Committee should consider where the GHG issue can be included in California Environmental Quality Act (CEQA) guidance as well. Mr. Vintze replied that staff is drafting new CEQA guidelines, although the identification of a significance criterion for these is unclear as well. This is important because recent court decisions require the agency to justify significant thresholds based on substantial evidence.

- 5. Discussion of Committee Carbon Footprint. Chairperson Hayes presented a draft document entitled "Carbon Footprint Analysis: BAAQMD Advisory Council Air Quality Planning Committee." It sets forth a framework, based on the World Resources Institute calculator, for evaluating the carbon footprint of the Committee, based on vehicle miles traveled to and from meetings, electricity needs in attending Committee and Council meetings, and air travel to the A&WMA conference. It is unclear how to identify the energy demand for the Board Room for this meeting, and staff can assist the Committee in determining this. In calculating the cost of offsetting carbon emissions, the current rate is \$5.50 dollars per ton of CO2 equivalent. An initial estimate for the Committee members is \$12.20 a year. Different websites provide calculators for this estimate. Mr. Kurucz noted he had performed this calculation on two different websites, and found that one had many default settings, while another was considerably more complex with specific fields to fill in. The Committee reached consensus that it wanted to perform this calculation for the Committee, and would contribute data on round trip mileage to and from Committee and Regular Council meetings. Mr. Hess indicated he would provide information on the energy usage for the Board and adjacent conference room.
- **6.** Committee Member Comments/Other Business. Mr. Glueck stated that he spoke with a consulting firm that has developed an alternate approach to energy generation that uses hydraulic cylinders underneath road plates at bridges and elsewhere to produce electricity. The Committee agreed to consider this technology at a future meeting.

Chairperson Hayes directed that at the next meeting the Committee would receive an update on the staff's development of guidance for local plans and CEQA, and also on the White Paper on methane capture at landfills.

Dr. Holtzclaw stated he would present a paper at the A&WMA conference with recommendations on how to evaluate pedestrian and bicycle projects for eligibility and credit under the Carl Moyer program. Ms. Drennen expressed her interest in receiving a copy of the paper and to hear this presentation at a meeting of this Committee as well.

- **7. Time and Place of Next Meeting**. 9:30 a.m., Wednesday, August 9, 2006, 939 Ellis Street, San Francisco, CA 94109.
- **8. Adjournment.** 11:42 a.m.

James N. Corazza

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4d

## Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### APPROVED MINUTES

Advisory Council Technical Committee 1:00 p.m., Wednesday, June 14, 2006

- 1. Call to Order Roll Call. Mr. Altshuler called the meeting to order at 1:17 a.m. <u>Present</u>: Sam Altshuler, P.E., Irvin Dawid, John Holtzclaw, Ph.D. <u>Absent</u>: Louise Bedsworth, Ph.D., Robert Bornstein, Ph.D., Chairperson, William Hanna, Stan Hayes.
- **2. Public Comment Period.** There were no public comments.
- **3. Approval of Minutes of April 12, 2006.** The approval of minutes was deferred to the next meeting due to the lack of a quorum.
- 4. Ambient Particulate Matter (PM) and the Evolution of Concern to Ultrafine PM.

  Technical Committee member Sam L. Altshuler, P.E., Senior Program Manager, Clean Air

  Transportation Group, Pacific Gas & Electric, San Francisco, California, stated he would review key information presented at a recent conference on Ultrafine PM held at the South Coast Air

  Quality Management District.

Mr. Altshuler reviewed the history of PM measurements from the 1950's with the British Smoke measurements to the early category of "Total Suspended Particulates" (TSP) at the level of 50 microns. In the mid-1980's, PM10 was the new fraction of measurement, followed in the 1990's by PM2.5. At the present time, the nanoparticle (nPM) of 1-100 nanometers is getting attention.

The size fraction of measurement has evolved in parallel with the ability to measure smaller fractions of PM. Motivations to assess the impacts of fine PM are due to the greater visibility impairment in blockage of light, the soiling of materials and monuments, and health impacts related to diesel PM, both in terms of chronic effects (cancer, silicosis) and acute effects (asthma and pulmonary symptoms).

Measurement techniques have also evolved over time from 8"x10" filters, impactors with size separation, coefficient of haze, Tapered Element Oscillating Microbalance (TEOM) and beta gauges, particle number counters, Scanning Electron Microscopy(SEM)-(E-Ray Flourescence)XRF for size and chemistry, and real time sulfate and nitrate monitors.

PM sizes from the primary sources include TSP—wind blown dust, combustion ash and soot; PM10—chiefly sea salt, dust, combustion soot; PM2.5—combustion soot, and atmospherically formed NO3 and SO4; and PM0.1 and nPM—combustion soot, aerosols (condensed oils and fuels), and atmospherically formed NO3 and SO4.

At the South Coast conference, David Kettleson presented a slide showing the interaction between particle count and size of a number of different types of PM from typical engine exhaust, in terms of distribution by mass, number and surface area showing varying health impacts.

Health issues associated with PM have also evolved over time. Many early air pollution studies were conducted as chamber exposure studies. In the 1990's, many epidemiological studies were published. These examined population', morbidity and mortality, and found correlations that linked to PM exposure. However, causality was never established. Other studies argued at that time that extremes of heat and cold could be correlated with similar health effects.

A slide presented at the conference by Dr. John R. Froines addressed the potential pulmonary effects of PM. It showed mitochondria at extreme magnification and revealed how PM is lodged within the interior of the lung cells. Dr. Froines hypothesized that PM causes cardiorespiratory effects because it induces oxidative stress.

Mr. Altshuler added that Dr. Robert Sawyer, Chairperson of the California Air Resources Board (CARB), also gave a noon time presentation at this conference summarizing many aspects being discussed at the conference. He observed that there are health-related findings that ultrafine particles cause greater inflammatory response and greater cellular damage than fine PM. Even though they have less mass than fine PM, ultrafine particles have large surface areas and occur in great numbers. They contain toxic components that can initiate harmful oxidant injury in the lung and have high deposition rates in the lung. They can also access the circulatory system and move from the lungs to other organs.

Dr. Sawyer spoke on the health effects as a function of particle size, with ultrafine PM being the most serious in comparison with coarse and fine PM. With respect to the source distribution of PM, Dr. Sawyer opined that ultrafine PM comes primarily from vehicle exhaust and fuel use. Concentrations of ultrafine PM along freeways with heavy gasoline or heavy diesel traffic are similar. Mr. Altshuler observed that diesel PM is primarily related to the chronic 70-year cancer potential, while the smaller particles are associated with causing more acute symptoms. This has generated some interesting discussion in strategies for mitigating vehicular emissions.

Mr. Altshuler showed a chart that set forth the source contributions to primary ultrafine particle emissions in the South Coast air basin in 1996. Ultrafine particles were found to originate almost exclusively from combustion sources. Another chart assessing the annual average PM10 source contribution in the San Joaquin Valley for large particulates indicated that over one-half derived from fugitive dust, 27% directly from mobile sources, 11% from burning and cooking, 5% from ammonium sulfate, and 4% directly from mobile sources, 11% from wood burning and meat cooking, and 27% from secondary formation from ammonium nitrate.

Taking these data into account, Mr. Altshuler stated he had tabulated the health effects associated with fugitive dust, ammonium nitrate, ammonium sulfate, burning/cooking, and direct mobile sources. The preliminary calculations indicated that the highest risk factor was found in direct mobile sources for both chronic and acute symptoms. At the conference, however, there was no discussion of the possible health effects of ammonium nitrate, and to date no literature on this subject has been published. Wood burning and cooking also showed higher risk factors for acute and chronic pulmonary symptoms.

Mr. Altshuler stated that, at the conference, Charles Stanier presented a chart on how ultrafine PM is formed in the atmosphere throughout the day and found that it greatly resembles the ozone formation plot. A second slide by Stanier showed the formation of ultrafine PM on a cloudy and sunny day in Pittsburgh on November 10 and 11, 2001. The plot also paralleled the plot for ozone formation.

Mr. Altshuler concluded that adverse health effects of PM are determined by the concentration of PM, the potency/unit risk factor of the chemical constituents contained therein, and then the size and number of the particles. He added that controls are separately needed for nPM as well as ultrafine PM in order to complement the reductions in diesel PM. Such controls ought to consider lube oil regulations and its formulation for internal combustion engines.

While no health impacts have been reported to date for PM nitrate, the San Joaquin Valley plans to reduce PM nitrate to attain the PM2.5 standard. However, health impacts from nitrogen dioxide (NO2) are being reported at increasingly lower levels. This should be closely followed along with the evolution of a lower NO2 standard by CARB.

Mr. Altshuler added that the following anecdotal conclusions are fairly well-known:

- Diesel smoke is linked to chronic health effects (cancer).
- Ultrafine particulates are linked to acute and chronic cardiopulmonary health effects (heart attacks, asthma, etc.).
- Diesel soot seems to adsorb ultrafine PM aerosols.
- Reducing diesel smoke with a diesel PM increases exposure to ultrafine (a tradeoff between cancer and cardiopulmonary health effects) as well as increased NO2.
- Other lube oil using IC engines can emit ultrafine PM similar to diesel.
- nPM falls off rapidly within 300 meters of a freeway but grows into larger particles as they move away from the freeway.
- Exposure to PM when your respiratory system is compromised exasperates the situation: extreme heat or old does the same.
- The question of second hand cigarette smoke may be related ultrafine PM.
- Meat should be salted after, and not before, it is grilled to reduce dioxin exposure.

Mr. Altshuler stated that ultrafine PM will become an increasingly important issue in the regulation of PM. Mr. Hess added that this will be addressed at the forthcoming Air & Waste Management Association conference.

5. Committee Member Comments/Other Business. Mr. Dawid stated that in recent news articles, a trend toward an increase in diesel fuel vehicles in the fleet has been identified, and this raises serious air quality questions. Mr. Altshuler replied that this also raises issues of greenhouse gas emissions (GHGs), exhaust standards and other regulatory categories. The Council must assess whether or not it has a role to play in assessing the issue of increasing diesel fuel vehicles in the overall vehicle fleet. This could initially be discussed at the Committee level in the future.

- **6. Time and Place of Next Meeting**. 1:00 p.m., Wednesday, August 9, 2006, 939 Ellis Street, San Francisco, California 94109.
- 7. Adjournment. 2:25 p.m.

James N. Corazza

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4e

Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### **DRAFT MINUTES**

Advisory Council Regular Meeting 10:00 a.m., Wednesday, July 12, 2006

## **CALL TO ORDER**

Opening Comments: Chairperson Kurucz called the meeting to order at 10:15 a.m.

Roll Call: Present: Kraig Kurucz, Chair, Sam Altshuler, P.E., Louise Bedsworth,

Ph.D., Ken Blonski, Robert Bornstein, Ph.D., Jeffrey Bramlett, Harold Brazil, Irvin Dawid, Fred Glueck, William Hanna, Stan Hayes, Steven Kmucha, M.D., Karen Licavoli-Farnkopf, MPA, Ed

Proctor, Linda Weiner, Brian Zamora.

Absent: Cassandra Adams, Emily Drennen, William Hanna, John

Holtzclaw, Ph.D., Janice Kim, M.D.

## **PUBLIC COMMENT PERIOD:**

Peter Holoyda Senior Advisor, Market Research Lab Hydrogen First - International Business Incubator of Silicon Valley

urging the District acquire a larger fleet of hydrogen fuel-cell vehicles and to participate in the fuel cell vehicle pilot program that is currently underway in the South Coast AQMD.

#### **CONSENT CALENDAR:**

1. Approval of Minutes of May 10, 2006. Mr. Glueck moved approval of the minutes; seconded by Mr. Dawid; carried unanimously.

#### **COMMITTEE REPORTS**

- 2. Public Health Committee Meeting of May 10, 2006. Mr. Bramlett stated that the Committee received presentations from John Crouch of the Hearth, Patio and Barbeque Association, and Kathy Hayes of the North Bay Association of Realtors.
- **3. Air Quality Planning Committee Meeting of June 14, 2006.** Mr. Hayes stated that the Committee discussed incorporation of climate change concerns into local general plans, and received a presentation from Dawn Weisz of Marin County on that topic. The Committee also discussed developing a preliminary "carbon footprint" for the Committee.

- 4. Technical Committee Meeting of June 14, 2006. Dr. Bornstein stated that Committee member Altshuler gave a presentation on information presented at a recent conference held in the South Coast AQMD on ultrafine particulate matter (PM). Mr. Altshuler suggested that the Committee receive a presentation from Dr. Bart Ostro on individual chemistry and mortality. Dr. Bornstein added that he is available to give a presentation at the next Committee meeting on the decreasing temperature trends over the last 80 in coastal areas. Dr. Bornstein stated that large-scale models are insufficient to discern local or regional effects. Dr. Bedsworth replied that climate change as a global phenomenon is a subject on which the scientific community has reached widespread consensus, and that the observation of varying local effects should not have any impacts that would modify policy that endeavors to mitigate global warming. Mr. Dawid noted that a recent article cited one meteorologist as asserting there is no consensus on global warming. Dr. Bornstein replied that this author is ultimately in a small minority compared with the majority of scientists who opine otherwise.
- 5. Executive Committee Meeting of July 12, 2006. Chairperson Kurucz stated that the Committee met earlier this morning and discussed the Advisory Council's May 30, 2006 report to the Board Executive Committee. The Board members expressed their approval of the Council Committee and Regular minutes submitted to them for review, and it was clear that they had all read the minutes carefully and had come prepared with questions. At this morning's meeting, the Council Executive Committee also discussed the District's outreach program and what types of public outreach activities Council members might engage in.

#### **PRESENTATION**

6. From Science to Regulation—Air Quality Successes and Challenges in California. Robert F. Sawyer, P.E., Ph.D., Chairperson, California Air Resources Board (CARB), stated that he would review the history of air quality regulation in California and assess the major air quality successes and challenges facing the state. Dr. Sawyer stated that with regard to diesel emissions, the central issue concerns the heavy-duty truck rule that by 2007 would require installation of particulate traps on all new heavy-duty diesels sold in California. This will soon impact the off-road engine sector. In 2010, another regulatory step mandating a 90% reduction in emissions of nitrogen oxide (NOx) will take place. To date, the PM reduction has occurred by a factor of 10 in in-use vehicles. NOx reductions have not been as successful. California has an aggressive PM trap retrofit program that aims to retrofit every heavy-duty vehicle. This technology is attractive and even takes care of the nanoparticle problem.

Given manufacturing trends, the state will see an increase in the number of light-duty diesel vehicles: these are high-performance, high-powered vehicles that meet stringent emission standards and have superior fuel economy to gasoline-powered vehicles. However, there are a few on-board diagnostic issues pending with these vehicles. The emission reduction issues awaiting resolution for these vehicles concern ultrafine PM and nitrogen dioxide (NO2).

Regarding the history of air quality in California, during the 1950s, Professor Haagen-Smit identified the phenomenon of photochemical smog. At that time, there were 4.5 million vehicles on the road in California. In this millennium, notwithstanding the significant increase in vehicles traveling on the roadways, extreme levels of air pollution have been reduced such that there are no longer any Stage I smog alerts in the South Coast AQMD.

There are a number of emission reduction activities at the state level, such as the regulation of the movement of goods throughout the state. The state's shipping ports are particularly at issue in the context of these initiatives. The Governor is also committed to decreasing the state's dependence on petroleum and on increasing the use of renewable fuels. The major issue on the immediate horizon is climate change. AB 1493 (Pavley) is now being subjected to litigation. The Supreme Court will hear whether the Environmental Protection Agency has the authority and responsibility to control CO<sub>2</sub>, and whether or not CO<sub>2</sub> is an air pollutant. CARB intends to move ahead with its regulatory program, notwithstanding such litigation.

The major challenges in California concern ozone and PM2.5 . The San Joaquin Valley has achieved compliance with the PM10 standard, but it is at the PM2.5 level that the health effects are found. The observable trends for PM2.5 in the San Joaquin Valley have reached a plateau, and require further examination of the science in order to understand why this is the case. Attainment of the eight-hour ozone standard also remains a major challenge in the state. This is largely a motor vehicle issue that concerns emissions from the in-use fleet.

Emission reductions have been achieved for lead, nitrogen dioxide, sulfur dioxide and carbon monoxide. In the South Coast AQMD, ozone levels are decreasing. In the San Joaquin Valley, growth and geography have stalled improvements in air quality. The debate continues over whether reducing emissions of hydrocarbons or NOx is the most effective ozone reduction strategy. The weekend ozone effect is real and well documented, and interand intra-basin pollutant transport remains a problem as well. The background levels of ozone coming off the Pacific Ocean are increasing, thereby adding to the ozone problem.

Another challenge in California concerns growth. The number of vehicles has increased fourfold. Vehicle miles traveled (VMT) and population are also increasing. Yet, at the same time, air quality is improving, and progress is being made in the face of growth. Regulation and education will constitute a two-pronged approach to dealing with these dynamics.

The new light-duty vehicle fleet is a success story. The auto industry deserves credit for developing the technology to achieve more stringent emission standards, although much prodding has had to take place in order for this to occur. California has focused on in-use exhaust and evaporative emissions, and is increasingly using on-board diagnostics.

Another major issue is land-use planning and the proximity of residential areas to freeways. In the nearest 100 meters to a freeway, there are high concentrations of ultrafine PM. Those who drive vehicles on freeways are also exposed to large amounts of ultrafine PM. A great deal of planning guidance strongly urges that schools not be located near freeways.

The Zero Emission Vehicle (ZEV) program has been very successful, not so much because of battery and fuel cell vehicles *per se*, but because these have enabled the manufacture of hybrid vehicles. Another review of the ZEV program will be conducted at the state level early next year. Hydrogen fuel cells are longer-term solutions. The dominance of the petroleum refining system will not be displaced in a short period of time.

Another challenge facing California is to reduce petroleum use by 15% by 2020. Given the growth that is expected, use of alternative fuel use will need to increase by 20% by 2020, and an increased focus on renewable and bio-fuels, ethanol and hydrogen. The debate over E10 and E85 ethanol continues, and the economics of ethanol will continue to be influential.

Reduction of risk from diesel PM is a major goal in California, which in 2000 set the goal to reduce such risk by 75% by 2010 and 85% by 2020. New engine standards, engine retrofit programs, such clean diesel fuels as ultra low sulfur diesel, and in-use compliance standards for heavy-duty diesel engines, will contribute significantly toward achieving this goal.

In reply to questions, Dr. Sawyer stated:

- The regulatory landscape has changed since CARB originally petitioned the EPA to grant the use of E10 ethanol. It is a complicated issue due to the subsidy to farmers.
- Implementation of AB 32 in the Governor's view begins with establishing a climate change board comprised of staff from key agencies to provide top-down coordination.
- Experts will report to CARB on the status of battery electric cars and the extent to which improvements in battery technology have been made.
- The increase in gasoline prices would be very positive if the revenues were going to the taxpayers rather than to the oil refiners.
- Nuclear power could be a sound source of energy but the inability to store the waste it generates renders its implementation problematic.
- Regarding the nexus between climate change and traditional air quality programs, it is
  desirable to seek to reduce urban high temperatures which are adverse both to air quality
  and daily life, and to strive to attain to efficiency wherever and whenever possible.
- Optical on-board diagnostics will be crucial to integrating on-board diagnostics with the state's Smog Check program.
- Eucalyptus forest waste and chips could be used to combust and generate electricity.
- In a CO<sub>2</sub> emission trading program, whoever can show reduction in carbon emissions should be allowed to enter the market, but the emission inventory must be correct.

#### AIR DISTRICT OVERVIEW

7. Report of the Executive Officer/APCO. Mr. Broadbent stated that this summer the District recorded four excesses of the national ozone standard, seven excesses of the state standard and one excess of the state one-hour standard. Temperatures were very high on three of the four days on which excesses occurred. The impact of these excesses on attainment in the region is an entirely different statistical matter. On those days the District called a Spare the Air day, transit ridership increased by 10%. Funding for free transit on three additional Spare the Air days during this year's ozone season has just been allocated by MTC.

Mr. Dawid suggested focusing primarily on reducing vehicle miles traveled (VMT) on Spare the Air days and referencing toll bridge plaza data. Mr. Broadbent replied that the District has hired a firm to conduct the necessary marketing and survey work. From an air quality standpoint, VMT is utilized in analyses of longer-term issues. The Spare the Air program serves also as an educational tool to modify individual behavior and provide for a focused, episodic control that gives incentives to use public transit. Dr. Bornstein noted that recent research in the cities of Portland and Houston reveals that thermal heat stress is an additional reason to avoid travel on very hot days.

Chairperson Kurucz inquired as to a recent report that the District is facilitating marine diesel emission reductions by helping to negotiate an agreement between the City of San Francisco and a local cruise ship port. Mr. Broadbent replied that the District is assisting in that capacity and will also provide grant incentive funding to bring electric power to that ship port, thereby avoiding the need for the docked ship to be powered by its own diesel engines.

Mr. Broadbent added that the District is financially healthy this fiscal year and increased its fee schedule an average of 8.5% over last year to allow for the continuance of key programs, including the CARE, wood smoke outreach, and climate change programs.

#### **OTHER BUSINESS**

- 8. Report of the Advisory Council Chair. There was no report.
- **9.** Council Member Comments/Other Business. Chairperson Kurucz called for reports from attendees at the 99<sup>th</sup> Air & Waste Management Association Conference in New Orleans:
  - Mr. Hayes stated that, from a scientific standpoint, the conference was outstanding, particularly concerning information presented on PM and climate change.
  - Mr. Altshuler observed that the sessions were well organized. In discussions on the
    weekend ozone effect, diverse views expressing preferences for strategies that would
    emphasize either NOx or hydrocarbon reductions were expressed.
  - Mr. Brazil stated that the transportation courses emphasized PM reductions and mobile source emission inventory work.
  - Dr. Bornstein stated that in classes on the weekend ozone effect, the diverse presentations expressed consensus on the effect as a phenomenon in the western United States. The weekend ozone effect is not observed east of the Mississippi River.
  - Mr. Blonski stated that the conference is an excellent mix of industry, regulators and academics, and gave a clear indication of the District's air quality leadership.
  - Chairperson Kurucz expressed his appreciation to the attendees for their active participation in the conference and noted that several of them also presented papers. He added that his course attendance focused on the weekend ozone effect and PM.
  - Mr. Hess added that the conference was attended by 1,900 people from over 50 countries.
- **10. Time and Place of Next Meeting.** 10:00 a.m., Wednesday, September 13, 2006, 939 Ellis Street, San Francisco, CA 94109.
- **11. Adjournment.** The meeting was adjourned at 12:31 a.m.

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4f

Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### **DRAFT MINUTES**

Air Quality Planning Committee 9:30 a.m., Wednesday, August 9, 2006

- 1. Call to Order Roll Call. Chairperson Hayes called the meeting to order at 9:35 a.m. Present: Stan R. Hayes, Chairperson, Ken Blonski, Harold Brazil, Emily Drennen, Fred Glueck, John Holtzclaw, Ph.D., Kraig Kurucz, Ed Proctor.
- **2. Public Comment Period.** There were no public comments.
- **3. Approval of June 14, 2006 Minutes.** Fred Glueck moved approval of the minutes; seconded by Emily Drennen; carried unanimously.
- 4. Update on Development of Air Quality Guidelines for Local Jurisdictions. David Vintze, Air Quality Planning Manager, stated that the District is developing general plan guidance and updating the existing California Environmental Quality Act (CEQA) guidelines. The air quality guidance will include background information on health effects, sources of air pollutants, reducing air quality impacts from land use, along with a sample air quality element and a method for evaluating a jurisdiction's general plan. The CEQA guidelines update will identify new analytical methods and significance thresholds and new strategies to mitigate emissions from indirect sources.

The background information section will include an executive summary; identify the air quality standards that are in force and the implementation plans that have been adopted in response to the federal and state Clean Air Acts. It will describe the state of Bay Area air quality, the interrelationships between the federal, state, district and local jurisdictions, and how air quality fits into the other seven mandatory elements of a local general plan.

The health effects section will address those issues associated with exposure to ozone, particulate matter (PM), toxic air contaminants, other criteria pollutants, naturally occurring asbestos, and odors and nuisances.

The guidance document will address stationary, on- and off-road mobile, area, indirect, construction and indoor sources of air pollution. It will review land-use policies and cross-reference the 19 transportation control measures in the District's 2005 Ozone Strategy. It will identify mobile source control measures, green building designs, sample ordinances for vehicle idling, green procurements and contracting. A public outreach section will highlight the District's Outreach & Incentives division, and address indoor air quality issues.

The sample air quality element will include background information, current monitoring data and links to obtain newer data, the attainment status of the region, land-use compatibility issues, sample goals and policies, implementation measures and performance standards.

In evaluating the air quality element, the guidance will include a checklist for a jurisdiction to ensure that consistency is achieved with other elements and policies in the general plan, and to evaluate the inclusion of transportation control measures in the general plan for CEQA review. The District is also developing a system by which to rate an air quality element.

Since the last update of the District's CEQA guidelines in 1999, diesel particulates have been designated as a toxic air contaminant, and this will be included as a category for evaluating project development. New analytical methodologies to assess impacts of sources of air pollution from a given project will also be included. Since 1999, new mitigation strategies have been used and tested in the field, such as green building design and the promotion of mixed-use development to reduce vehicle trips and emissions from various scenarios of landscaping maintenance. Significance thresholds for project emission reduction evaluation have not yet been adopted. The state's CEQA guidelines require that any new significance thresholds that will be adopted by an agency must demonstrate "substantial evidence" that a measure will, in fact, achieve a projected emission reduction.

In assessing air quality impacts, construction equipment emissions are under review along with the development of a methodology for significance thresholds for this emissions source. Methodologies will be further developed for assessing emissions from mobile sources, roadway congestion, area sources such as paint, fireplaces, and lawn equipment, as well as industrial processes.

The guidance document will also include Best Available Mitigation Measures (BAMM). These address a broad range of categories for dust stabilization, low energy use options, alternative travel mode options, alternative fuel/power construction equipment, low emissions product/material options, idling restrictions, re-power equipment and operational modifications.

In response to questions, Mr. Vintze noted that the guidance document will include green-house gas emissions and climate change categories. A significance threshold will have to be developed for greenhouse gases based on substantial evidence. This poses a considerable challenge especially in attempting to develop one that would withstand a legal challenge.

In terms of the indirect source issues, a lawsuit has been filed against the San Joaquin Valley air district, which requires that development projects must endeavor to reduce vehicular traffic associated with them or pay a residual fee for what cannot be mitigated. Funds from this fee bank funds incentive programs and emission reduction programs in that District. Regarding the menu of options for BAMM and the development of a cost/benefit assessment for each, emission reduction quantification can be achieved more easily for some projects than for others. Vehicular idling restriction and the re-powering of equipment offers an opportunity for quantifying emission reductions by referencing emission profiles for engines at particular loads and speeds, as well as manufacturer engine test data.

Local jurisdictions will likely track differently how their air quality elements are made consistent with other elements in their general plan. Chairperson Hayes suggested that an air quality element could be incorporated into a general plan when it is updated.

5. Update on Methane Capture at Landfills. Carol Allen, Senior Air Quality Engineer, stated that there are more than 140 landfills in the Bay Area: 19 are active and permitted by the District; 16 are inactive; and 109 are old and small, closed landfills. The total waste capacity amounts to 360 million tons: 309 million tons are at active sites and constitute 65% of total capacity. Inactive/closed sites contain 52 million tons of waste. Proposed expansions of existing landfill facilities will be able to contain 65 million additional tons.

Landfills emit PM, particularly from vehicular traffic associated with them, and from wind erosion. Landfills generate methane gas and carbon dioxide, and organic compound emissions that can contribute to ozone formation, along with some toxic air contaminants. Waste is broken down first in an aerobic environment, and after about two years in an anaerobic environment. As waste decomposes, gas pressures build up below the surface and seep upward toward the surface. The waste type, moisture and temperature in the landfill affect the speed of decomposition. Over the lifetime of a landfill, methane generation occurs at the greatest rate in the first third of the decomposition process. Methane from Bay Area landfills is generated in the amount of 525 tons per day, and precursor organic compounds at 3.1 tons per day. After the application of emission reduction strategies, methane is reduced to 137 tons per day and precursor organic compounds to 0.8 tons per day.

Regulatory requirements from the District and the federal government require landfills to reduce precursor organic compound emissions to mitigate ozone formation. State and solid waste regulations require landfill gas controls to mitigate odor nuisance and fire hazard. When a landfill has accumulated 1 million tons, the District regulations take effect. Due to District regulations, the collection of 24,000 cubic feet of gas is achieved from landfills on a daily basis, which is the equivalent of 720 BTU/hour or 74 MW of electricity on a daily basis.

Landfills collect gases to prevent off-site migration of landfill gases which can create underground fires. There are three elements of landfill gas control in use: landfill covers and caps—such as soil and other materials on top of the waste; landfill gas collection systems—with pipes that have perforated sections buried in the waste; and landfill gas control devices—which are typically flares, or internal combustion engines or turbines.

The District requires that at larger landfills the covers and caps be inspected monthly in order to mitigate seepage of landfill gases. Surface sweeps are required on a quarterly basis to assess methane seepage. District regulations require continuous operation of the gas collection systems. Combustion devices include 70% of gases to be combusted by enclosure flares and 30% by energy recovery devices, such as internal combustion engines, turbines, micro-turbines and boilers. There are some non-combustion methods for dealing with landfill gases, but none of these are in operation currently in the Bay Area: (1) carbon adsorption, (2) purification and separation into products—for which there are two proposed systems in the Bay Area; and (3) fuel cells, which is presently at the theoretical stage.

District regulations require annual source testing of landfill gas control devices. These are subject to Best Available Control Technology (BACT) or Reasonably Available Control Technology (RACT).

In reply to questions, Ms. Allen noted that the economics of converting methane into fuel, as opposed to flaring it, are unattractive. Selling back electricity generated from methane gases

in engines at a landfill does not offer major economic benefits and is subject to the variation in the electricity market. Offsets for emissions of nitric oxide are also costly. Moreover, the wear and tear on the engines fueled by gases from the landfill creates a disincentive for approaching the use of landfill gases with an energy recovery emphasis.

Composting operations greatly speed up the rate of waste decomposition. Emissions of methane are higher from composting operations than from a landfill facility. Methane can be collected and vented through biological filters, and this is the preferred method of control for composting operations. The District has not yet looked at an energy recovery approach to emissions from composting operations. Peter Hess, Deputy Air Pollution Control Officer, observed that recycling requirements are increasing for the Bay Area and minimizing the total quantity of waste going to a landfill, and this has a positive impact by reducing emissions of greenhouse gases from landfills.

6. Discussion of Planning Committee Carbon Footprint. Chairperson Hayes distributed "Carbon Footprint Analysis: BAAQMD Advisory Council Air Quality Planning Committee," which contains a calculation—based on the World Resources Institute methodology—of emissions based on member travel to and from meetings by Committee members, the use of electricity for meetings of the Committee at the District facility, and air travel to and from the Air & Waste Management Annual Exhibition & Meeting. The vast majority of emissions derive from the attendance of Council members at the latter. If an offset fee were tacked on to the 12,970 pounds of carbon generated annually by the Committee, a fee of \$5.50 per tons per year of CO2 would amount to \$35.67. Chairperson Hayes noted that the company for which he works is striving to become carbon neutral in all of its planning activities globally, and has calculated that it can do so at a total cost of approximately \$5,000. These funds could be donated to organizations that are also reducing carbon emissions.

Mr. Proctor moved that the Committee recommend that a carbon footprint be developed for the Advisory Council; seconded by Dr. Holtzclaw; carried unanimously. Mr. Kurucz stated that further refinements to footprint calculations and the policy on the allocation of funds to emission mitigation in the District may be made as the discussion process moves forward.

- 7. Committee Member Comments/Other Business. Mr. Glueck inquired as to the negative publicity on the "Spare the Air" program that was recently heard during a heat spell last month in the Bay Area. Dr. Holtzclaw stated that during those "Spare the Air" days there was also press coverage of how people in San Francisco were walking and shopping, showing that neither vehicles nor increased parking are essential to a thriving economic activity in this sector. Ms. Drennen concurred with Mr. Glueck, and added that broader application of free transit in the Bay Area would be worth considering.
- **8.** Time and Place of Next Meeting. At the call of the Chair.
- **9. Adjournment.** 11:41 a.m.

James N. Corazza Deputy Clerk of the Boards

AGENDA: 4g

Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109

#### **DRAFT MINUTES**

Advisory Council Technical Committee 1:00 p.m., Wednesday, August 9, 2006

- Call to Order Roll Call. Chairperson Bornstein called the meeting to order at 1:10 p.m. <u>Present</u>: Robert Bornstein, Ph.D., Chairperson, Irvin Dawid, William Hanna, Stan Hayes, John Holtzclaw, Ph.D. <u>Absent</u>: Sam Altshuler, P.E., Louise Bedsworth, Ph.D.
- **2. Public Comment Period.** There were no public comments.
- **3. Approval of Minutes of April 12 and June 14, 2006.** Dr. Holtzclaw moved approval of the April 12, 2006 minutes; seconded by Mr. Hanna; carried, with Mr. Dawid abstaining. Dr. Holtzclaw moved approval of the June 14, 2006 minutes; seconded by Chairperson Bornstein; carried unanimously.
- 4. Update on the District's Community Air Risk Evaluation (CARE) Program. Dr. Phil Martien, Senior Advanced Projects Advisor and CARE Program Manager, stated that the CARE program objectives are to (1) evaluate community cancer and non-cancer health risk from ambient toxic air contaminants, and (2) focus the health risk mitigation measures on locations with higher risk levels and sensitive populations. The program is designed in threephases. Phase I concerns conducting scoping studies of the toxic emission inventory and further refinement of the inventory, along with initial mitigation measures. Phase II concerns modeling pollutant concentrations and continued development of mitigation measures. Phase III concerns exposure assessments and mitigation measures.

Mitigation measures include targeting incentive funds for reducing mobile source emissions; regulating emissions from stationary and indirect sources; advising and collaborating on issues related to development, housing and transportation; sponsoring and supporting applicable legislation; developing model ordinances and enhancing information campaigns. To involve the community and obtain input from other agencies, a Task Force for the CARE program has been created and includes 15 members representing government, business, health and the community.

Phase I of the CARE program is nearing completion. A preliminary toxic air contaminant emission inventory has been developed. Support studies have been conducted, such as a residential wood burning survey that will help to make corrections in the wood smoke inventory. Source apportionment studies for particulate matter (PM) have been conducted, and include refinements that distinguish new from old carbon in the chemical mass balance analyses, which will contribute to the further refinement of source apportionment. Desert Research Institute is assisting with the speciation of the organic portion of the PM. Demographic and health data will be used to target regions for the incentive programs that will reduce emissions within a given locale.

The development of the emission inventory for area and non-road, on-road mobile and point sources required further chemical speciation in order to obtain more accurate speciation profiles and cancer unit risk factors. Data from this effort are then spatially allocated throughout the map of the model domain. Among the findings and results observed to date, data has been generated for cancer toxicity-weighted emissions based on each pollutant—in which diesel particulate ranks as the foremost pollutant at 81%; and by source category in another rendering of the same data, in which on-road sources and construction equipment are the two major source categories.

With respect to diesel PM, the spatial distributions of this pollutant have been plotted, with highest concentrations found in West Oakland and San Francisco, and also in west Alameda County. The same data has been rendered with unit risk-factors applied.

For chronic, non-cancer toxicity-weighted emissions, acrolein at 48% and formaldehyde at 20% are the major pollutants when data are weighted by pollutant. For source category, on-road mobile sources at 33% and aircraft at 24% constitute the major sources. When the data for formaldehyde is applied to the map of the study domain, concentrations are highest near major roadways and military airports in the Bay Area.

In terms of acute toxicity-weighted emissions, acrolein is the major pollutant at 94%, and aircraft at 40% and on-road mobile sources at 38% are the major source categories of formaldehyde and acrolein. When acrolein emissions are plotted on the study domain, airports show the highest concentration levels.

Demographic and health data have been plotted on the map of the study domain. Data have been plotted for populations under age 18 and then adjusted with asthma hospitalization rates. The plotted data are consistent with the maps of emissions, with western Alameda as an area of particular attention. However, direct inferences of this data are not to be recommended, except insofar as the plots help identify areas with sensitive populations.

Phase I findings are that (1) 80% of cancer health risk is attributable to diesel PM; (2) 50% of chronic non-cancer risk is from acrolein; (3) more than 90% of acute non-cancer risk is also from acrolein; (4) on-road and off-road diesel emissions, including construction, shipping, and rail are large sources of cancer risk; and (5) gasoline powered vehicles and aircraft are the largest contributors to non-cancer risk. The highest concentrations of diesel PM and acrolein are found in eastern San Francisco and western Alameda and Contra Costa counties. These areas also have large numbers of sensitive receptors.

Policy recommendations from these findings are that (1) a gridded toxic air contaminant inventory will be used as a surrogate for exposure; (2) regional demographic data will be used to identify grid cells with sensitive populations; (3) mitigation measures will be targeted for areas with high concentrations of toxic air contaminant emissions and sensitive populations; and (4) follow-up will be conducted with more sophisticated techniques to evaluate population exposure.

Plots over the study domain of toxic air contaminants for total PM2.5 weighted by groups under age 18 and over age 64 have been made for identifying projects in areas to which Carl Moyer program grants could be applied to mitigate high concentrations of diesel PM.

With regard to next steps, Phase II will include modeling concentrations and continuing development of mitigation measures. Preliminary modeling on a local and regional scale will also be conducted, along with health risk assessment for the Port of Oakland and large rail yards. Additional mitigation measures for these will be developed.

Phase III will contain the development of exposure assessments, refinement of modeling and measurements, and development of health risk assessments along with continuing work on emission mitigation measures.

In reply to questions, Dr. Martien noted that similar toxic air contaminant analysis has occurred in the South Coast AQMD, and that the plots of data have some degree of parallel with those developed in the Bay Area. Chairperson Bornstein inquired if it might be advisable to request a presentation from the South Coast AQMD staff on its modeling work and then to have a meeting between South Coast and Bay Area staff, as well as Dr. Eric Fujita from the Desert Research Institute (DRI). Dr. Martien replied that this could prove to be productive. The Committee members agreed with this suggestion and requested that the modeling staff of the South Coast be invited to give the Technical Committee a presentation on its toxic air contaminant modeling work to date. Dr. Bornstein suggested that the Public Health Committee be invited join the Technical Committee in receiving this presentation.

- **5.** Committee Member Comments/Other Business. Chairperson Bornstein stated that the California Energy Commission is hosting its Third Annual Research Conference on Climate Change in Sacramento on September 13-15, 2006.
- **6. Time and Place of Next Meeting**. 1:00 p.m., Wednesday, October 11, 2006, 939 Ellis Street, San Francisco, CA 94109.
- 7. Adjournment. 2:39 p.m.

James N. Corazza Deputy Clerk of the Boards

ECREAL MED EXCEC

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

**TO:** Chair Uilkema and Members

of the Executive Committee

FROM: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board

**DATE:** July 18, 2006

**RE:** <u>Hearing Board Quarterly Report – APRIL 2006 – JUNE 2006</u>

## **RECOMMENDED ACTION:**

This report is provided for information only.

## **DISCUSSION:**

| COUNTY/CITY                      | PARTY/PROCEEDING                                                                                                                                                                                                                                                                          | REGULATION(S)                                                                                                                                                                                          | <u>STATUS</u> | PERIOD OF<br><u>VARIANCE</u>                                           | ESTIMATED EXCESS<br>EMISSIONS                         |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------------------------------|-------------------------------------------------------|
| San Mateo                        | UNITED AIRLINES (Variance – Docket No. 3508) – Variance from regulation to reduce emissions of hexavalent chromium and nickel from thermal spraying (APCO not opposed.) – Full Variance Hearing.                                                                                          | California Code of<br>Regulations, Title<br>17, Section 93102.5                                                                                                                                        | Granted       | 1/1/06-9/28/06<br>with respect to<br>Booth Nos. 2, 3, 8,<br>9, 10 & 11 | 3.728 # (Hexavalent<br>Chromium)<br>27.041 # (Nickel) |
| San Mateo/South San<br>Francisco | <b>GENENTECH, INC. (Variance – Docket No. 3514)</b> – Variance from regulation requiring compliance with permit conditions and from regulation to reduce diesel particulate matter (PM) and criteria pollutant emissions from stationary diesel-fueled compression ignition (CI) engines. | 2-1-307;<br>ATC, Application<br>No. 10374,<br>Condition # 22389,<br>Section 4;<br>California Code of<br>Regulations, Title<br>17, Section 93115<br>(e)(2)(A)3.a.I.i., &<br>93115(e)(2)(A)4.a.<br>II.i. | Withdrawn     | ===                                                                    | (PM), (POC) and (NOx)                                 |

NOTE: During the second quarter of 2006, the Hearing Board dealt with one Docket on one hearing day. A total of \$192.01 was collected as excess emission fees during this quarter.

## **EXCESS EMISSION DETAILS**

| COMPANY NAME    | DOCKET NO. | TOTAL EMISSIONS         | TYPES OF EMISSIONS            | PER UNIT COST            | TOTAL AMT COLLECTED    |
|-----------------|------------|-------------------------|-------------------------------|--------------------------|------------------------|
| United Airlines | 3508       | 3.728 lbs<br>27.041 lbs | Hexavalent Chromium<br>Nickel | \$ 6.24/lb<br>\$ 6.24/lb | \$ 23 .27<br>\$ 168.74 |
|                 |            |                         |                               | TOTAL COLLECTED:         | <u>\$192.01</u>        |
|                 |            |                         |                               |                          |                        |

Respectfully submitted,

Thomas M. Dailey, M.D. Chair, Hearing Board

Prepared by: <u>Neel Advani</u> Reviewed by: <u>Mary Romaidis</u>

FORWARDED:\_\_\_\_\_\_NA:na (7/18/06HBEXQURT)

AGENDA: 6

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members

of the Executive Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: September 6, 2006

Re: Consider Authorizing the Executive Officer/APCO to Initiate Program with

the Sacramento Metropolitan Air Quality Management District for Multi-

Regional Projects

#### RECOMMENDED ACTION:

Recommend Board of Directors' authorize the Executive Officer/APCO to initiate a program with the Sacramento Metropolitan Air Quality Management District with the allocation of \$500,000.000 each year from Carl Moyer Program funds towards multiregional projects as a result of the attached amendments to SB 225 currently on the Governors desk.

#### **BACKGROUND**

The Air District has been working with the California Air Pollution Control Officer's Association (CAPCOA) since 2004 to correct a long standing issue of under allocating funds to the Bay Area from the Carl Moyer Program. This existing law established the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), which provides grants to offset the incremental cost of eligible projects that reduce oxides of nitrogen from heavy-duty mobile sources in the state.

SB 225 would revise or limit the percentages of program funding that may be allocated to air pollution control districts and air quality management districts for specified purposes, with different limits for districts with a population of less than 1,000,000 and for districts with a population of 1,000,000 or more. SB 225 would increase the percentages of the allocation to districts that are based on population and severity of the air quality problems.

On Thursday, August 31, 2006, SB 225 passed the Legislature and is now on the Governor's desk. The Governor has until September 30, 2006 to sign.

#### DISCUSSION

The Sacramento Metropolitan Air Quality Management District and smaller districts will be impacted by SB 225 amendments. It is in the interest of the Sacramento Metropolitan Air Quality Management District and the Bay Area Air Quality Management District to develop a program for allocating a standard amount of Carl Moyer Program funding each year towards joint projects that benefit both areas. This program will identify

transportation activities that use these modes of transport within the larger region and that offer cost effective opportunities for joint projects.

Staff is requesting that the Executive Committee recommend Board of Directors' authorize the Executive Officer/APCO to initiate a program with an allocation of \$500,000.000 each year from Carl Moyer Program funds towards multi-regional projects with the Sacramento Metropolitan Air Quality Management District. Likewise, the Sacramento Metropolitan Air Quality Management District would invest \$500,000.00 of Carl Moyer Program funds to projects that would benefit both regions. This proposal would continue the pattern of cooperation between our districts and help offset the loss of funds to the Sacramento region.

The Sacramento Metropolitan Air Quality Management District's Board of Directors at its meeting of August 24, 2006, unanimously approved the proposed program and the allocation of Carl Moyer Program funding of \$500,000.00 each year towards multiregional projects.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

AGENDA: 7

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members

of the Executive Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: August 29, 2006

Re: Spare the Air Program Update

#### **RECOMMENDED ACTION**

For information only.

#### BACKGROUND

Staff will provide an update on the activities of the Spare the Air program.

#### **DISCUSSION**

The *Spare the Air/Free Fare* campaign began on June 1. Nine *Spare the Air* advisories have been issued to date. Originally, the Air District and the Metropolitan Transportation Commission (MTC) approved funding for three free transit days whenever a Spare the Air day fell on a non-holiday weekday; however, a heat wave early in the season necessitated issuing advisories on June 22, 23 and 26. In July, MTC Commissioners and the Air District Board approved funds for an additional three days. Another heat wave resulted in three advisories on July 17, 20 and 21; thus concluding the *Free Fare* portions of the Spare the Air campaign. The *Spare the Air* season continues until October 13.

Staff will present details on ridership data, survey results, behavioral changes and air quality.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for the advertising, media and employer campaigns have been allocated in the 2005-06 and 2006-07 budgets. Supplementary funds for the additional three days were approved at the July 19, 2006 regular board meeting.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Luna Salaver</u> Reviewed by: Jack M. Colbourn

AGENDA: 8

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members

of the Executive Committee

From: Jack P. Broadbent

Executive Officer/ APCO

Date: August 30, 2006

Re: Status Report on the Community Air Risk Evaluation (CARE) Program

### RECOMMENDED ACTION

For information only.

#### **BACKGROUND**

The Community Air Risk Evaluation (CARE) program was established by the District in 2004. The objectives of the CARE program are, first, to identify locations with high emissions of toxic air contaminants (TAC) and high exposures of sensitive populations to TAC and, second, to use this information to help the District establish policies to guide mitigation strategies that obtain the greatest health benefit from TAC emission reductions. A Task Force of academics, community groups, and health and industry representatives provides regular review and input to the CARE program.

The CARE program is a multi-phase program, the first phase of which is nearly complete. In each phase, technical studies will be conducted to progressively improve District estimates for where TAC exposures are occurring, particularly exposures of sensitive populations. In each phase, the technical information derived will be used to inform and guide emission reduction strategies. One of the strategies of the CARE program is to develop and implement targeted TAC emission reductions as the program progresses.

Staff previously reported to the Executive Committee on the CARE program in February 2005. Since then a new program manager was hired and the program has made significant progress. The program has a refined direction and timeline, and benefits from good working relations with members of the CARE Task Force.

#### **DISCUSSION**

Phase I of the CARE program is nearing completion. District staff and consultants have completed a preliminary annual inventory of TAC emissions in the Bay Area. This emissions inventory has been geographically mapped to reveal the locations, within the Bay Area, where the highest emissions are occurring. Completed, or nearing completion, are a number of support studies that either contributed to the development of the TAC emissions inventory or can be used to evaluate it. These studies show that about 80% of the cancer-risk-weighted emissions in the Bay Area are from

diesel particulate matter (PM). About 50% of the risk-weighted emissions for chronic, non-cancer, health risks are from acrolein, a chemical that is emitted from the combustion of fossil fuels and other sources. Acrolein is also the dominant source of emissions weighted by acute health risk.

In Phase I, District staff also compiled demographic and health statistic data that can be used to identify people who are particularly sensitive to the effects of TAC. District staff intends to use the TAC emissions data and the demographic and health statistic data to identify areas where TAC reduction measures are particularly needed. Staff intends to use the data to develop and implement risk reduction programs, including grant and incentive programs, community outreach efforts, collaboration with other governmental agencies, model ordinances, new regulations for stationary sources and indirect sources, and advocacy for additional legislation. Staff will update the Committee on the status of the CARE program with respect to findings and policy recommendations from Phase I activities.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer /APCO

Prepared by: <u>Phil Martien</u> Reviewed by: <u>Henry Hilken</u>

AGENDA: 9

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members

of the Executive Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: September 5, 2006

Re: Presentation on Mercury Emissions from Crematories

#### **RECOMMENDED ACTION:**

Receive and file.

#### BACKGROUND:

As the popularity of cremation grows in California, concerns have been raised about mercury emissions from crematories. Mercury is a toxic compound that has been linked to a variety of serious health problems including impaired neurological development in children. Potential concerns that have been raised regarding crematories include localized exposures to nearby residents resulting from inhalation of emitted mercury, and the deposition of mercury into San Francisco Bay. The Regional Water Quality Control Board has determined that mercury concentrations in San Francisco Bay fish are high enough to threaten human health, and the Cal/EPA Office of Environmental Health Hazard Assessment has issued a fish consumption advisory for Bay-caught fish.

#### DISCUSSION:

Staff will provide the Committee with the following information:

- Background information on mercury
- Summary of the health effects resulting from exposure to mercury, and the levels of exposure that are considered "safe"
- Summary of mercury emissions from crematories
- Review of District regulation of mercury from crematories to protect public health
- Summary of issues regarding mercury in San Francisco Bay

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Brian Bateman</u> Reviewed by: <u>Peter Hess</u>

AGENDA: 10

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

To: Chair Uilkema and Members

of the Executive Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: August 29, 2006

Re: <u>Joint Policy Committee Update</u>

## **RECOMMENDED ACTION:**

Receive and file.

## **DISCUSSION**

At the September 13, 2006, meeting of the Executive Committee, Ted Droettboom will provide an update on the activities of the Joint Policy Committee.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO