

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

Approved Minutes: Board of Directors' Regular Meeting – October 18, 2006

Call To Order

Opening Comments: Vice-Chair Mark Ross called the meeting to order at 9:58 a.m.

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

Roll Call: Present: Gayle B. Uilkema, Chair (10:16 a.m.), Tom Bates, Harold Brown, Chris Daly, Dan Dunnigan (10:05 a.m.), Erin Garner, Scott Haggerty (10:00 a.m.), Jerry Hill, Yoriko Kishimoto, Liz Kniss (10:43 a.m.), Patrick Kwok, Janet Lockhart, Jake McGoldrick, Mark Ross, Michael Shimansky, Tim Smith, Pamela Torliatt, Brad Wagenknecht.

Absent: Mark DeSaulnier, Carol Klatt, Nate Miley, John Silva.

Public Comment Period: There were none:

Director Scott Haggerty arrived at 10:00 a.m.

Proclamation/Commendation

The Board of Directors presented a plaque to Jack Bean, Air Quality Program Manager in the Compliance and Enforcement Division for his dedicated service of over 36 years to the cause of air pollution control.

Consent Calendar (Items 1 – 7)

1. Minutes of October 4, 2006
2. Communications. Correspondence addressed to the Board of Directors. For information only.
3. Monthly Activity Report – Report of Division Activities for the month of September 2006
4. Quarterly Report of the Clerk of the Boards
5. Quarterly Report of Air Resources Board Representative Honorable Mark DeSaulnier
6. Update on Affirmative Action Plan

Pursuant to Division III, Section 2 of the District's Administrative Code the Board of Directors affirms its policy to provide equal employment opportunities and commits itself and the District to implementing an Affirmative Action Plan. Receive and file.

7. Consider Establishing a New Classification of Purchasing Agent with a Salary Set at Pay Range 122 Effective as of the Date of Board Approval

The Board of Directors considered establishing a new classification of Purchasing Agent with a salary set at Range 122.

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

Deputy Director Dan Dunnigan arrived at 10:05 a.m.

Committee Reports and Recommendations

8. Report of the Public Outreach Committee Meeting of October 11, 2006

Director Wagenknecht presented the report and stated that the Public Outreach Committee met on Wednesday, October 11, 2006.

Staff presented a summary of the Spare the Air Tonight 2006/2007 campaign. The Spare the Air Tonight campaign will begin November 20, 2006 and end February 16, 2007. The focus of the Spare the Air Tonight campaign will be on reducing particulate matter. EPA has established new particulate matter standards. Due to the new standards the threshold for calling a Spare the Air Tonight alert will be lower, and considerably more alerts may be called this year than in previous years.

Staff presented an overview of District Regulation 5 Open Burning and played the new video Burning Cleaner, Burning Better. The video is a collaborative effort with the Napa County Fire Marshall's Office and was produced with a bilingual option. The purpose of the video is to reach out to the agricultural community by demonstrating proper burning techniques in an easy to view format. It was noted that distribution of the video will be throughout the 9 Bay Area counties. Media and other outreach strategies were discussed.

Finally, staff provided an update to the Committee on the Spare the Air 2006 Campaign. The 2006 Spare the Air campaign ended on October 13, 2006. Staff will work closely with MTC and transit providers to refine the program. Staff will conduct a thorough analysis of the data received to date and report back to the Committee within the next six months.

The Committee directed staff to agendize "Safe Routes to School" at a future meeting.

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

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

9. Report of the Ad Hoc Committee on Climate Protection Meeting of October 12, 2006

Action(s): The Committee recommended Board of Directors' approval of the establishment of a Climate Protection Grant Program with an initial allocation of \$2,000,000.00 subject to the review of the Budget and Finance Committee for the redesignation of the requested funds.

Director Torliatt presented the report and stated that the Ad Hoc Committee on Climate Protection met on Thursday, October 12, 2006.

Staff presented an overview of Assembly Bill 32, which mandates that the state reduce greenhouse gas emissions to 1990 levels by the year 2020. The key features of the bill were highlighted as well as the timeline for implementation. The Air Resources Board roles under AB 32 were also reviewed.

An update on the Climate Protection Summit was provided to the Committee. The Summit program; key themes; signature-level and event-level sponsors; and Summit announcements were reviewed. There was discussion on steps that are being taken to make this a carbon neutral event.

Staff gave a presentation on the establishment of a Climate Protection Grant Program, including formalizing the creation of a new Standing Committee on Climate Protection. The new Committee would have the authority to make grant program award recommendations to the full Board. The Program would fund projects beyond those covered by current District grant programs. The projects would be required to achieve criteria, toxic, and greenhouse gas emission reductions. This would be the first Climate Protection Grant Program by an air quality control district. Initial funding for the program would come from a reallocation of excess funds remaining in the Reserve for Radio Replacement, which came in under budget. The Committee recommends that the Board of Directors' approve the establishment of a Climate Protection Grant Program with an initial \$3 million allocation, and concurrence from the Budget and Finance Committee. The Committee also requested that the Budget and Finance Committee review the budget with regard to funds that may be available to increase the initial allocation to \$5 million.

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

Board Action: Director Torliatt moved that the Board of Directors approve the recommendations and the report of the Ad Hoc Committee on Climate Protection; seconded by Director Haggerty.

Jack Broadbent, Executive Officer/APCO, added that the key issue is the establishment of the grant program to fund projects that will reduce climate change precursors. Also, this would be the first step in developing a foundation that could receive and distribute the funds for climate protection projects.

Chair Gayle B. Uilkema arrived at 10:16 a.m.

The motion then passed unanimously without objection.

10. Report of the Mobile Source Committee meeting of October 16, 2006

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

- A) Air District's continued participation in implementing the California Air Resources Board FY 2006/2007 Carl Moyer Program in the San Francisco Bay Area;*
- B) Contractor(s) for the FY 2006/2007 Vehicle Buy Back Program vehicle dismantlers; and*
- C) Allocation of available FY 2006/07 Transportation Funds for Clean Air Funds (TFCA). – **The Committee deferred this item to its next meeting.***

Director Tim Smith presented the report and stated that the Committee met on Monday, October 16, 2006.

The Committee received a report on the implementation of the Year 8 Carl Moyer Program. Staff provided information on the background of the Program, new guidelines, the additional requirements of fleet modernization projects, and a summary of the Year 8 Program. The Committee recommends that the Board of Directors approve implementation of Year 8 Carl Moyer Program in the Bay Area for all eligible project types with the exception of Fleet Modernization projects.

The Committee received a report on the contractor selection for the Vehicle Buy Back (VBB) Program for fiscal year 2006/2007 and recommends Board of Director approval of the following:

- A) the selection of Environmental Engineering Studies, Inc.; Pick-N-Pull; and Pick Your Part as the vehicle scrapping contractors for the fiscal year 2006/2007 VBB Program; and
- B) authorization for the Executive Officer/APCO to execute contracts for vehicle scrapping and related services with the selected contractors, that will distribute, on a monthly reimbursement basis, the \$7 million allocated for this purpose to the VBB Program in fiscal year 2006/2007.

Staff was given direction with regard to providing information to the Committee on the funds spent by the contractors on advertising for the VBB Program.

A report was provided to the Committee on the Transportation Fund for Clean Air (TFCA) Regional Fund Grant Awards for Fiscal Year 2006/2007. The report included information on the evaluation of the grant applications and scoring criteria; available funds; emission reductions from recommended projects; and the percent of funding by project type.

The Committee recommends that the Board of Directors approve the replacement of up to \$7,386,585 in TFCA Regional Fund revenues with the same amount in Mobile Source Incentive Fund (MSIF) revenues for the District's VBB Program for Fiscal Year 2006/2007, with \$2,655,239 contingent on approval by the Metropolitan Transportation Commission (MTC) on the use of these funds for TFCA Regional Fund projects.

The Committee provided direction to staff with regard to the TFCA Regional Fund grant awards. The Committee will consider recommendations for the TFCA Regional Fund grant awards at its next meeting.

The next meeting of the Committee is scheduled for 9:30 a.m., Monday, November 13, 2006.

Board Action: Director Smith moved that the Board of Directors approve the recommendations and report of the Mobile Source Committee; seconded by Director Kwok.

Director Haggerty discussed the difference of cost of advertising between the contractors for the Vehicle Buy Back Program vehicle dismantlers. Jean Roggenkamp, Deputy APCO, stated that the contractor that charges more for advertising has a higher number of vehicles scrapped and will be improving their program. That contractor also brings in approximately two times more vehicles than the other two contractors.

Director Haggerty moved to bifurcate the matters under consideration; seconded by Director Lockhart; carried unanimously without objection.

Board Action: Director Smith moved that the Board of Directors' approved the recommendations and report of the Mobile Source Committee, except for the item regarding selection of vehicle scrapping contractors for the fiscal year 2006/2007 Vehicle Buy Back Program; seconded by Director Kwok; carried unanimously without objection.

Board Action: Director Smith moved that the Board of Directors' approve the selection of the vehicle scrapping contractors for the fiscal year 2006/2007 VBB Program and authorize the Executive Officer/APCO to execute said contracts as stated in the Report; seconded by Director Kwok; carried on roll call:

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

NOES: Haggerty.

ABSENT: DeSaulnier, Klatt, Kniss, McGoldrick, Miley, Silva.

Public Hearing

11. Public Hearing to Consider Proposed Amendments to Regulation 8, Rule 5: Storage of Organic Liquids and Adoption of a California Environmental Quality Act (CEQA) Negative Declaration

The proposed amendments to Regulation 8, Rule 5 would set requirements for tank shells, tank pontoons, tank cleaning agents, tank degassing, and removal of sludge; create a voluntary self-inspection and maintenance program; and clarify exemptions and language throughout the rule.

Julian Elliot, Senior Air Quality Engineer, presented the report and reviewed the background of Regulation 8, Rule 5. The regulation has been amended several times and is one of the most stringent. Mr. Elliot described the difference between a fixed roof tank and a floating roof tank and noted that floating roof tanks are the largest tanks in the Air District.

Proposed amendments to the regulation include tank degassing, tank cleaning, a voluntary Inspection & Maintenance (I&M) Program, and integrity requirements for tank shells and

pontoons. Mr. Elliot discussed the emission reductions and cost associated with the proposed amendments, and the rule development process. In conclusion, staff recommended that the Board of Directors' adopt the proposed amendments to Regulation 8, Rule 5: Storage of Organic Liquids, and adopt a California Environmental Quality Act (CEQA) Negative Declaration for the proposed amendments.

Jack Broadbent, Executive Officer/APCO, noted that an important aspect of the proposed amendments to the rule is the voluntary self-inspection process.

Director Liz Kniss arrived at 10:43 a.m.

There was discussion on tanks at waste water treatment plants, handling of sludge, all operations being bound by regulations from other agencies, and underground storage tanks at gasoline dispensing facilities.

Chair Uilkema opened the public hearing at 10:50 a.m.

The following individual spoke in support of the proposed amendments:

Dennis Bolt
WSPA
Concord, CA 94518

Chair Uilkema moved to close the public hearing at 10:54 a.m.; seconded by Director Brown; carried unanimously.

Board Action: Director Brown moved the staff recommendation; seconded by Director Bates; carried with the following Board members voting:

AYES: Bates, Brown, Daly, Dunnigan, Garner, Haggerty, Hill, Kishimoto, Kniss, Kwok, Lockhart, Ross, Shimansky, Smith, Torliatt, Wagenknecht, Uilkema.

NOES: None.

ABSENT: DeSaulnier, Klatt, McGoldrick, Miley, Silva.

Adopted Resolution No. 2006-15 – A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending District Regulation 8, Rule 5: Storage of Organic Liquids and Adopting a CEQA Negative Declaration for this Project

Closed Session The Board convened to Closed Session at 10:56 a.m.

12. Conference with Legal Counsel

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 cases:

- A. **Paul Mauriello v. Bay Area AOMD** (*Public Employment Relations Board, Unfair Practice Charge No. SF-CE-336-M*)
- B. **Bay Area AOMD v. Pacific Steel Casting Company, et al**, Alameda County Superior Court, Case No. RGO6284043

Open Session: The Board reconvened to open session at 11:12 a.m.

Brian Bunger, Legal Counsel, reported that the Board met in closed session on items 12 A and B, received a report from Counsel and the Board provided general direction on these matters.

Other Business

13. Report of the Executive Officer/APCO – Mr. Broadbent reviewed the following:

- A) A Community Event list is at each Board member's place.
- B) Updated the Board on the November 10th Climate Protection Summit. It was noted that due to space limitations, it is recommended that Board members limit the number of guests they invite to the Summit to three.
- C) Another update on the Summit will be provided at the November 1st Board meeting.

14. Chairperson's Report – Chair Uilkema reported on the following items:

- A) Thanked Director Ross for stepping in as Chair earlier this morning.
- B) If any Board member is interested in being on the Nominating Committee, they should contact the Chair.
- C) If any Board member is interested in being nominated, they should contact the Chair.
- D) Congratulated Jack Bean for his 36 years of service to the Air District.
- E) Reiterated Board members should limit their guests to three for the November 10th Summit.
- F) If Board members are interested in attending the conference in China, they should contact the Chair, Mrs. Goodley, or Mr. Broadbent. The conference will be held in October 2007.

15. Board Members' Comments – Director Bates requested staff provide him with the number of complaints received on the Pacific Steel Casting facility in 2005 and 2006, and how many of the complaints were confirmed.

Director Kniss requested that information on the China conference be e-mailed to the Board members.

16. Time and Place of Next Meeting – 9:45 a.m., Wednesday, November 1, 2006 – 939 Ellis Street, San Francisco, CA 94109
17. Adjournment – The meeting adjourned at 11:19 a.m.

/s/ Mary Romaidis

Mary Romaidis
Clerk of the Boards