



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
EXECUTIVE COMMITTEE MEETING

COMMITTEE MEMBERS

MARK ROSS – CHAIR
PAMELA TORLIATT - SECRETARY
SCOTT HAGGERTY
GAYLE B. UILKEMA

JERRY HILL – VICE CHAIRPERSON
CHRIS DALY
TIM SMITH
BRAD WAGENKNECHT

MONDAY
DECEMBER 17, 2007
9:30 A.M.

4TH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 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 Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF NOVEMBER 19, 2007**
4. **CONSIDERATION OF 2008 PRIORITY RECOMMENDATIONS FROM THE ADVISORY COUNCIL**
F. Glueck/5127
plarec@aol.com
Fred Glueck, Advisory Council Chair will provide priority topic recommendations for 2008, as requested by the Executive Committee at its November 19, 2007 meeting, for consideration.
5. **PRODUCTION SYSTEMS UPDATE**
J. McKay/4629
jmckay@baaqmd.gov
The Committee will receive a status report on progress made with regard to the Production System.
6. **STATUS OF COMPREHENSIVE AIR DISTRICT AUDITS**
J. McKay/4629
jmckay@baaqmd.gov
The Committee will receive an update on the Air District audits.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 11, 2007

Re: Executive Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Executive Committee meeting of November 19, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the November 19, 2007 Executive Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 749-5000**

DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
9: 30 a.m., Monday, November 19, 2007

1. **Call to Order - Roll Call:** Chair Mark Ross called the meeting to order at 9:35 a.m.

Present: Mark Ross, Chair, Chris Daly, Scott Haggerty, Jerry Hill, Tim Smith, Pamela Torliatt (9:37 a.m.), Brad Wagenknecht.

Absent: Gayle B. Uilkema.

Public Comment Period: There were no public comments.

3. **Approval of Minutes of September 13, 2007:** Director Wagenknecht moved approval of the minutes; seconded by Director Haggerty; carried unanimously without objection.

4. **Quarterly Report of the Hearing Board – July 2007 – September 2007:** Hearing Board member Terry Trumbull presented the *Hearing Board Quarterly Report – July 2007 – September 2007.*

Committee Action: None. This report provided for information only.

Director Pamela Torliatt arrived at 9:37 a.m.

5. **Report of the Advisory Council: October 1 – October 10, 2007:** Advisory Council Chair Fred Glueck presented the Report of the Advisory Council. Mr. Glueck provided a brief update on the work of each of the Advisory Council's standing committees. Mr. Glueck stated that the Advisory Council will look at topics for discussion for the coming year and anticipates that the list will be developed prior to the Council's annual Retreat in January 2008. Mr. Glueck announced that the in-coming Council Chair is Dr. Louise Bedsworth.

Chair Ross recommended that the Council consider issues of importance to the District in the future and provide a brief report to be presented at the next Board Executive Committee meeting. Mr. Glueck indicated that the Advisory Council's Executive Committee will be meeting in December to discuss the upcoming year and this information could be presented at the Board's Executive Committee meeting.

Committee Action: None. This report provided for information only.

6. **Discussion on the Future Size of the Board of Directors:** *The Committee discussed the future size of the Board of Directors and staff provided information on potential changes to the Board's composition for the Committee's consideration.*

Jack Broadbent, Executive Officer/APCO, introduced the item and stated that the Board of Directors is expected to increase in size to 23 next year and to 24 in 2009. The size of the Board is a function of state law. Mr. Broadbent presented a series of alternatives to the Committee, as listed on page 2 of the staff report. If the Board chooses to pursue a statutory change, staff would seek an author for a bill that would accomplish the Board's directive.

The Committee discussed at length the pros and cons of the alternatives, including the possibility of Governor appointees, staff time to develop a bill and seek an author, what has happened at other air districts, and where this falls in the priorities of the Air District's mission.

Committee Action: After discussion, the consensus of the Committee is to keep the status quo at this time.

7. **Discussion on Possible Joint Legislative Action with the Metropolitan Transportation Commission Regarding a Regional Fee on Gasoline:** *The Committee discussed possible joint legislative action with the Metropolitan Transportation Commission (MTC) regarding a regional fee on gasoline for the Committee's consideration.*

Tom Addison, Senior Advanced Projects Advisor, presented the report and provided an overview of a regional fee on gasoline. MTC will be considering this fee as part of its 2009 legislative program. Mr. Addison reviewed a poll taken by MTC where they asked 1,800 Bay Area residents about their willingness to pay a gasoline fee. The results of the poll were distributed to the Committee. The Bay Area Council also conducted a poll, but the results are not available as yet. Mr. Addison reported that most people (58%) indicated they would support a ten cents a gallon fee with the funds going towards climate change.

During discussion the Committee determined that the District should collaborate with MTC and the Association of Bay Area Governments (ABAG), voters should be polled, a determination should be made on how much money would be generated, and how the money would be spent. There was discussion on more extensive polling to see what people are willing to pay and to take into account what the money would fund, such as more buses, rail or ferries.

Additional discussion occurred on how much money would be generated, how much would be spent, any legal issues, additional polling, and the involvement of stakeholders and the public in general.

Committee Action: Director Wagenknecht made a motion that staff move forward with MTC on this project and to seek full Board of Directors support; seconded by Director Torliatt.

The following individual spoke on this agenda item:

Stuart Cohen
Transportation and Land Use Coalition
Oakland, CA 94612

The motion then passed and the item will be forwarded to the December 5, 2007 Regular Board meeting.

8. Financial Assistance Programs to Small Businesses: *The Committee received a briefing regarding Air District financial assistance programs to small businesses.*

Henry Hilken, Director of Planning, Rules and Research Division, presented the report and stated that the issue of assistance programs for small businesses has come up a number of times. Most recently it has come up regarding the proposed rule on commercial cooking operations. Mr. Hilken provided information on Air District rules that affect small businesses and cited examples such as dry cleaners, gasoline stations, and stationary internal combustion engines.

Mr. Hilken stated that when a rule is prepared, there are a series of steps taken before the rule comes before the Board of Directors for approval. One of the steps is an economic analysis that is done during the rule development process. Included in the analysis is cost effectiveness, socioeconomic impacts, an incremental cost analysis, and regulatory analysis that compares the proposed rule to federal and other Air District rules. There is also consideration of compliance costs for small businesses in the regulatory proposals.

Mr. Hilken stated that the Air District has never provided financial assistance to businesses to comply with its stationary source rules. The Transportation Fund for Clean Air and Carl Moyer Program only fund projects that exceed regulatory requirements. Mr. Hilken provided an overview of programs that are available to small businesses through agencies like the California Small Business Loan Guarantee Program and the Pacific Gas & Electric Incentive Program.

Options for consideration include the following:

- Continue the traditional cost-sensitive rulemaking.
- Provide District outreach on financial assistance programs.
- Have the District provide financial assistance.

The following individual spoke on this agenda item:

Hank Ryan
Small Business California
Capitola, CA 95010

Committee Action: None. This report provided for information only.

9. Status Report on Carl Moyer Program Audits: *The Committee received an update on the Carl Moyer Program Audits.*

Jeff McKay, Deputy APCO, presented the report and provided background information on the Carl Moyer audits. The Air Resources Board (ARB) has indicated that, with the District's work on the required actions, quarterly reviews are not warranted and that the funding has been released. In the future, the District will host ARB for on-site file review in 2008; provide the Bureau of State Audits with a written one-year response; and information received from the audits

will be applied to other grant programs. Mr. McKay thanked the following staff for their assistance with the audits: Susan Adams, Damien Breen, and Jack Colbourn.

Committee Action: None. This report provided for information only.

- 10. Status Report on Joint Policy Committee:** *Ted Droettboom provided an update on the activities of the Joint Policy Committee.*

Ted Droettboom, Regional Planning Program Director, provided an update to the Committee on the following activities of the JPC: 1) FOCUS growth; 2) regional climate protection; and 3) a Regional Transportation Plan.

Committee Action: None. This report provided for information only.

- 11. Committee Member Comments/Other Business:** Chair Ross announced that an event is being planned in which the Chair will recognize and thank District staff. The event is tentatively scheduled for December 21, 2007 and will be partly financed by the attendees, the Employees' Association and the Air District (with a \$6,000 cap).
- 12. Time and Place of Next Meeting:** 9:30 a.m., Monday, December 17, 2007.
- 13. Adjournment.** The meeting was adjourned at 11:04 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Mark Ross and Members
of the Board of Executive Committee

From: Advisory Council Chairperson, Fred Glueck

Date: December 8, 2007

Re: Consideration of 2008 Priority Recommendations of the Advisory Council

RECOMMENDATIONS:

Consider recommending Board of Directors' approval of priority topics and issues of concern for 2008.

DISCUSSION:

At the Monday, November 19, 2007, Executive Committee meeting of the Air District's Board of Directors, Chairperson Ross requested that the Advisory Council identify priority topics and issues of concern for the Air District to address in 2008.

The Air District's Advisory Council has identified three primary topics/issues of importance that it recommends be addressed as priorities in 2008. These recommendations are based on discussions of the Advisory Council Executive Committee meeting on Tuesday, December 4, 2007.

These recommendations are not necessarily listed in order of priority and are also not necessarily mutually exclusive of each other. In fact, the suggestions as presented are part of the overall efforts of the Advisory Council in attempting to assist the Air District in its effort to integrate its policies and procedures towards the goal of achieving a synergy of three of the Air District's objectives; air quality, public health and climate protection policies.

Climate Protection and Air Quality:

- A) Review Air District policies to establish consistency in goals and objectives. Identify ways to maximize synergies and resolve potential conflicts between air quality and climate protection goals. Evaluate and address any potential unintended consequences occurring with the adoption of new climate change mitigation policies.
- B) Review transportation measures to identify how the district can use its authority to reduce transportation emissions.
- C) Identify policies to allocate revenue from new fees.

- D) Port regulations.
- E) Examine land use planning and how the Air District can affect decisions to reduce both criteria pollutant and GHG emissions (e.g., through CEQA).
- F) Develop consistent public education and outreach messages for public health, climate protection, and air quality.

CARE Program:

- A) Identify public health impacts.
- B) Continue to monitor analysis methodology and recommend modification as necessary.
- C) Review Air District permitting and citing policies for new applications in light of information collected through the CARE program.
- D) Analyze feasibility of traffic and congestion management policies and land use to reduce impacts in affected communities.
- E) Use data collected through the programs to respond proactively to community concerns and complementary studies (e.g., the West Oakland health risk assessment being prepared by CARB).

Holistic Approach:

- A) Integrate Air District policies to ensure that efforts currently underway towards improvements in Air Quality/Climate protection/Public Health are harmonized.
- B) Expand Air District efforts in Public Outreach and Education with data and the efforts toward advancing Public Health, Air Quality, and Climate Protection.
- C) Consider establishing a new Public Health Officer staff position to work with existing staff to develop and improve existing integration and synergistic.

We hope this will lead towards public participation and acceptance of Air District policies through a willingness to participate with policies that achieve a cumulative improvement in public health, air quality and an improved quality of life.

The efforts of the Air District will not take place overnight; the integration process will take time and effort as the constituents within the Air District's sphere of influence become more aware and knowledgeable about the effects of climate change, air quality and public health and how all issues are "tied together".

Thank you for giving the Advisory Council this opportunity.

Respectfully submitted,

Fred Glueck
Advisory Council Chairperson

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Ross and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 17, 2007

Re: Production System Project Update

RECOMMENDED ACTION:

Receive and File.

DISCUSSION:

In September of this year Staff presented an update on the status of the Production System project. Staff will describe the latest accomplishments for this multi-year project, and also will provide a brief description of the next milestones. In December of 2006 staff presented a plan for implementation of the new production system and replacement of IRIS and Databank. At that time, staff indicated that execution of the plan would be accompanied by detailed reports on the status of actual costs as compared to projected costs, and by detailed reports on the status of actual accomplishments as compared to projected accomplishments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Memorandum

To: Chairperson Ross and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 17, 2007

Re: Comprehensive Air District Audits - Update

RECOMMENDED ACTION:

Receive and File.

DISCUSSION:

The Air District has benefited from a prior internal audit of its financial function. The work clarified processes, implemented new controls, and reviewed compliance with state and federal guidelines. Such results are desirable in all business functions. Therefore the Board has authorized staff to pursue a comprehensive audit of all divisions.

This comprehensive audit of all divisions will include testing of actual versus documented processes, review of applicable federal and state guidelines, updated processes and implementation of controls.

Staff will provide an update on the status of the Request for Proposal (RFP) process and on initial contracts related to this work.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay