



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

March 7, 2012

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

Questions About an Agenda Item

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

Meeting Procedures

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

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

Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3 For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. The remainder of the speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

Public Comment on Agenda Items After the initial public comment on non-agenda matters, the public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Up to ten (10) speakers may speak for three minutes on each item on the Agenda. If there are more than ten persons interested in speaking on an item on the agenda, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. Speakers are permitted to yield their time to one other speaker; however no one speaker shall have more than six minutes. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY
MARCH 7, 2012
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, John Gioia
Clerk of the Boards

PUBLIC COMMENT ON NON-AGENDA MATTERS

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3

For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.

COMMENDATIONS/PROCLAMATIONS/AWARDS

The Board of Directors will recognize outgoing Director Johanna Partin for her service, leadership and dedication to protecting air quality in the Bay Area.

CONSENT CALENDAR (ITEMS 1 – 7)

Staff/Phone (415) 749-

1. Minutes of the Board of Directors Regular Meeting of February 1, 2012

Clerk of the Boards

2. Board Communications Received from February 2, 2012 through March 6, 2012

J. Broadbent/5052

jbroadbent@baaqmd.gov

A list of communications directed to the Board of Directors received by the Air District from February 2, 2012 through March 6, 2012, if any, will be at each Board Member's place.

3. Air District Personnel on Out-of-State Business Travel

J. Broadbent/5052

jbroadbent@baaqmd.gov

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

4. Quarterly Report of Executive Office and Division Activities **J. Broadbent/5052**
jbroadbent@baaqmd.gov

A summary of Board of Directors, Hearing Board and Advisory Council meeting activities for the second quarter is provided for information only. Also included is a summary of the Executive Office and Division Activities for the months of October 2011 – December 2011.

5. Set a Public Hearing for March 21, 2012 to consider adoption of Regulation 8, Rule 53: Vacuum Truck Operations, amendments to Regulation 2, Rule 1: Permits, General Requirements and adoption of a California Environmental Quality Act (CEQA) Negative Declaration **H. Hilken/4642**
hhilken@baaqmd.gov

At the March 21, 2012 meeting, the Board of Directors will consider adoption of a new rule, Regulation 8, Rule 53: Vacuum Truck Operations associated minor amendments to Regulation 2, Rule 1 and adoption of a California Environmental Quality Act (CEQA) Negative Declaration.

6. Consideration of Authorization for Execution of Purchase Order in Excess of \$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations **H. Hilken/4642**
hhilken@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a purchase order to Environmental Audit, Inc. in an amount not to exceed \$100,000 for California Environmental Quality Act (CEQA) analyses and documentation for District rules and plans.

7. Consideration of Authorization for Execution of Purchase Order in Excess of \$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations **L. Fasano/5170**
lfasano@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract extension and purchase order with Kearns & West for continued assistance with the Public Engagement Policy and Guidance Plan through December 31, 2012 in the amount of \$50,000.

COMMITTEE REPORTS AND RECOMMENDATIONS

8. Report of the **Executive Committee** Meeting of February 15, 2012
CHAIR: J. Gioia **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee re-evaluated the Air District's protocol for video conferencing from the Fourth Floor Conference Room and recommends no amendments.

9. Report of the **Public Outreach Committee** Meeting of February 16, 2012
CHAIR: M. Ross **J. Broadbent/5052**
jbroadbent@baaqmd.gov

10. Report of the **Budget and Finance Committee** Meeting of February 22, 2012
CHAIR: C. Groom
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors' adoption of proposed Cost Recovery Policy.

11. Report of the **Mobile Source Committee** Meeting of February 23, 2012
CHAIR: S. Haggerty
J. Broadbent/5052
jbroadbent@baaqmd.gov

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

Projects with Proposed Grant Awards over \$100,000

1. *Approve Carl Moyer Program projects with proposed grant awards over \$100,000.*
2. *Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.*

Participation in Year 14 of the Carl Moyer Program and Year 3 of the Goods Movement Bond Program

1. *Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2011-2012 (Program Year 14).*
2. *Allocate \$5 million in Mobile Source Incentive Funding for projects eligible for funding under the Carl Moyer Program.*
3. *Authorize the Executive Officer/ APCO to enter into agreements with the ARB related to the acceptance of I-Bond funding for the Year 3 Port Truck replacement program.*
4. *Authorize the Executive Officer to enter into agreements for port truck projects ranked and approved by the ARB.*

Regional Plug-In Electric Vehicle Readiness Planning Grants Contractor(s)

1. *Approve the selection of ICF International, a contractor to assist the Bay Area Air Quality Management District (Air District) in the preparation of required regional plug-in electric vehicle (PEV) readiness planning documents under grants from the United States Department of Energy (DOE) and the California Energy Commission (CEC).*
2. *Authorize the Executive Officer/APCO to enter into all necessary agreements with ICF International to produce the planning documents required by the DOE and CEC.*
3. *In the event that a contract cannot be agreed upon with the selected contractor, authorize the Executive Officer/APCO to enter into an agreement with the next highest ranking bidder (UC Berkeley) and to execute all necessary agreements to produce the documents required by DOE and CEC.*

Port Drayage Truck Program

1. *Approve the changes to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to include engine model year (MY) 2005/2006 drayage truck replacement projects as an eligible project type.*
2. *Authorize the expenditure of the remaining TFCA Regional Fund monies from the MY 2004 port truck program to implement a program to replace MY 2005/2006 port drayage trucks registered in the Bay Area, and allocate an additional \$1 million in TFCA Regional Funds for this program.*
3. *Authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the program funds to eligible projects.*
4. *Authorize the Executive Officer/APCO to accept, enter into contracts for and allocate funding from additional sources for MY 2005/2006 Drayage Truck Replacement Program.*

PRESENTATIONS

12. Overview of Bay Area Environmental Health Collaborative Retreat

L. Fasano/5170
lfasano@baaqmd.gov

The Board of Directors will receive an overview of the retreat between Air District staff and the Bay Area Environmental Health Collaborative.

13. Update on Regional Plug-In Electric Vehicle Deployment and Planning

D. Breen/5041
dbreen@baaqmd.gov

The Board of Directors will receive an informational update on Air District efforts to deploy infrastructure and develop a regional readiness plan for plug-in electric vehicles.

CLOSED SESSION

14. **EXISTING LITIGATION (Government Code Section 54956.9(a))**

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

California Building Industry Association v. Bay Area AQMD, Alameda County Superior Court, Case No. RG-10548693

PUBLIC COMMENT ON NON-AGENDA MATTERS

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3

Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed three minutes each to address the Board on non-agenda matters.

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)

OTHER BUSINESS

15. Report of the Executive Officer/APCO
16. Chairperson's Report
17. Time and Place of Next Meeting is Wednesday, March 21, 2012, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.
18. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5130
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 Executive Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MARCH 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation	Wednesday	7	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	14	9:00 a.m.	Board Room
Board of Directors Public Outreach Committee	Thursday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Every Other Month)</i>	Monday	19	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Wednesday	21	9:00 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED AND RESCHEDULED TO THURSDAY, MARCH 29, 2012	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Wednesday	28	11:00 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	29	9:30 a.m.	4 th Floor Conf. Room

APRIL 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room

APRIL 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

MAY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Every Other Month)</i>	Monday	21	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

HL – 3/1/12 (10:45 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Board of Directors Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Board of Directors Special Meeting of February 1, 2012

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Special Meeting of February 1, 2012.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Jennifer C. Cooper

Bay Area Air Quality Management District
Port of Oakland, Commissioner's Board Room
530 Water Street
Oakland, California 94607

Board of Directors Special Meeting
February 1, 2012

DRAFT MINUTES

CALL TO ORDER – ROLL CALL

Chairperson John Gioia called the meeting to order at 9:48 a.m.

Present: Chairperson John Gioia; Vice Chairperson Ash Kalra; Secretary Nate Miley; and Directors John Avalos, Tom Bates, Susan Gorin, Carole Groom, Scott Haggerty, Jennifer Hosterman, David E. Hudson, Liz Kniss, Eric Mar, Mary Piepho, Katie Rice, Mark Ross, Jim Spering, Brad Wagenknecht, Ken Yeager and Shirlee Zane.

Absent: Directors Susan Garner, Carol L. Klatt and Johanna Partin.

PLEDGE OF ALLEGIANCE

Director Wagenknecht led the Pledge of Allegiance.

COMMENDATIONS/PROCLAMATIONS/AWARDS

Chairperson Gioia welcomed County of Contra Costa Supervisor Mary Piepho to the Board of Directors. Director Piepho made introductory comments.

Chairperson Gioia stated that former Director Uilkema will be acknowledged for her years of service at the next meeting of the Board of Directors.

PUBLIC COMMENT ON NON-AGENDA MATTERS

Carl Friberg addressed the Board regarding his request for an exemption from the wood smoke prohibition for reasons of financial hardship. Mr. Friberg went on to explain that although his residence has steam heating, thereby excluding him from the current limited exemption, the cost of the gas required to heat and operate the system is prohibitively expensive on his fixed income compared to the free wood that he collects.

Chairperson Gioia requested that staff provide a brief summary of the current exemptions. Jack Broadbent, Executive Officer/Air Pollution Control Officer, relayed to the Board that a review of the program is slated to begin after the close of the wood burning season and confirmed that no exemption of this kind currently exists.

NOTED PRESENT: Directors Zane and Gorin were noted present at 9:56 a.m.

CONSENT CALENDAR (Items 1 – 4)

1. **Minutes of the Board of Directors Special Meeting/Retreat of January 18, 2012;**
2. **Board Communications Received from January 18, 2012, through January 31, 2012;**
3. **Air District Personnel on Out-of-State Business Travel; and**
4. **Consideration of Authorization for Execution of a Purchase Order in Excess of \$70,000 for Replacement of Air Monitoring Instruments.**

Board Action: Director Wagenknecht made a motion to approve Consent Calendar Items 1, 2, 3 and 4; Director Piepho seconded the motion; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

5. **Report of the Budget and Finance Committee Meeting of January 25, 2012**
Chairperson: C. Groom

The Committee met on Wednesday, January 25, 2012, without establishing a quorum.

The Committee received the Second Quarter Financial Report – Fiscal Year 2011-12. The Committee reviewed the general fund revenue sources and expenditures and investment levels for the second quarter of fiscal year 2012, the year-end projected fund balances and vendor payments in excess of \$70,000 without Board Review.

The Committee received a report on the Air District Financial Overview. The Committee reviewed the projected revenue for current fiscal year end 2012 and proposed response in the form of a reduction in expenses; the fiscal challenges likely for fiscal year 2013 and possible areas for response, with a further decrease in personnel costs not recommended and a use of reserves likely being unnecessary, provided a 4% cut in expenditures is made and the District realizes an expected increase in cost recovery, albeit at a reduced rate; a reserve fund projection through fiscal year 2014; and, finally, a summary of the information systems budget expenditures for fiscal year 2012.

The Committee received a request to Authorize Funding for Production System Replacement of Databank. The Committee reviewed the request to authorize the Executive Officer/APCO to execute agreements for expenditures not to exceed \$450,000 with Vertigo Software and not to exceed \$250,000 with Trinity Technology Group, both for replacement of District legacy software systems. A consensus of the members present recommended that the Board of Directors approve the request.

The next meeting of the Committee is Wednesday, February 22, 2012, at 9:30 a.m.

Board Action: Director Groom made a motion to approve the report and recommendation of the Budget and Finance Committee; Director Wagenknecht seconded the motion; Director Sperring and Mr. Broadbent discussed the anticipated dates for the Production System to go live and for further Committee and Board briefings on the topic; carried unanimously without opposition.

6. **Report of the Legislative Committee Meeting of January 30, 2012**
Chairperson: T. Bates

The Committee met on Monday, January 30, 2012, and approved the minutes of September 26, 2011, as amended.

The Committee received a report on the District 2012 Legislative Agenda, including (1) efforts to prevent changes in policy or funding that will weaken existing air quality regulations or programs, and (2) District sponsorship of Senate Bill 582, dealing with commute benefits, with two primary amendments. The first amendment limits the pilot program to the Bay Area. The second amendment affects the employers to whom the pilot program applies, up from those with 20 or employees to those with 50 or more. The Committee supported the proposed legislative agenda, with Chair Bates and Director Avalos in opposition to the second amendment to Senate Bill 582 regarding the change from a 20- to 50-employee minimum. The Committee also discussed possible strategies for addressing land use decisions that have public health impacts and asked that Moyer funding reauthorization be agendaized for the next meeting.

The Committee received a report on and briefly discussed the Governor's proposed budget for 2012-2013 fiscal year.

The Committee received a report on and discussed one bill, Senate Bill 878 (DeSaulnier) regarding the Joint Policy Committee, which contains several new reporting requirements for the Joint Policy Committee. No position was taken.

The next meeting of the Committee is at the call of the Chairperson.

Board Action: Chairperson Bates made a motion to approve the report of the Legislative Committee; Director Hosterman seconded the motion; carried unanimously without opposition.

PRESENTATION(S)

7. Update on the Air District Emissions Reductions Efforts at the Port of Oakland

Chairperson Gioia expressed the District's gratitude to the staff of the Port of Oakland in welcoming the Board today and acknowledged their efforts in making the necessary arrangements.

NOTED PRESENT: Director Kniss was noted present at 10:05 a.m.

Damien Breen, Director of Strategic Incentives, gave the staff presentation Update on Air District Emissions Reductions Efforts at the Port of Oakland, beginning with background on the Port's facilities, followed by an overview of the Clean Air Communities Initiative, including exposure/health assessment and planning, incentives, enforcement and monitoring, and finally next steps.

NOTED PRESENT (during Mr. Breen's presentation): Directors Mar and Kalra were noted present at 10:08 a.m.

Director Hudson and Mr. Breen discussed the status of supplemental funding by other counties.

Director Hosterman asked about projected reductions in emissions after the retrofits are in place. Mr. Breen responded that the current reduction is around 50% and the regulation promises an 85%

decrease, meaning more work is necessary and that nitrogen oxide will be the primary target in the near future.

Director Avalos inquired about whether the number of berths targeted to retrofit for shore power will eventually go from fourteen to twenty and the source of the shore power. Mr. Breen responded that he will allow Port staff to speak to the total berths question and that the Port is its own utility and its source of power is PG&E.

Director Piepho asked what the penalty is for non-complying trucks. Mr. Breen indicated that access to the Port is denied. Mr. Breen and Brian Bunker, District Counsel, explained that the District works with the California Air Resources Board (ARB) to identify the non-complying vehicles and that ARB takes the matter up, imposing penalties as appropriate. Director Piepho requested from Mr. Bunker a list of the current penalties.

Anne Whittington, Environmental Supervisor, Port of Oakland, addressed the Board summarizing Port efforts in conjunction with the District over the years, including the clean truck program, comprehensive truck management program, shore power funding, stationary source permits, inspection and enforcement, air quality planning and maritime air improvement plan, Community Air Risk Evaluation program, and the adopted goal of an 85% reduction in excess cancer health risk in the West Oakland community from the 2005 baseline to 2020. Ms. Whittington provided an update on the status of several of these projects and introduced a few members of the Port staff that have and continue to work in conjunction with District staff on various projects.

Board comments: Chairperson Gioia asked how determinations are made to distinguish emission sources related to Port-related contributors from non-Port contributors, such as nearby freeways. Eric Stevenson, Director of Technical Services, replied that these determinations are limited to the detection of compounds that are specific to certain contributors. Mr. Broadbent clarified that Mr. Stevenson's answer speaks to the limitations of monitoring but that District determinations are made with tools such as source apportionment modeling because monitoring alone is so limited.

Director Zane asked how cancer study measurements are applied in light of the large delays involved in their availability. Ms. Whittington detailed the collaborative efforts by the Port, District and ARB, and their application of an emissions inventory to a model grid. Director Zane followed up by asking whether tracking of specific health conditions among targeted populations is occurring. Mr. Breen responded that the District is currently working with public health departments to obtain that type of information.

Director Bates commended the achievements to date, the standards established and funding provided by the ARB, the efforts by Port and District staff in collaborating and the leadership of Director Miley. Director Bates encouraged a continued push to explore and implement methods to effectively pass the cost of much of this work to those who utilize the Port's services. Chairperson Gioia inquired about the status of the imposition of a container fee. Jean Banker, Deputy Executive Director, Port of Oakland, responded that there is nothing pending before the State legislature and that no fees were finally imposed in Long Beach and Los Angeles.

Director Mar commended and expressed his pleasure in seeing the implementation of shore side power in Oakland and inquired about efforts being made to engage various environmental groups in the area to discuss the progress being made. Mr. Breen replied that although engagement with

community groups has begun, the project is not yet at a point of completion that lends itself to a presentation to these groups.

Director Miley commented, in follow up to the topic of container fees, that parties should be cautious about implementing anything that puts the Port at a competitive disadvantage, clarifying his support of container fees but only as something that is imposed at all of the ports in the nation. Director Miley mentioned the looming possibility of the Panama Canal as a viable alternative to West Coast ports after its widening is complete.

Public Comments: None.

Board action: None; informational only.

PUBLIC COMMENT ON NON-AGENDA MATTERS

None.

BOARD MEMBERS' COMMENTS

Director Bates, in reference to the public comment from Mr. Friberg, requested that District staff investigate the viability of creating a financial hardship exemption to the wood smoke rule despite the functional dangers and difficulties of establishing something of this nature. Chairperson Gioia seconded the request. Mr. Broadbent expressed staff's familiarity with the issue, the extremely difficult nature of establishing something along these lines, and warned that the timeline for this project will be very long in light of these challenges. Chairperson Gioia and Mr. Broadbent discussed the existence of and applicability of precedents established by utilities in this area and the collaboration with the US Environmental Protection Agency that will be required in order for the District to establish an exemption of this nature.

OTHER BUSINESS

8. **Report of the Executive Officer/APCO:** Mr. Broadbent mentioned the success of the recent retreat with the representatives of the Bay Area Environmental Health Collaborative and that further briefings will be presented to the Board as the relationship develops over the course of future meetings.
9. **Chairperson's Report:** None.
10. **Time and Place of Next Meeting:** Wednesday, March 7, 2012, at 9:30 a.m., at the Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109.
11. **Adjournment:** The Board of Directors meeting adjourned at 10:48 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 24, 2012

Re: Board Communications Received from February 1, 2012 through
March 6, 2012

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

A list of communications directed to the Board of Directors received by the Air District from February 1, 2012 through March 6, 2012 if any, will be at each Board Member's place at the March 7, 2012 Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 23, 2012

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

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

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

The report covers the out-of-state business travel for the period February 1, 2012 through February 29, 2012. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

No out of state travel occurred during the reporting period.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Glasser
Reviewed by: Jack M. Colbourn

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 22, 2012

Re: Report of Division Activities for the Months of October 2011-December 2011

ADMINISTRATION AND HUMAN RESOURCES – J. COLBOURN, DIRECTOR

The Human Resources (HR) Office coordinated seven recruitment exams including exams for Administrative Analyst, Clerk of the Boards, Information Services Manager, Supervising Air Quality Instrument Specialist, Air Quality Engineering Intern, Temporary Air Quality Engineer, and Temporary Air Quality Engineering Intern. In addition, the HR Office conducted training sessions, including: Sexual Harassment and CalPERS Planning Your Retirement Seminar. The HR Office continues to administer payroll, benefits, safety, and labor/employee relations. There are currently 321 regular employees, 12 temporary employees and 42 vacant positions. There were 4 employee separations from October to December 2011.

Finance staff continued working with the outside auditors to complete the FYE 2011 audit. Budget materials and instructions were distributed for the FYE 2013 Air District budget. Work continues on testing of the integration of the new production system with the existing JDE financial services software.

The Business Office completed the transitioned the day to day fleet management operations and tracking from Excel to Microsoft Access database.

COMPLIANCE AND ENFORCEMENT – B. BATEMAN, DIRECTOR

Enforcement Program

The Air District received 128,252 calls to the 1-877-4NO-BURN line, and 2,257 complaints regarding wood burning. Staff mailed out 943 informational packets to residences that received complaints regarding wood burning. The District issued 10 *Winter Spare the Air Alerts (WSTA)* on December 7, 8, 9, 10, 14, 18, 19, 21, 24, and 25 resulting in 274 Warning Letters and 7 Notices of Violation. Staff conducted inspections at 41 large retail outlets to confirm compliance with the labeling requirement of Regulation 6, Rule 3: Wood Burning Devices. Notices to Comply (NTCs) were issued to the following: Lowe's (Cotati and Concord), and Wal-Mart (Rohnert Park and San Lorenzo). All locations returned to compliance by labeling their products.

On November 2, 2011, staff investigated an alleged chlorine-like odor complaint downwind of the Valero Refinery and documented an odor nuisance. The chlorine odor resulted after Valero operators attempted to neutralize off-spec sodium hypochlorite and vacuum it out of a storage tank for re-use upstream in the refinery.

On November 6, 2011 and November 7, 2011, the Air District and other local agencies investigated odors in Concord that resulted in an odor nuisance. On November 7, 2011, ConocoPhillips Pipeline reported a crude oil pipeline leak located on the Concord Naval Weapons Station property, which was determined to be the odor source. Contra Costa County health officials advised nearby residents to stay indoors, while workers capped the leak and began cleanup operations. As of the end of December, clean-up operations were still ongoing. Staff will continue to monitor the area for odor problems.

The Air District amended the Hunters View Redevelopment Project Asbestos Dust Mitigation Plan (ADMP) in early November. The amended ADMP adds additional Naturally Occurring Asbestos (NOA) dust mitigation measures and strengthens work shut down requirement for elevated NOA readings. These amendments were the result of staff meetings with representatives of the project (The John Steward Company) and nearby community members.

The City of Richmond Sewage Treatment Plant is scheduled to have one their digesters fully operational sometime in January. Odor complaints have decreased at this facility and the trucking of sludge to the East Bay Municipal Sewage Treatment has stopped. The facility and the City are planning to get the second digester in standby mode sometime in 2012.

Compliance Assurance Program

Staff conducted 1,353 mobile source inspections for the Drayage Truck Regulation, the Commercial Idling ATCM, the Off-Road ATCM, Transport Refrigeration Units (TRU), Ocean-going Vessel Fuel Sulfur, Ship Onboard Incineration and the Portable Equipment Registration Program (PERP).

Staff attended the quarterly CAPCOA Vapor Recovery meeting in Sacramento on October 19, 2011 and October 20, 2011 and provided input on ARB's quick reference guide for In-Station Diagnostics (ISD), received an update on Executive Order application statuses, and completed training on new Enhanced Vapor Recovery above ground storage tank Phase I Systems.

Staff participated in an ASTM (American Society for Testing and Materials) Committee to develop a test method for determining the opacity of a plume in the outdoor ambient atmosphere using digital camera technology.

Staff attended the Asbestos NESHAP Coordinators Meeting at the San Luis Obispo APCD office to discuss the draft guidance document for conducting emergency cleanups.

Staff participated in monthly Trucker Work Group meetings at the Port of Oakland.

Compliance Assistance program

Prior to the *Winter Spare the Air (WSTA)* Season, staff sent out 570 reminder letters to residents that had received Warning Letters in the past 3 *Winter Spare the Air* Seasons. Staff sent out 9,970 wood smoke reduction direct mail packets to residents in the following cities with high complaint traffic and/or high burning rates: Berkeley, Forest Knolls, Lagunitas, Napa, Novato, Petaluma, Pleasant Hill, San Jose, San Mateo, Walnut Creek and Woodacre. Staff also finalized the 1-877-4NO-BURN phone system, including the additions of the Tagalog language for non-English speaking callers, and the South Coast AQMD burn program, to the burn programs’ menu.

Compliance Advisories were sent to gasoline bulk terminals regarding new upcoming maintenance and repair requirements (Regulation 8-33); to gasoline bulk plants regarding new upcoming maintenance and repair requirements (Regulation 8-39); to owners and operators of stationary internal combustion engines regarding new emission limits and compliance options (Regulation 9-8); and to sellers, manufacturers and installers of wood-burning devices regarding devices that are approved for sale and installation within the District (Regulation 6-3).

On November 7, 2011, staff gave presentations to the San Mateo and Solano County Farmers Bureau Boards regarding stationary agricultural engine registration and compliance requirements (Regulation 11, Rule 17). The meetings were held in Vacaville and Half Moon Bay.

Operations

Staff approved four Prescribed Burn Smoke Management Plans (SMPs) for burn projects in Contra Costa, Napa, and Santa Clara counties. Staff completed the data verification and posting of refinery flare monitoring data through September 2011.

(See Attachment for Activities by County)

ENGINEERING DIVISION – C. CHILADAKIS, DIRECTOR

Permit Systems Program

In the fourth quarter of 2011, 264 new permit applications were received: 207 standard New Source Review applications, 31 Gasoline Dispensing Facility applications, 24 Title V applications, and 2 Banking applications. The following table is a summary.

Permit Activity			
New applications received	264	New facilities added	77
Authorities to Construct issued	114	Exemptions	12
Permits to Operate issued (new and modified)	386	Annual update packages completed	1070

Toxics Program

Staff completed a total of 64 Health Risk Screening Analyses (HRSAs). The majority of these HRSAs were for emergency diesel engines, gasoline dispensing facilities, and soil vapor extraction units.

Air District Staff and Office of Environmental Health Hazard Assessment (OEHHA) completed the review of the revised Health Risk Assessment (HRA) submitted by Lehigh Southwest Cement Company (Cupertino) for the Air Toxics Hot Spots (ATHS) Program. The revised HRA, the Air District's review and OEHHA's comments were posted on the Air District website. The Air District continues to monitor the air in Cupertino to study and compare the pollution levels with other air monitoring stations in the Bay Area.

Kraft Foods Global (San Leandro) submitted an HRA for a group of large coffee roasters as required by the ATHS program. Staff is currently awaiting additional information from Kraft to evaluate the HRA. Staff is also working to issue a Synthetic Minor Operating Permit.

Staff continues to work with Microsoft Corporation regarding the ATHS status of their "server farm" in Santa Clara. Microsoft is currently reviewing their emissions inventory.

Staff has been developing a plan to conduct air dispersion modeling of major sources of sulfur dioxide in order to demonstrate attainment status of the Air District with respect to the 2010 Revised Primary Sulfur Dioxide National Ambient Air Quality Standard. EPA is requiring air dispersion modeling in addition to standard real-time air monitoring to demonstrate attainment. Staff has completed initial modeling of the seven largest sources in the Air District, and is currently working on a refined analysis. Staff continues to work with California Air Pollution Control Officers Association (CAPCOA) and CARB to develop a state-wide modeling approach.

Title V Program

Staff issued six (6) Title V renewal permits and three (3) administrative amendment revisions. A number of other Title V permits are in the approval/public comment process.

Permit Evaluation Program

A number of power plants are constructing under their Authority to Construct permits. Russell City Energy Center (Hayward) and Los Esteros Critical Energy Facility (San Jose) are scheduled to start up in January 2013

Staff issued permits to Lehigh Southwest Cement (Cupertino) for two new Synthetic Gypsum Feeders. Both are controlled by dust collectors, which meet Best Available Control Technology (BACT) and emit less than 1 pound/day. These sources have a continuous emissions monitoring system (CEMS) to measure mercury emissions.

Staff is working with CAPCOA's Climate Protection Committee conference to determine how GHG requirements could be integrated into existing permit processes.

Engineering Projects Program

Staff continues to verify performance of the permitting and renewal functionality of the Production System. The system will initially be released internally (internal Go-Live) for Gas Dispensing Facilities (GDFs) only. Highlights include: completed test scenarios for GDF internal Go-Live; and completed draft operating procedures, template conditions and permit documents.

Staff is working with Legal to amend all permit rules, Regulations 1, 2-1, 2-2, 2-4 and 2-6. In October, staff met with EPA and CARB to discuss proposed amendments to NSR rules. Staff has completed, and the board package and slides for January 9, 2012 presentation to the Stationary Source Committee and the workshop package scheduled on February 22, 2012.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel’s Office received 106 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 53 violations reflected in NOVs. In addition, 13 Final 30 Day Letter(s) were sent regarding civil penalties for 15 violation(s). Finally, settlement negotiations resulted in collection of \$99,540 in civil penalties for 63 violations.

Counsel in the District Counsel’s Office initiated settlement discussions regarding civil penalties for 37 violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$318,912 in civil penalties for 62 violations reflected in NOVs.

(See Attachment for Penalties by County)

COMMUNICATIONS AND OUTREACH – L. FASANO

News Releases

The Air District issued 23 press releases and/or media advisories during the last quarter: (to view press control key and click link)

10/11/2011	Permissive burn season closes for fall marsh management fires
10/24/2011	Permissive burn periods for orchard pruning and attrition, and forest management fires open
10/27/2011	Winter Spare the Air Season Begins November 1
11/21/2011	Air District Announces Winners of Great Race for Clean Air
11/15/2011	Air District settles case with Valero
12/1/2011	Air District seeks public comment on Portland cement rule
12/5/2011	Air District asks public not to burn wood
12/6/2011	Winter Spare the Air Alert in effect for Wednesday, December 7
12/7/2011	Another Winter Spare the Air Alert called for Thursday, December 8

12/7/2011	Air District offers 1 million in grants to reduce port truck pollution
12/8/2011	Third consecutive Winter Spare the Air Alert called for Friday, December 9
12/9/2011	Fourth consecutive Winter Spare the Air Day called for Saturday, December 10
12/12/2011	Wood burning and cold, still weather caused poor air quality last week
12/13/2011	Fifth Winter Spare the Air Alert called for Wednesday, December 14
12/17/2011	Sixth Winter Spare the Air Alert called for Sunday, December 18
12/18/2011	Seventh Winter Spare the Air Alert called for Monday, December 19
12/20/2011	Eighth Winter Spare the Air Alert called for Wednesday, December 21
12/21/2011	Air District asks public not to burn wood on Thursday and Friday
12/23/2011	Winter Spare the Air Alert in effect for Saturday, December 24
12/25/2011	Winter Spare the Air Alert in effect for Sunday, December 25
12/26/2011	Recommended no burn called for Monday evening and Tuesday
12/31/2011	Winter Spare the Air Alert in effect for New Year's Day
1/1/2012	Twelfth Winter Spare the Air Alert called for Monday, January 2

Media Inquiries

Staff responded to a number of media inquiries during this quarter, topics included:

- Evergreen Oil (*Argus*)
- Schnitzer Steel Fire (*KGO7, KPIX, KTVU*)
- New Building (*Contra Costa Times, Marin IJ*)
- Air Monitoring Station (*KTVU*)
- Lehigh (*Bay Citizen*)
- Valero (*Benicia Herald*)
- Flaring at Chevron (*Richmond Confidential, www.healthycal.org*)
- Healthy Communities Summit (*Fox News, Bay Citizen*)
- Winter Spare the Air (*Marin IJ, KPIX, KWMR, KLIV, KCBS, Santa Rose Press Democrat, KGO 7, KGO Radio, SF Chronicle, Daily Republic, SF Examiner, KTVU, KQED Public Radio, Patch, Bay Citizen, SJ Mercury News, KALW FM, Daily Californian, KNBC 11, Palo Alto Daily News, KNTV 11, Napa Valley Register, KPIX, Solano Daily Republic, Arizona Republic*)
- Carbon Monoxide (*KGO7*)
- Cornish & Carey Commercial (*Contra Costa Times*)
- Napa County Landfill (*Napa Valley Register*)
- Valero Settlement (*KPFA*)
- Refinery Permit Apps/Actions (*Bloomberg*)
- Winter Spare the Air Recommended No Burn Day (*KCBS, KGO, Contra Costa Times, San Jose Mercury News*)
- Air Quality in Potrero neighborhood (*Potrero View*)
- School Bus Grants (*School Transportation Magazine*)
- Port Trucks (*UC Berkeley Institute of Transportation*)
- Exceedance Press Release (*Marin IJ, KGO Radio*)
- Cash for Clunkers (*San Jose Mercury News*)

- Apartment Fire in San Francisco (*Bay Citizen*)
- Close of Burn Season (*Bay City News*)
- Emissions from diesel generators (*New York Times*)

Media Highlights

The Air District was mentioned in approximately 595 print/online stories and 200 video clips in the last quarter. Below are the last quarter's media coverage highlights: (to view press control key and click link)

9/30/2011	Contra Costa Times Your Turn: MTC is moving, deal with it	Contra Costa Times
9/30/2011	Fire burns at recycling center in Oakland	KTVU
10/3/2011	Environmental groups, state regulators win major smog case over home developers	San Jose Mercury News
10/18/2011	Flaring spurs emissions concerns	Benicia Herald
10/18/2011	Phil Matier: Questions Raised About Transit Agency's SF Real Estate Deal	CBS San Francisco
10/19/2011	Letters to the Editor	Oakland Tribune
10/26/2011	Get regional agencies under same roof, on same page	San Francisco Chronicle
11/1/2011	Spare the air on KTVU-SF (FOX) - San Francisco, CA	KTVU Channel 2 Morning News
11/2/2011	Valero to pay \$130,500 in fines to settle air quality violations at Benicia refinery	Contra Costa Times
11/2/2011	Burning Curtailment Season Begins Today	San Francisco Chronicle
11/10/11	An ongoing battle simmers in Richmond	Healthy Cal
11/14/11	Bay Area Leaders Announce Formation of "EV Strategic Council" and \$5M+ for Electric Vehicle Infrastructure	Market Watch
11/30/11	Agilent honored for commute programs that reduce pollution	The Press Democrat
12/6/11	Wood fires banned Wednesday as first Winter Spare the Air day is called	San Jose Mercury News
12/6/11	Wood burning discouraged in next few days	San Francisco Chronicle
12/13/2011	Bill would halt more work on MTC move from Oakland to San Francisco	Contra Costa Times
12/15/2011	Lehigh Cement Plant could face stricter emission standards	KLIV
12/21/2011	Stagnant air forces San Francisco pollution alert	San Francisco Chronicle
12/23/2011	Spare the air on KTVU-SF (FOX) - San Francisco, CA	KTVU-SF (FOX)
12/25/2011	Spare the air on KTVU-SF (FOX) - San Francisco, CA	KTVU-SF (FOX)

12/27/2011	San Jose Mercury News: Christmas crackdown on fireplaces yields 400 complaints; New Year's may be next	San Jose Mercury News
12/28/2011	Spare the air on KPIX-SF (CBS) - San Francisco, CA	CBS Evening News With Katie Couric
1/3/2012	Spare the air on KRON-SF (MyTV) - San Francisco, CA	KRON 4 Early News

Public Inquiries

Staff responded to approximately 770 calls and 340 e-mails from the public, many regarding Winter Spare the Air days, enforcement issues, and grants.

Phone Calls - 770

E-mails - 340 (sparetheair@baaqmd.gov, feedback@baaqmd.gov)

Publications

Air Currents

The November 2011 issue of the Air District's quarterly Air Currents e-newsletter was issued on November 1. Articles covered the Winter Spare the Air season and the Wood Burning Rule, Air District grants that are funding electric vehicle charging stations and a pilot bike sharing program, green purchasing and penalty settlements.

League of Women Voters' Bay Area Monitor

The December 2011/January 2012 newsletter featured two articles covering Air District activities that were written in consultation with Air District staff: "Breathing Room: The Air in There" and "Regional Leaders Get Strategic About Electric Vehicles." The Bay Area Monitor is posted online (<http://www.bayareamonitor.org/>) and has a circulation of about 4,000 subscribers.

Public Information Campaigns

Winter Spare the Air

The Winter Spare the Air season began on November 1, 2011, and will end on February 29, 2012. Winter Spare the Air materials, web information and graphics were updated for this season, as well as the media relations and advertising plans.

Staff executed the updated WSTA Local Government Outreach plan in an effort to reach more Bay Area residents about the Wood Burning Rule through their local elected officials, health and planning departments.

Staff developed a new brochure and an updated factsheet for the Winter Spare the Air Program. Both materials were translated into Spanish, Chinese, Vietnamese and Tagalog. The Communications Division has promotional items to help support Winter Spare the Air.

The Winter Spare the Air season kicked off with a media event and demonstration in Corte Madera on November 15. Jack Broadbent joined Marin Supervisor Steve Kinsey, Marin

County Public Health Officer Dr. Jason Eberhart-Phillips, Breathe California's Karen Licavolli-Farnkopf and her son Zack to speak at the event about the health impacts from wood smoke. Eric Stevenson conducted a demonstration showing how lighting a fire can impact indoor air quality.

The Winter Spare the Air TV commercial aired on Thanksgiving Day during the 49ers game. The TV commercial can be seen at <http://www.youtube.com/sparetheairbayarea>. Other advertising materials were rolled out Bay Area-wide.

On December 10, 2011, staff conducted door to door outreach in Redwood City. Most Redwood City residents that canvassers spoke to already knew about the Winter Spare the Air program, and many were already signed up for email alerts. Most understood that there are health impacts from wood smoke. Many residents seemed appreciative of the work the Air District was doing.

- 468 homes reached
- 71 surveys taken in-person
- 22 surveys returned by mail

Staff will conduct door to door outreach for Winter Spare the Air in the following cities and on the following dates: Campbell on January 21, Piedmont on January 27 and Pleasant Hill on January 28. During the door to door outreach, staff will inform residents of the wood burning regulation.

Cities were chosen based on the number of complaints received and where outreach has been done in previous Winter Spare the Air seasons.

The Air District has issued fifteen Winter Spare the Air Alerts and two Recommended No Burn Days to date during this Winter Spare the Air season.

CAPCOA Public Outreach Committee – The CAPCOA Public Outreach Committee met on Wednesday, September 28 and Thursday, September 29, 2011 at the Air District office in San Francisco. Public Outreach Committee members provided updates on their local Air District activities and took part in a sustainability tour at Infineon Raceway in Sonoma and the Cal Park Bike/Pedestrian Tunnel in San Rafael. Members also received presentations on 511's Bike Mapper website, Effective Use of Social Media and an overview of the Air District's Bike Sharing Program. Approximately 15 CAPCOA members attended the meeting.

PEV Website – Staff is finalizing a Plug-in Electric Vehicle website. The website is intended to be a clearinghouse of PEV information in the Bay Area.

Community Outreach

Public Engagement Policy and Plan – Communications and Outreach staff continued developing a District-wide Public Engagement Policy and Guidance Plan with stakeholder engagement consultant, Kearns and West. The second meeting was held in October.

Rule Development Outreach Support – Communications and Outreach staff is currently assisting the Planning and Engineering divisions with stakeholder engagement for the following rules under development:

- Regulation 12, Rule 13: Metal Melting and Processing Operations
- Draft Regulation 9, Rule 13: Cement Kilns
- Amendments to Regulation 2, New Source Review and Major Facility Review

Compliance Outreach Support – Communications and Outreach staff is currently assisting the Enforcement and Engineering divisions with stakeholder registration for compliance with Regulation 11, Toxics Pollutants, Rule 17: Limited Use Stationary Compression Ignition Engines in Agricultural Use. Staff has reached out to agricultural commissions and farm bureaus in all 9 Bay Area counties.

Spare the Air Resource Teams

Contra Costa County Spare the Air Resource Team – Staff met with key governmental and opinion leaders in the County to educate them on resource teams, learn about key air quality-related issues in the County and identify individuals and organizations to invite to the team launch meeting scheduled for October.

Sonoma County Spare the Air Resource Team – The team has been exploring possible options for its next set of projects, and has begun to identify individuals/organizations to outreach to in a new recruitment effort. The team is continuing to provide expertise and networking support to a Sonoma County dynamic rideshare pilot program. Potential projects include an anti-idling campaign, support for a pilot peer-to-peer car sharing program, and helping to develop and coordinate data sharing on future County transportation priorities.

Napa Valley Clean Air Coalition – The Car Free website is being redesigned this year to prominently feature special Car Free promotions offered to car free visitors by Napa Valley businesses. The team is holding discussions with the Napa Destination Council and chambers throughout Napa Valley about collaboration to increase visibility of the Napa Car Free program.

San Francisco Spare the Air Resource Team – The team has developed a partnership with the San Francisco Travel Association and will move content from its www.sfcARfree.org website to the SF Travel website <http://www.sanfrancisco.travel/>. The new website can support a higher level of user interface and is a key web portal for tourists preparing to visit the city.

San Mateo County Spare the Air Resource Team – The team is continuing to plan its second commute solutions workshop. The workshop will focus on supporting small-and medium-sized businesses with free and easy alternative transportation solutions. The team has tentatively scheduled the workshop for Wednesday, March 14, 2012.

San Jose Green Vision Resource Team – The next Home Energy Savings workshop is scheduled for October 22, 2011. The workshop will be led by community volunteers trained at the team's Train the Trainer Workshop on April 30, 2011.

Santa Clara County Spare the Air Resource Team – The team’s research project on commuter challenges/drive less challenges to identify best practices will be completed in October. The next meeting is scheduled for October 12, 2011.

Southern Alameda County Spare the Air Resource Team – As part of its anti-idling campaign, the team has prepared newsletter articles, a letter to principals and letter to teachers to distribute to schools in the New Haven, Fremont, Hayward and Newark districts. These will be distributed to principals with an anti-idling banner for placement on fences near drop-off sites.

Tri-Valley Spare the Air Resource Team – The team is developing new projects for 2011-2012. Areas of focus are anti-idling education for employers, shopping malls, business parks and schools; promoting 511 School Pool or other schools-based walk/bike programs; promoting successful carpool programs with video “testimonials” on YouTube.

District Tours

Chinese Air Quality Professionals – Staff hosted a delegation of 7 Chinese air quality professionals of the Beijing Municipal Environmental Protection Bureau. The visitors met with the Executive Officer, DAPCO, and Planning staff to learn about Bay Area air pollution control strategies.

Meetings with Community Organizations

Staff met with Bay Area organizations to discuss air quality, community concerns and partnerships. These organizations include:

Agricultural Diesel Engine Outreach – Regulation 11, Rule 17:

- November 7 – San Mateo County Farm Bureau Meeting, Half Moon Bay
Approximately 15 attendees
- November 7 – Solano Farm Bureau Meeting, Vacaville
Approximately 25 attendees
- November 9 – Solano County Agricultural Engine Registration Event, Vacaville
No attendees
- November 15 – Sonoma County Agricultural Engine Registration Event, Santa Rosa
No attendees
- December 1 – Napa County Water Conservation Workshop, Yountville
Approximately 160 attendees
- December 1 – Sonoma County Growers Workshop, Santa Rosa
Approximately 400 attendees

Conferences

- October 12 – 3rd Annual Active San Mateo County Conference, San Mateo
Approximately 300 attendees

Employer Program:

- December 13 – Green Cleaners and Custodial Supplies Webinar
Approximately 50 employers participated

Events:

- December 8 – Breathe California’s Holiday Reception, San Francisco
Approximately 75 guests attended
- December 8 – Dr. Burn’s Reception, Oakland
Approximately 40 guests attended

Meetings:

- October 3 – Families for Clean Air meeting regarding Winter Spare the Air, San Francisco
Approximately 20 attendees
- October 5 – Meeting with the Bay Area Environmental Health Collaborative, San Francisco
Approximately 10 attendees
- October 13 – Meeting with the Bay Area Environmental Health Collaborative, San Francisco
Approximately 10 attendees
- October 13 – Hunters View Construction Site Environmental Meeting, San Francisco
Approximately 10 attendees
- October 17 – Regional School and Youth Outreach Program Workshop, Petaluma
Approximately 10 attendees
- October 18 – Community Air Risk Evaluation (CARE) Task Force Meeting, Air District Offices
Approximately 15 attendees
- October 20– Meeting with the Superintendent of Schools for the Sonoma County Office of Education regarding natural gas fueling options for school buses, Sonoma County
Superintendent of School and Air District staff
- October 22 – Napa County Car Free Tourism Outreach, Napa County
Staff interviewed tourists and residents about biking and walking options
- November 1 – Silicon Valley Bike Coalition’s Fourth Annual Dinner, Palo Alto
Approximately 150 attendees

- November 8 – North Richmond Municipal Advisory Council, Richmond
Approximately 25 advisory council members and local residents attended
- November 9 – Hunters View Construction Site Environmental Meeting, Bayview
Hunters Point
Approximately 10 community members attended
- November 17 – MTC’s Rideshare/Bicycling TAC Meeting, Oakland
Approximately 15 attendees
- December 9 – Regional School and Youth Outreach Advisory Committee, Oakland
Approximately 20 youth and school program representatives attended.
- December 13 – Tri-Valley Spare the Air Resource Team Meeting, San Ramon
Approximately 10 team members attended the meeting

Presentations:

- December 3 – San Francisco African American Health Equity Council, San Francisco – presentation on the Air District’s California Environmental Quality Act (CEQA) Guidelines and the Community Air Risk Evaluation (CARE) Program
Approximately 10 attendees
- December 4 – Malcolm X Academy, San Francisco – presentation on the Air District’s Community Air Risk Evaluation (CARE) Program and the grants available to retrofit diesel trucks and to install shore side power at local ports
Approximately 10 attendees

Public Engagement Policy and Guidance Plan Meetings:

- October 5 – Meeting with Meeting with Communities for a Better Environment regarding the Public Engagement Plan, Conference Call
Air District staff and CBE staff
- October 11 – Meeting with Meeting with Communities for a Better Environment regarding the Public Engagement Plan, Oakland
Air District staff and MTC staff
- October 17 – Public Engagement Policy and Plan Task Force Meeting, Oakland
Approximately 25 attendees
- October 19 – Meeting with Jennifer Seguin, Manager of the City of San Jose’s Business & Civic Waste Management Team regarding the Public Engagement Plan, San Jose
Jennifer Seguin and Air District staff
- October 19 – Meeting with Sustainable Silicon Valley regarding the Public Engagement Plan, Santa Clara
Sustainable Silicon Valley and Air District staff

- November 3 – Meeting with City of San Jose Planning Staff regarding the Public Engagement Plan, San Jose
Air District staff and City of City of San Jose Planning staff
- November 9 – Internal Working Group Meeting, District Office
Approximately 15 District staff members participated
- November 16 – North Bay Public Engagement Plan Advisory Task Force Outreach Planning Meeting, Conference Call
Air District staff and members from San Francisco, Marin and Sonoma counties
- November 28 – Internal Working Group Meeting, District Office
Approximately 15 District staff members participated
- December 1 – Public Engagement Policy and Plan Task Force Meeting, Oakland
Approximately 10 members of the public participated and 5 District staff attended
- December 21– Internal Working Group Meeting, District Office
Approximately 10 District staff members participated

Public Workshops:

- December 12 – Draft Proposed Regulation on Portland Cement Manufacturing, Cupertino
Approximately 45 community members attended

Resource Team Meetings:

- September 29 – San Mateo County Spare the Air Resource Team, San Carlos
Approximately 20 attendees
- October 7 – Napa Spare the Air Resource Team, Napa
Approximately 10 attendees
- October 12 – Santa Clara Resource Team Meeting, Santa Clara
Approximately 10 attendees
- November 3 – San Jose Green Vision Resource Team Meeting, San Jose
Approximately 15 attendees
- November 7 – Southern Alameda Spare the Air Resource Team, Fremont
Approximately 10 attendees
- November 8 – Tri-Valley Spare the Air Resource Team, San Ramon
Approximately 10 attendees
- November 9 – Meeting with the City of San Ramon to discuss the Contra Costa Spare the Air Resource Team, Conference Call
Air District staff and San Ramon Transportation Department staff

- November 10 – Contra Costa Spare the Air Resource Team kick-off, Approximately 25 attendees
- December 2 – Napa Clean Air Coalition Meeting, Napa Approximately 10 members attended

Trainings:

- October 19 – Metal Melting Rule Development Meeting, San Francisco Bay Area Environmental Health Collaborative and Air District staff
- December 14 – Environmental Justice in Air Quality Programs - A Practical Training, District Office, Conducted by U.S. EPA Approximately 40 District staff members participated

Community Events

Staff represented the Air District and hosted informational booths at the following community events:

- Alameda County:**
- Pleasanton Green Scene – October 6
Carr America Conference Center, Pleasanton
50 visitors
 - American Lung Association Fight for Air Walk – Saturday, October 15
Crown Memorial Beach, Alameda
300 participants.
 - Dia de los Muertos Festival – Sunday, October 30
Alameda
Approximately 100 visitors
- Contra Costa County:**
- Monument Community Health Fair – October 1
Meadow Homes Park, Concord
70 visitors
- San Francisco County:**
- San Francisco Green Festival – Saturday, November 12 – Sunday, November 13
SF Concourse Exhibition Center, San Francisco
225 visitors
- San Mateo County:**
- San Mateo Harvest Festival – Saturday, November 12
San Mateo Event Center, San Mateo
200 visitors

Santa Clara County: Global Winter Wonderland – Saturday and Sunday,
December 3 and 4
Santa Clara
200 visitors

Global Winter Wonderland – Saturday and Sunday,
December 10 and 11
Santa Clara
100 visitors

Christmas in the Park – Saturday, December 17
Plaza de Cesar Chavez, San Jose
150 visitors

Solano County: Benicia Green Car Show - Saturday, November 12
Benicia High School , Benicia
25 visitors

PLANNING DIVISION – H. HILKEN, DIRECTOR

CARE Program

Staff completed dispersion modeling for the San Francisco Community Risk Reduction Plan (CRRP), which includes emissions from on-road cars and trucks, permitted stationary sources, CalTrain, ships and harbor craft, and major construction projects. Staff hosted a CARE Task Force Meeting to discuss the modeling that has been completed for the San Francisco CRRP and the development of the Healthy Community Development Guidelines. Staff delivered a presentation entitled “Air Quality Concerns at the Neighborhood Scale: West Oakland, CA, Case Study” for the 21st Annual California Industrial Hygiene Council conference in San Francisco. Staff attended the 2011 American Association for Aerosol Research Annual Conference and presented preliminary estimates of the health impacts of particulate matter in the Bay Area. Staff also presented at the 2011 American Geophysical Union Annual Meeting in San Francisco on the District’s updated regional toxics modeling. Staff initiated a contract with UC Berkeley researchers to conduct high-resolution 3-D grid modeling in San Francisco near a proposed Balboa Park development project.

Air Quality Planning Program

Staff continued implementation of the CEQA Guidelines through meetings with staff from local jurisdictions; presentations to various organizations; tracking the use of the CEQA Guidelines by lead agencies; responding to numerous inquiries from local government staff and consultants, and drafting comment letters for projects subject to the CEQA thresholds. Staff provided CEQA comment letters to the following lead agencies: the City of San Jose on its Diridon Station Area Plan NOP for Draft PEIR; the California High-Speed Rail Authority on its California High-Speed Train Project Draft EIR/EIS: (1) Merced to Fresno Section and (2) Fresno to Bakersfield Section; the City & County of San Francisco on its Draft Sustainability Plan for the 34th America’s Cup; the Town of

Windsor on its Station Area/Downtown Specific Plan DEIR; the City of Pleasanton on its Housing Element, Climate Action Plan and General Plan Amendments/Rezoning Supplemental DEIR; the Department of Toxic Substances Control on its Xstrata Recycling Inc., Neg Dec/Initial Study; the City of Brentwood on its Brentwood Boulevard Specific Plan DEIR; the City & County of San Francisco on its 34th America's Cup and James R. Herman Cruise Terminal/Northeast Wharf Plaza FEIR; the City of Millbrae on its 120 S. El Camino Real New Mixed Use Infill Development IS/MND; the City of Oakland on its Central Estuary Implementation Guide NOP; and Marin County on its Draft Supplement to the Grady Ranch/Big Rock Ranch Master Plan 1996 FEIR. Staff made several presentations on the CEQA Guidelines at the annual CAPCOA Planning Managers Symposium. Staff presented at the Air & Waste Management (AWMA) conference in San Francisco entitled, "Greenhouse Gas Strategies in a Changing Climate". The presentations delivered by staff included "Next Generation Climate Action Plans- Are They Ready for CEQA Compliance?", "Reducing Greenhouse Gases While Protecting Public Health," "Validating VMT Reductions from Transportation Measures" and "Integrating GHGs in the Bay Area 2010 Clean Air Plan."

Staff continues work on the PM_{2.5} SIP submittal and research and development of the Bay Area Particulate Matter Work Plan. Staff presented a report on PM_{2.5} planning activities at the October 19, 2011 Executive Committee meeting.

Staff continues efforts to assist local government staff in integrating air quality analyses into Station Area Plans (SAP) and Priority Development Areas (PDA) in order to anticipate and resolve air quality issues related to SAPs/PDAs and the "Plan Bay Area" SCS which is being prepared in response to SB 375. Staff attended monthly meetings of the Regional Advisory Working Group, convened to provide input and guidance to regional agency staff in developing the "Play Bay Area" SCS. Staff met with the RTP/SCS DEIR development team to discuss the scope of the planned programmatic EIR, methodology, and thresholds of significance to be used, as well as the District's potential involvement in the air quality analyses in the DEIR. Staff continued to participate in various technical committees supporting the SCS process.

Research and Modeling Program

Staff participated in several Central California Air Quality Studies Policy and Technical Committees' conference calls. Staff participated in a particulate matter (PM) State Implementation Plan Coordination Group conference call with staff from ARB and neighboring air districts. Staff participated in several conference calls with staff at the National Oceanic and Atmospheric Administration to discuss collaboration on the evaluation of the National Air Quality Forecasting Model in the Bay Area for forecasting spare the air days for ozone and PM. Staff hosted a Modeling Advisory Committee meeting and presented the District's findings on health effects of fine PM in the Bay Area. Staff attended the 2011 American Association for Aerosol Research Annual Conference and presented preliminary estimates of the health impacts of particulate matter in the Bay Area. Staff made several presentations at the 2011 American Geophysical Union Annual Meeting in San Francisco; these presentations discussed the District's ongoing research activities regarding ozone, PM, and their public health impacts. Staff continued to develop 2010 meteorological and emission inputs for PM modeling to support the District's PM planning effort. Staff worked on streamlining US EPA's

CALMET/CALPUFF modeling system for use in permit modeling and worked on CALMET/CALPUFF modeling of SO₂. Staff helped install a meteorological measurement tower at Patterson Pass that will be used for studying transport between the Bay Area and the San Joaquin Valley.

Rule Development Program

Notice of a draft rule, workshop report, and workshop notices were issued for a new rule, Regulation 9, Rule 13: Nitrogen Oxides, Particulate Matter and Toxic Air Contaminants from Portland Cement Manufacturing. The rule would affect Lehigh Southwest Cement in Santa Clara County. A workshop was conducted to discuss the draft on December 12, 2011 at Monta Vista High School in Cupertino, California. Staff continues to work on a new rule for foundries, other metal melting facilities and recycling facilities that operate auto shredders. Staff met with representatives of affected facilities, the California Metals Coalition representing foundries and metal melters and the Institute of Scrap Recycling Industries, representing auto dismantlers and recyclers. Staff has completed development of a proposed new rule, Regulation 8, Rule 53: Vacuum Truck Operations; a public hearing in the first quarter of 2012 is anticipated.

STRATEGIC INCENTIVES – D. BREEN, DIRECTOR

Following is a summary of the Strategic Incentives Division achievements for the fourth quarter of 2011:

Carl Moyer Program (CMP)

- Staff participated in CAPCOA grants committee working group meeting regarding the redrafting of the CMP guidelines, 10/12.
- Staff met with ARB CMP staff to discuss the possibility of a port truck fleet modernization program that would be funded with state CMP or MSIF funds, 10/17. This request is been denied by ARB staff is currently seeking additional sources of funding to assist with the upgrade of port drayage trucks.
- Staff met with BAE shipyard to discuss the possibility of a shore power project at their facilities, 10/31.
- Staff submitted an application to ARB requesting \$10,044,000 in CMP Year 14 funding, 11/14.

Goods Movement Program (GMP)

- The District entered into an agreement with the Port of Oakland for \$16,917,476 in Year 2 GMP funding to install shore power at 7 berths at the Port, 9/30.
- Staff worked with ARB to finalize the Year 2 on-road truck program ranking list which totals 888 truck replacement or retrofit projects, and one truck stop electrification project. Year 2 funding will allow approximately 160 projects to be funded.
- Staff participated in the Port of Oakland's Port Trucker Fair on 10/29. Staff provided updates on the Drayage Truck Rule, distributed information about financing assistance and collected surveys from Bay Area port truck drivers.

- Staff issued an RFP to identify a contractor to provide trucks for and assist with the implementation of a proposed engine MY 2004 drayage truck replacement program, 11/15.
- Inspectors have scheduled or completed 125 of 200 (62.5%) pre-inspections for the top-ranked trucks participating in the YR2 GMP and will continue inspections through the end of 2011. SID staff has begun final reviews in preparation to contract projects for this year's program.
- Staff presented testimony to the CARB Board of Directors in support of the YR3 installment of Goods Movement Program Bond funding. This installment was approved unanimously by the Board and GMP and ARB staff will work quickly to implement outreach for the program beginning in January 2012.
- Staff launched the Engine MY2004 Port Truck Replacement Program (funded with TFCA funds) on December 14. This program will distribute \$1.04 million for truck replacements and will be managed by a contractor, Cascade Sierra Solutions. Applications will be collected through January 13, 2012. The District's Board approved this program in their December 7, 2011 meeting.
- Staff presented information about the Engine MY2004 Port Truck Replacement Program at the West State Alliance/Truck Working Group meeting December 19.

Transportation Fund for Clean Air (TFCA)

- The Air District's Executive Officer presented at the California Hydrogen Business Council's "New Technologies and Hydrogen from Renewables," meeting, 10/13.
- Staff issued FYE 2013 TFCA County Program Manager application materials to the nine County Program Managers on 12/23, including revised Expenditure Plan Guidance, Funding Estimates for FYE 2013, Cost-effectiveness Worksheets and Project Information Forms, Summary Information and Summary Information Addendum forms.
- ***Plug-in Electric Vehicle Program:***
 - Staff participated in a CA Plug-in Electric Vehicle (PEV) Readiness Kickoff Meeting, 10/3 and the CalETC conference call regarding the Regional PEV Readiness Update, 10/11. These meetings are in regards to the recently announced awards of \$300,000 (DOE) and \$200,000 (CEC) to the Air District for regional PEV planning.
 - Staff met with representatives from Electric Vehicle International (EVI) to discuss the funding opportunities related to medium-duty electric vehicles, 10/4.
 - Staff participated in a conference call meeting of the California PEV Collaborative Infrastructure Work Group 1, 10/5.
 - Staff participated in conference call meetings of the California PEV Collaborative Infrastructure Work Group 1, 10/13 and 10/19.
 - Staff participated in The Networked EV 2011 Conference that focused on the deployment of Electric Vehicles and their effect on the grid, 10/20.
 - District co-chaired the PEV Government Coordination and Incentive workgroup (WG3), 11/28 and 11/30.

- Staff attended a Ready, Set, Charge – EV Readiness Workshop hosted by the Bay Area Climate Collaborative (BACC) in San Jose, 12/9, Ford’s Power of Choice event in San Francisco, 12/13, and the Electric Vehicle Research Symposium hosted by UC Davis Plug-in Hybrid and Electric Vehicle Research Center in San Francisco, 12/15.
- **Regional Bike Share Pilot Project:**
 - Staff submitted the completed Preliminary Environmental Study form to Caltrans, 9/30.
 - The Inter-Agency Agreement for the project was executed by all Partners, 10/5.
 - Staff submitted the first Climate Grant/CMAQ reimbursement invoice to Caltrans, 10/6.
 - Staff received notification that Caltrans approved the Preliminary Environmental Study Form and Categorical Exemption from NEPA for the Regional Bike Share Pilot Project, 11/21/11.
 - Staff participated in conference calls to discuss program development with the Partners Workgroup, 12/8 and 12/20 and submitted the completed Construction Phase Authorization forms to Caltrans, 12/9.

Lower Emission School Bus Program (LESBP)

- Eleven replacement contracts for \$5,695,837 to replace 37 school buses were executed.
- Ten retrofit contracts awarding a total of \$1,753,96 to retrofit 168 buses have been executed.
- Staff participated in ARB’s discussion of proposed revisions of the 2008 LESBP Guidelines, 11/8 and 11/30.
- Staff submitted LESBP Semi-Annual report for Prop B funded retrofit projects to ARB, 10/26
- Under a second call for projects, four applications to retrofit 17 buses requesting \$328,327 have been received. The call for applications for retrofit projects closed on 12/31/11.

Grant Development

- Executed Cooperative Agreement with EPA to replace 43 on-road, heavy-duty port trucks for \$1,557,987, 10/4.
- Staff participated in Silicon Valley Joint Venture’s Public Sector Climate Task Force discussion regarding fuel cell installations on public agency facilities, 9/28.
- Staff prepared three letters of support for the APCO signature that were sent to the CEC for 1) a Calstart proposal to demonstrate advanced, alternative technology medium- and heavy-duty vehicle projects, 2) a Gas Technology Institute’s (GTI) proposal to demonstrate the conversion of diesel-fueled vehicles to natural gas for the medium- and heavy-duty vehicle fleet, and 3) a Breathe California proposal to demonstrate the conversion of diesel fueled school buses to all-electric, solar-powered school buses.

- Executed contract between District and NREC for the AQIP funded NREC Tier 4 locomotive demonstration project (11/9/11).
- Staff held a kickoff meeting for the AQIP funded NREC Tier 4 locomotive demonstration project with ARB, NREC and Richmond Pacific team members, 11/15/11.
- Staff attended the Renewable Energy Markets Conference in San Francisco, 11/16/11 – 11/18/11.
- Staff prepared a subcontract for Wind + Wing Technologies to conduct ARB-funded wind-assisted ferry marine project, 12/5.
- Staff attended the Regional CalHEAT Advisory Council and Steering Committee meeting in Pasadena, 12/7.
- Staff held an EV Strategic Council Planning Committee meeting at the District to discuss DOE/CEC contract status, proposed planning timeline and RFP for consultant to conduct the work, 12/13.
- Staff responded to an ARB AQIP solicitation for Advanced Hybrid Technologies in School Buses. The District teamed with Breathe California on a proposal for the conversion of six conventional diesel-fueled school buses to all battery electric, solar-powered buses, requesting \$968,625, 12/14.
- Staff participated in the monthly NREC update meeting with NREC and ARB staff, 12/19.
- Received approval from ARB to move forward on Task 3 – Purchasing and Fabrication for the NREC Tier 4 GenSet locomotive demonstration, 12/27/11.

Reformulated Gas Settlement Fund Grant (RFG)

- On behalf of the District's Foundation (BACAF) staff submitted the first Interim Progress and Expenditure Report for the City CarShare project to the RFG Program administrators. Under contract to BACAF, City CarShare will be converting and deploying 10 plug-in electric hybrid vehicles for use by car-share members.

Oakley Power Plant Mitigation Project

- On behalf of the District's Foundation (BACAF) staff executed a contract with the Contra Costa Generating Station, LLC, which will provide up to \$2.5 million to mitigate nitrogen oxides (NOx), particulate matter (PM) and sulfur oxides (SOx) emissions from mobile sources in the cities of Oakley, Antioch, Brentwood and Pittsburgh. The emissions reduced by the projects selected will offset emissions from the power generation at the Oakley site in accordance with a California Energy Commission licensing decree.

TECHNICAL DIVISION – E. STEVENSON, DIRECTOR

Air Quality

During the 4th quarter of 2011, there were no exceedances of State or national ozone standards, which is typical during fall and winter as temperatures cool, and PM_{2.5} becomes the primary pollutant of concern in the Bay Area. There were eight days when the national

PM_{2.5} standard was exceeded during the 4th quarter: one day in November and seven days in December. Last year in the 4th quarter, there was only one day when PM_{2.5} exceeded the national standard. The large increase in exceedances was likely due to the storm-free weather for the entire month of December.

Both October and November were near normal in terms of temperature and rainfall, but December 2011 had almost no rain and was unusually cold. The Santa Rosa airport recorded just 0.2 inches of rain in December – an all-time record. By comparison, in December 2010 Santa Rosa received 7 inches of rain. Also in December 2011, there were 19 days when the morning low temperature was 32°F or lower, compared to just 4 days in December 2010. The combination of prolonged dry weather, cold nights, and light winds produced favorable conditions for a high number of days when PM_{2.5} exceeded the national standard.

There were 10 Spare the Air Alerts declared during the 4th quarter, all in December. PM_{2.5} levels on both Christmas Eve and Christmas exceeded the national 24-hour standard despite Spare the Air Alerts being in effect. There were no Spare the Air Alerts or PM_{2.5} exceedances during the Thanksgiving holiday period because a weather system passed through the Bay Area keeping the air well mixed.

Air Monitoring

27 air monitoring stations were operational from October through December 2011. Four ozone monitors at Hayward, San Martin, Gilroy and Fairfield were shut down on December 1st during the low ozone season, as allowed under a waiver granted by the EPA. All 23 remaining air monitoring stations were operational during the 4th Quarter of 2011, with equipment operating on routine, EPA-mandated schedules.

In October 2011, the Technical Division completed the first full year of ambient air monitoring, meteorological data collection, and data validation using a newly adopted Data Management System (DMS). Data collected and managed in DMS is now being forwarded for inclusion into the EPA's AQS database and is available to District data users with a DMS login.

The third and final ozone precursor monitoring site in San Ramon was completed this quarter and the site began generating valid NO/NO₂ and ozone data on November 22nd. Final testing and calibration of the chromatography equipment used to monitor for ozone precursor compounds at this site also began in the 4th quarter of 2011.

A second seasonal wintertime study began on November 23rd in cooperation with the Planning Division, to evaluate PM_{2.5} composition at five monitoring locations, (Concord, Vallejo, Livermore, San Francisco and Napa). The purpose of this ongoing seasonal study is to help determine the wintertime wood smoke contribution to high particulate matter on Spare the Air days.

Audits were performed at seven locations by the California Air Resources Board (CARB) Quality Assurance Section in December. All monitors at all locations met or exceeded operational requirements and there were no audit findings.

Performance Evaluation

The Performance Evaluation (PE) Group conducted regular, EPA-mandated performance audits at 15 District air-monitoring stations; 54 monitors were tested. Audit frequency is at twice the EPA-mandated minimum number. In addition, the PE group verifies temperature and pressure standards and performs calibrations for the Air Monitoring Section, where applicable, and will perform relative humidity and temperature verification in the future. The PE Group completed the upgrade of the District's meteorological network at the end of December.

PE staff completed performance evaluations/audits on the Ground-Level Monitoring (GLM) network near ConocoPhillips and Conoco Carbon Refineries. Audits were performed on SO₂ and H₂S monitors at five GLM locations. All monitors met District acceptance criteria. In addition, staff worked with the Chevron Refinery to determine the cause of unusual data coming from the refinery's GLM network. Several electrical problems were observed and Chevron is in the process of rectifying the problems to determine if they may have been the cause of the problems.

The PE group conducted episodic mobile surveillance for H₂S at the Richmond Sewage Treatment Plant in Point Richmond. Although community monitors detected H₂S activity, the data were not conclusive. The PE Group conducted its own on-site measurements but levels did not reach the threshold that would constitute a violation notice.

The PE Group interviewed in-house for a Senior AQIS position and Michael Chan earned the promotion to the senior level in the AQIS job class.

Members of the PE Group attended EPA Total System Audit Training (TSA) at the CARB offices in Sacramento.

Laboratory

In addition to routine ongoing analyses, thirteen aqueous vat vapor samples from Kendall Jackson Winery, Oakville were analyzed for ethanol content.

Five ambient air samples taken in the vicinity of the November 7, 2011 pipeline failure and spill at Conoco Phillips @ MOTC, Concord were analyzed for toxic compounds.

One aqueous sample from the wastewater treatment chlorination/de-chlorination tank at Valero Benicia Refinery was analyzed for pH, chlorides, sulfates, and iron.

Source Test

Ongoing Source Test activities during October, November, and December of 2011 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 reports for September, October, and November were reviewed. The Source Test Section continued its participation in the District's Rule Development efforts for Metal Melting, Vacuum Trucks, and revisions to Regulation 6. Staff continued its evaluation of EPA's Method 201A and revisions to Method 202 for particulate particle size sampling.

STATISTICS

Administrative Services:

Accounting/Purchasing/Comm.

General Checks Issued	1,733
Purchase Orders Issued	470
Checks/Credit Cards Processed	4,270
Contracts Completed	58
RFP's	4

Executive Office:

Meetings Attended	168
Board Meetings Held	5
Committee Meetings Held	9
Advisory Council Meetings Held	1
Hearing Board Meetings Held	3
Variations Received	1

Information Systems

New Installation Completed	3
PC Upgrades Completed	5
Service Calls Completed	710

Human Resources

Manager/Employee Consultation (Hrs.)	300
Management Projects (Hrs.)	400
Employee/Benefit Transaction	500
Training Sessions Conducted	5
Applications Processed	240
Exams Conducted	7
New Hires	3
Payroll Administration (Hrs.)	580
Safety Administration	150
Inquiries (voice/telephone/in-person)	4,800

Strategic Facility /Vehicle

Requests for Facility Services	19
Vehicle Request(s)/Maintenance	50

Compliance Assistance and Operations Program

Asbestos Plans Received	1,070
Coating and other Petitions Evaluated	8
Open Burn notifications Received	606
Prescribed Burn Plans Evaluated	4
Tank/Soil Removal Notifications Received	24
Compliance Assistance Inquiries Received	121
Green Business Reviews	54
Refinery Flare Notifications	24

Compliance Assurance Program

Industrial Inspections Conducted	1,552
Gas Station Inspections Conducted	333
Asbestos Inspections Conducted	511
Open Burning Inspections Conducted	38
PERP Inspections Conducted	30
Mobile Source Inspections	1,323
Grants Inspections Conducted	441

Engineering Division:

Annual Update Packages Started	1,065
Annual Update Packages Completed	1,070
Total Update Pages Entered	841
New Applications Received	264
Authorities to Construct Issued	114
Permits to Operate Issued	386
Exemptions	12
Authorities to Construct Denied	0
New Companies added to Databank during the 4th Quarter 2011	77

Communications and Outreach:

Presentations Made	2
Responses to Media Inquiries	80
Press Releases & Advisories	23
General Requests for Information	1,110
Events staffed with Air District booth	56
Visitors (District Tour)	1

STATISTICS (continued)

Compliance and Enforcement Division:

Enforcement Program

Violations Resulting in Notices of Violation	155
Violations Resulting in Notice to Comply	63
New Hearing Board Cases Reviewed	1
Reportable Compliance Activity Investigated	120
General Complaints Investigated	729
Smoking Vehicle Complaints Received	1,206
Woodsmoke Complaints Received	2,257
Mobile Source Violations	11

Technical Services:

4th Quarter 2011 Ambient Air Monitoring

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	8
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	3
Days Exceeding the Nat'l 8-hour Ozone Std.....	0
Days Exceeding the State 1-hour Ozone Std.....	0
Days Exceeding the State 8-hour Ozone Std....	0

Ozone Totals, Jan.-Dec. 2011

Days Exceeding Nat'l 8-hour Ozone Std.....	4
Days Exceeding State 1-hour Ozone Std.....	5
Days Exceeding State 8-hour Ozone Std.....	10

Particulate Totals, Jan.-Dec. 2011

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	8
Days Exceeding the Nat'l 24-hour PM ₁₀ Std....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	3

PM_{2.5} Winter Season Totals for 2010-2011

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	8
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4th Quarter 2011 Agricultural Burn Days

Oct.-Dec. Permissive Burn Days – North.....	55
Oct.-Dec. No-Burn Days – North.....	37
Oct.-Dec. Permissive Burn Days – South.....	57
Oct.-Dec. No-Burn Days – South.....	35
Oct.-Dec. Permissive Burn Days – Coastal.....	58
Oct.-Dec. No Burn Days – Coastal.....	34

Laboratory

Sample Analyzed.....	1,088
Laboratory Analyses.....	3

Technical Library

Titles Indexed/Cataloged	
Periodicals Received/Routed	

Source Test

Total Source Tests.....	176
Pending Source Tests.....	5
Violation Notices Recommended.....	4
Contractor Source Tests Reviewed.....	3,056
Outside Test Observed	18
Violation Notices Recommended After Review	8

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.....	39
Monthly CEM Reports Reviewed.....	138
Indicated Exceeded from CEM.....	26

Ground Level Monitoring (GLM)

Oct.-Dec. Ground Level Monitoring SO ₂ Excess Reports.....	0
Oct.-Dec. Ground Level Monitoring H ₂ S Excess Reports.....	1

**These facilities have received one or more Notices of Violations
Report period: October 1, 2011 – December 31, 2011**

Alameda County				
Status Date	Site #	Site Name	City	Regulation Title
10/18/2011	A5095	Republic Services Vasco Road, LLC	Livermore	Major Facility Review (Title V)
10/18/2011	A0591	East Bay Municipal Utility District	Oakland	Major Facility Review (Title V)
11/4/2011	C7767	Pleasanton Garbage Service, Inc	Pleasanton	Failure to Meet Permit Conditions
12/5/2011	A5084	Haulaway Containers	San Leandro	No Permit to Operate
10/18/2011	A0167	Maxwell House, Div of Kraft Foods	San Leandro	Failure to Meet Permit Conditions
11/9/2011	B3286	Reliable Powder Coatings, LLC	San Leandro	No Permit to Operate
Contra Costa County				
Status Date	Site #	Site Name	City	Regulation Title
12/16/2011	C9147	Hillcrest Fuel-Mart/Valero	Antioch	Failure to Meet Permit Conditions
11/22/2011	B6855	Kaiser Antioch Deer Valley	Antioch	Failure to Meet Permit Conditions, NOx & CO from Stationary Internal Combustion
11/4/2011	C8893	Byron Mini Mart	Byron	Gasoline Dispensing Facilities
11/4/2011	C5954	Arco Car Wash	Concord	Gasoline Dispensing Facilities
11/4/2011	C9533	Concord Smog & Gas	Concord	Failure to Meet Permit Conditions
12/16/2011	C9677	Nonstop Investment Inc	Concord	Failure to Meet Permit Conditions
10/19/2011	B1911	C & H Sugar Company, Inc	Crockett	Major Facility Review (Title V)
12/13/2011	A0581	ST Shore Terminals LLC	Crockett	Storage of Organic Liquids
12/16/2011	C9730	Martinez Carwash	Martinez	Gasoline Dispensing Facilities
11/16/2011	A0011	Shell Martinez Refinery	Martinez	Standards of Performance for New Stationary Sources, Continuous Emission Monitoring & Recordkeeping Procedures, Major Facility Review (Title V), Hydrogen
11/3/2011	B2758	Tesoro Refining and Marketing Company	Martinez	Flare Controls at Petroleum Refineries, Major Facility Review (Title V), Particulate Matter & Visible Emissions
11/4/2011	C8950	Unocal Service Station #3937	Moraga	Gasoline Dispensing Facilities
10/5/2011	U8845	John D'Angelo	Orinda	Open Burning
10/5/2011	A0031	Dow Chemical Company	Pittsburg	Storage of Organic Liquids
10/5/2011	A4618	Keller Canyon Landfill Company	Pittsburg	Solid Waste Disposal Sites
10/18/2011	A0061	ConocoPhillips	Richmond	Storage of Organic Liquids
10/27/2011	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Standards of Performance for New Stationary Sources, Parametric Monitoring & Recordkeeping Procedures, Major Facility Review (Title V), Equipment Leaks, Storage of Organic Liquids
12/16/2011	C1719	Main Street Chevron	Walnut Creek	No Permit to Operate
Marin County				
Status Date	Site #	Site Name	City	Regulation Title
11/4/2011	C9611	North Gate Gas	San Rafael	No Permit to Operate
Napa County				
Status Date	Site #	Site Name	City	Regulation Title
11/4/2011	V0019	Lily Berlin	Saint Helena	Open Burning
San Mateo County				
Status Date	Site #	Site Name	City	Regulation Title
10/5/2011	B0097	California Image Body & Paint	Burlingame	No Permit to Operate
10/5/2011	A9448	La Bay Restoration	Burlingame	No Permit to Operate
12/21/2011	E0704	Tech Autobody Shop	Burlingame	Motor Vehicle & Mobile Equip Coating Operations
12/16/2011	C7994	State of California - CALTRANS	Foster City	No Permit to Operate
11/4/2011	C9945	Gustavo Greco #250915	Redwood City	No Permit to Operate
11/3/2011	B2324	Lyngso Garden Materials Inc	Redwood City	Failure to Meet Permit Conditions
12/6/2011	V0383	Compass Transportation	South San Francisco	Commercial Vehicle Idling Citation
12/14/2011	A2555	D J Simpson Company	South San Francisco	No Permit to Operate

These facilities have received one or more Notices of Violations
Report period: October 1, 2011 – December 31, 2011
continued

Santa Clara County				
Status Date	Site #	Site Name	City	Regulation Title
10/27/2011	B0394	Stevens Creek Quarry Inc	Cupertino	Particulate Matter & Visible Emissions
12/16/2011	C0843	Westwood Chevron	Gilroy	Failure to Meet Permit Conditions
11/4/2011	C3535	Los Gatos Chevron	Los Gatos	Failure to Meet Permit Conditions
12/2/2011	B4948	National Weather Service	Los Gatos	Failure to Meet Permit Conditions
10/5/2011	A2561	Shoreline Amphitheatre	Mountain View	Major Facility Review (Title V)
10/20/2011	J7512	SAP Labs, Incorporated	Palo Alto	No Permit to Operate
12/16/2011	C4170	Cupertino Chevron Carwash	San Jose	Failure to Meet Permit Conditions
10/5/2011	C9810	Montague Valero	San Jose	Failure to Meet Permit Conditions
12/27/2011	D0525	Tully Valero	San Jose	Gasoline Dispensing Facilities
11/4/2011	C4010	Arco	San Jose	Gasoline Dispensing Facilities
10/6/2011	D0888	Kwikserv (BMZ Investment Inc)	San Jose	Gasoline Dispensing Facilities
Solano County				
Status Date	Site #	Site Name	City	Regulation Title
11/4/2011	V0017	E. Hiew Lee	American Canyon	Open Burning
11/21/2011	B2626	Valero Refining Company - California	Benicia	Standards of Performance for New Stationary Sources, Parametric Monitoring & Recordkeeping Procedures, Major Facility Review (Title V), Particulate Matter & Visible Emissions, Sulfur Dioxide
11/3/2011	A7463	Macroplastics Inc	Fairfield	Public Nuisance
12/16/2011	C9572	Britton's Mini Mart	Vallejo	Failure to Meet Permit Conditions
10/27/2011	A8057	J N Auto Body	Vallejo	No Permit to Operate, Motor Vehicle & Mobile Equip Coating Operations
Sonoma County				
Status Date	Site #	Site Name	City	Regulation Title
11/9/2011	C8355	Kenwood Gas	Kenwood	Failure to Meet Permit Conditions
12/14/2011	A2277	Press Democrat	Rohnert Park	Graphics Arts Printing & Coating Operations
10/18/2011	A5223	JDSU - Flex Products Inc	Santa Rosa	Parametric Monitoring & Recordkeeping Procedures
12/14/2011	V0511	Gene Amato	Santa Rosa	Open Burning
12/14/2011	V0510	Mark W. Murdock	Sebastopol	Open Burning
Out of Area Counties				
Status Date	Site #	Site Name	City	Regulation Title
10/18/2011	U9685	Lobo, Inc.	Albuquerque	Commercial Vehicle Idling Citation
10/5/2011	U9486	Western States Intermodal Inc	Madera	Commercial Vehicle Idling Citation
11/1/2011	U9932	C S C Trucking, Inc.	Oklahoma City	Commercial Vehicle Idling Citation
10/18/2011	N1032	KAG West, LLC	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

Closed Notice of Violations with Penalties by County October 1, 2011 – December 31, 2011

Alameda				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
AMV Gas & Food Inc	C9968	Hayward	\$2,000	1
California Hydronics Corp	A7628	Hayward	\$1,000	1
East Bay Municipal Utility District	A0591	Oakland	\$8,800	7
General Steamship Corp	L7621	Emeryville	\$1,000	1
Krajicek, Inc.	U8754	Oakland	\$300	1
Rodgers Trucking	D1710	San Leandro	\$2,750	1
St Rose Hospital	A2099	Hayward	\$2,000	3
Teikuro America Company, Ltd	A1794	Hayward	\$500	1
Unocal SS #3292 (Habrans Sing)	C8732	San Leandro	\$1,000	1
Contra Costa				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Brian Scheumann	U2757	Antioch	\$700	1
CEMEX Construction Materials Pacific, LLC	A0828	Clayton	\$12,000	1
City of Richmond Water Pollution Control District	A2482	Richmond	\$25,000	10
Delta Diablo Sanitation District	A1258	Antioch	\$2,000	1
Diamond Petroleum Inc	C1296	Concord	\$1,000	1
Eduardo Lopez	U1863	Richmond	\$350	1
Gavs Auto Care	C9461	Walnut Creek	\$1,500	3
KAG West, LLC	N1032	Martinez	\$5,500	1
Lone Tree Gas & Food	C1124	Antioch	\$800	1
Moraga Service Center	D1104	Moraga	\$1,000	1
New Age Ventures Inc	C8372	Martinez	\$2,000	3
Pittsburg Chevron	C7511	Pittsburg	\$700	1

**Closed Notice of Violations with Penalties by County
 October 1, 2011 – December 31, 2011
 Continued**

District Wide				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
C & L Enterprise	U2463	Chico	\$300	1
M.N.B. Express Inc.	U2195	Manteca	\$300	1
Marin				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Interocean Steamship Corp.	T8569	San Rafael	\$1,000	1
Napa				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Beacon	C7616	Napa	\$1,000	1
Napa Valley Coffee Roasting Co	B2215	Saint Helena	\$500	1
San Francisco				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
1161 Tetsuo Commercial Property, LLC	S3831	San Francisco	\$40,000	3
Junipero Serra 76 - Double AA Corp	C9485	San Francisco	\$300	1
Tosco Northwest Company - Evelyn	C9529	San Francisco	\$900	1

Closed Notice of Violations with Penalties by County
October 1, 2011 – December 31, 2011
Continued

San Mateo				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Coit Drapery & Carpet Cleaners, Inc	A1148	Burlingame	\$1,250	1
Double AA	A4020	South San Francisco	\$500	1
Gas Recovery Systems, Inc	B1668	Menlo Park	\$7,000	2
KAG West, LLC	N1032	Brisbane	\$11,000	2
Mountanos Brothers Coffee	A1864	South San Francisco	\$1,000	1
Olympic	C2970	Millbrae	\$5,390	1
Peninsula Hauling & Demolition	Q3878	San Carlos	\$750	1
Sing Tao Newspaper (SF) Ltd	A6329	South San Francisco	\$500	1
Valero Refining Co SS#7044	D0421	Foster City	\$775	1
Alum Rock Chevron	C9526	San Jose	\$800	2
ARCO AM/PM	D0619	Morgan Hill	\$4,750	1
BP Service Station	C9354	San Jose	\$775	1
Chevron #4259	C4124	San Jose	\$1,000	1
Gas Depot at Winchester	C0060	San Jose	\$750	1
Gas Recovery Systems, Inc	B1670	San Jose	\$3,000	2
George Nieman	U2589	San Jose	\$500	1
Gilroy Gardens, Inc	B4643	Gilroy	\$1,500	2
Hotel Valencia	U5629	San Jose	\$10,000	2
KAG West, LLC	N1032	San Jose	\$5,500	1
KAG West, LLC	N1032	San Jose	\$5,750	1
Monterey Chevron	C9462	Gilroy	\$3,000	1
Morgan Hill Growers	U9386	Morgan Hill	\$1,000	1
Oak Grove School District	C8526	San Jose	\$800	1
Owens Corning Insulating Systems, LLC	A0041	Santa Clara	\$10,000	5
Palo Alto Unified School District	C9734	Palo Alto	\$700	1
Ralph & Barbara Hemphill	U6629	San Martin	\$400	1
Rusty / Ruby Sweet	U3184	Campbell	\$400	1
San Jose/Santa Clara Water Pollution Control	A0778	San Jose	\$1,000	1

**Closed Notice of Violations with Penalties by County
October 1, 2011 – December 31, 2011
Continued**

Solano				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
KAG West, LLC	N1032	Benicia	\$5,500	1
Valero Benicia Asphalt Plant	A0901	Benicia	\$4,000	2
Valero Refining Company	B2611	Benicia	\$5,000	1
Valero Refining Company - California	B2626	Benicia	\$121,500	25
Sonoma				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Cotati Chevron	C0256	Cotati	\$3,000	1
Lobo, Inc.	U9685	Petaluma	\$300	1
Nelson, Gary	U0211	Santa Rosa	\$400	1
Quality Shoots Vineyard Management	U5700	Sebastopol	\$500	1
Redwood Coast Petroleum	A0869	Santa Rosa	\$1,500	1
Starkey, Blanche	T5759	Sebastopol	\$600	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 cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 21, 2012

Re: Set Public Hearing for March 21, 2012 to Consider Proposed Regulation 8,
Rule 53: Vacuum Truck Operations; Amendments to Regulation 2, Rule 1:
Permits, General Requirements; and Approval of a CEQA Negative
Declaration

RECOMMENDED ACTION:

Set a Public Hearing for March 21, 2012 to consider adoption of a new rule, Regulation 8: Organic Compounds, Rule 53: Vacuum Truck Operations; amendments to Regulation 2: Permits, Rule 1: General Requirements; and approval of a California Environmental Quality Act (CEQA) Negative Declaration.

BACKGROUND

Control Measure SSM-5 in the 2010 Clean Air Plan considered limits on vacuum truck emissions when used in organic liquid service. Vacuum trucks are used for a wide variety of purposes, including removing trash from parking lots, cleaning out sewers and water mains for maintenance work, and removing waste from septic tanks and portable toilets. In facilities that process and transfer large amounts of organic liquids, such as petroleum refineries and bulk terminals, the use of vacuum trucks can emit significant amounts of ozone-forming compounds into the ambient atmosphere.

DISCUSSION

Regulation 8, Rule 53 will limit organic vapor emissions from vacuum trucks when loading high-volatility materials in petroleum refineries, gasoline bulk terminals and plants, marine terminals, and organic liquid pipeline facilities. The rule defines high-volatility materials subject to regulation as gasoline, aviation gasoline, gasoline blending stock, naphtha, transmix or any mixture thereof. The rule sets a 500 parts per million (ppm) concentration limit on emissions from these materials at the exhaust of the truck storage tank or control equipment, but allows the use of a positive displacement pump and/or gravity feed methods in lieu of meeting the emission concentration limit. The rule also sets a liquid leak standard of no more than 3 drops per minute, a vapor leak standard of 500 ppm, and prohibits unloading of regulated material by splash-loading. Limits would become effective January 1, 2013. The rule will also require recordkeeping of regulated materials, crude oil and recovered oil and monitoring of emissions concentrations when abatement equipment is used.

Vacuum trucks are currently exempt from Air District permits. The proposed amendments to Regulation 2, Rule 1, Section 113 will exempt vacuum truck operations that will be subject to the new requirements of Regulation 8, Rule 53, thereby maintaining consistency with current permitting requirements.

RULE DEVELOPMENT PROCESS

Regulation 8, Rule 53 was developed through a process that began in 2010 and included vacuum truck owners and operators, the Western States Petroleum Association and affected industry representatives, manufacturers of control equipment, representatives of other agencies and Air District staff from every division. Staff obtained vacuum truck material throughput information from Bay Area refineries, and, from February 2011 until October 2011, conducted thirty-two source tests on vacuum truck operations involving a variety of materials, equipment, and processes.

Staff conducted two public workshops, in Martinez, CA on the evening of July 21, 2011 and at the Air District offices on July 25, 2011. Approximately 35 persons attended the first workshop, and 21 attended the second. Staff gave presentations to the Stationary Source Committee on the rule development process on September 29, 2011 and January 9, 2012.

Pursuant to the California Environmental Quality Act (Public Resources Code § 21000 et seq.), an initial study for the proposed rule has been conducted, concluding that the proposed rule would not have significant adverse environmental impacts. Notice is hereby given that the Air District intends to adopt a negative declaration for the rule pursuant to Public Resources Code section 21080(c) and CEQA Guidelines section 15070 et seq.

A public hearing notice; proposed Regulation 8, Rule 53: Vacuum Truck Operations; the proposed amendments to Regulation 2, Rule 1: Permits, General Requirements; the CEQA initial study and Negative Declaration; a socioeconomic analysis; and a staff report are available by request and will be posted on the Air District's website at http://www.baaqmd.gov/pln/ruledev/regulatory_public_hearings.htm.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT:

None. Air District inspection staff is already present in petroleum refineries and other locations where the proposed rule will regulate vacuum trucks.

Respectfully submitted,

Jack P. Broadbent
Executive Officer / Air Pollution Control Officer

Prepared by: William T. Saltz
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 21, 2012

Re: Consideration of Authorization for Execution of a Purchase Order in Excess of
\$70,000 Pursuant to Administrative Code Division II Fiscal Policies and
Procedures, Section 4.3 Contract Limitations, for Preparation of CEQA
Documents

RECOMMENDED ACTION:

The Board of Directors will consider authorizing the Executive Officer to execute a purchase order to Environmental Audit, Inc. for environmental analyses and documentation under the California Environmental Quality Act (CEQA) for District rules and plans.

BACKGROUND

Division II, Section 4, 4.3 of the Administrative Code requires that the Board authorize all expenditures over \$70,000. Staff requests that the Board approve the issuance of a Purchase Order to Environmental Audit, Inc. of Placentia, CA in an amount not to exceed \$100,000 for development of CEQA documents necessary for adoption of District rules and plans.

Following a Request for Proposals in 2008, the District selected Environmental Audit, Inc. to conduct CEQA analyses of proposed District rules and plans. The District Board approved a contract with Environmental Audit in July, 2008 for a three-year period and a total of \$150,000. In June, 2011, the contract was extended for six months, to December 31, 2011, and an additional \$50,000 was added.

DISCUSSION

Staff proposes to add \$100,000 to the contract and extend the term from January 1, 2012 through June 30, 2013. This amendment will allow Environmental Audit to continue of work on CEQA documentation (Negative Declarations and Environmental Impact Reports) for District rules and plans. In the previous three-and-a-half year period, Environmental Audit has completed CEQA documentation for the following projects:

- 2010 Clean Air Plan (EIR)
- Reg. 8-45: Automotive Coating (Neg. Dec.)
- Reg. 8-20: Graphic Arts Operations (Neg. Dec.)
- Reg. 8-33, 39: Gasoline Bulk Terminals and Plants (Neg. Dec.)

- Reg. 8-3: Architectural Coatings (Neg. Dec.)
- Reg. 8-32: Wood Products Coatings (Neg. Dec.)
- Reg. 11-16: Perchloroethylene Dry Cleaning (Neg. Dec.)
- Reg. 8-50: Polyester Resin Operations (Neg. Dec.)
- Reg. 2-5: Toxics New Source Review (Neg. Dec.)
- Reg. 9-10: NOx and CO from Petroleum Refineries (Neg. Dec.)
- Reg. 11-17: Agricultural Diesel Engines (EIR)
- Reg. 8-53: Vacuum Truck Operations (Neg. Dec.)

Pending projects include new rules for Metal Melting Facilities, Cement Manufacturing and revisions to District New Source Review and other permitting rules, Reg. 9-10 regarding refinery project modernization for energy efficiency and Reg. 6-1: Particulate Matter. Additional rules from the 2010 Clean Air Plan will follow.

Environmental Audit has been developing CEQA analyses for District rules and plans for many years. Their familiarity with Air District regulatory and planning procedures, and working relationships developed with Air District staff over the years, allows for transitions from one project to the next, expediting work and producing cost savings. In addition to work done for the Air District, Environmental Audit has direct experience with CEQA work for regulatory programs for South Coast and San Joaquin Valley AQMDs.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None. Funds for this purchase order are included in the FYE 2012 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Daniel Belik
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 28, 2012

Re: Consideration of Authorization for Execution of a Contract Extension and
Purchase Order in Excess of \$70,000 Pursuant to Administrative Code Division II
Fiscal Policies and Procedures, Section 4.3 Contract Limitations, for Preparation
of Public Engagement Policy and Guidance Plan

RECOMMENDED ACTION:

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract extension and purchase order with Kearns & West for continued assistance with the Public Engagement Policy and Guidance Plan through December 31, 2012 in the amount of \$50,000.

BACKGROUND

In 2011 the District began development of a comprehensive, District-wide *Public Engagement Policy and Guidance Plan* (Plan). The purpose of these documents is to develop a consistent approach to engage stakeholders in Air District processes.

In March 2011, the Board of Directors authorized the APCO to enter into a contract with Kearns and West for \$200,000 to assist staff with the development of a District-wide Public Engagement Policy and Guidance Plan.

DISCUSSION

A critical factor in the development of these documents has been the participation of a regional, multi-stakeholder Advisory Task Force. The District invited the Task Force to provide input on the development process of these documents. Through these meetings the Task Force recommended to the District that the development process be extended to allow the public and Task Force the opportunity to provide more direct input into the documents and achieve greater stakeholder buy in.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

Funding for this project is included in the Fiscal Year Ending 2012 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 22, 2012

Re: Report of the Executive Committee Meeting of February 15, 2012

RECOMMENDED ACTION:

- A) The Board of Directors Executive Committee re-evaluated the Air District's protocol for video conferencing from the Fourth Floor Conference Room and recommends no amendments.
- B) None; receive and file.

BACKGROUND

The Executive Committee met on Wednesday, February 15, 2012. The Committee received the following reports:

- A) Update on the Video Conferencing Protocol from the Fourth Floor Conference Room.
- B) Status Report of Regional Agency Headquarters Project.

Attached are the staff reports presented in the Executive Committee packet.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) The cost for hosting committee meetings via video conferencing has been set aside in the budget for Fiscal Year End 2012.
- B) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

Attachments

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 25, 2012

Re: Update on the Video Conferencing Protocol from the Fourth Floor Conference Room

RECOMMENDED ACTION:

The Board of Directors Executive Committee will reevaluate and consider amending the Air District's protocol for video conferencing from the Fourth Floor Conference Room.

BACKGROUND

On October 20, 2010, the Board of Directors Executive Committee met and recommended approval of a video conferencing protocol that would allow Board Members the opportunity to participate remotely via both audio and video conferencing communication for all committee meetings hosted in the Fourth Floor Conference Room that do not include action items on the agenda. The two designated remote locations for video conferencing are the Santa Rosa Junior College in Santa Rosa and the County of Santa Clara Building in San Jose. On November 3, 2010, the Board of Directors unanimously adopted the proposed video conferencing protocol.

The Board of Directors Executive Committee has been asked to reevaluate and consider amending the video conferencing protocol to specifically allow Board Members the opportunity to participate remotely in all committee meetings hosted in the Fourth Floor Conference Room when there are both non-action and action items are on the agenda.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The cost for hosting committee meetings via video conferencing has been set aside in the budget for Fiscal Year End 2012.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

Attachment(s): Board of Directors Executive Committee Minutes (October 20, 2010)
Board of Directors Regular Meeting Minutes (November 3, 2010)

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
9:45 a.m., Wednesday, October 20, 2010

Call to Order - Roll Call: Chairperson Brad Wagenknecht called the meeting to order at 9:45 a.m.

Present: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; Committee Members Susan Garner, Mark Ross, Pamela Torliatt and Gayle B. Uilkema

Absent: Committee Members Carole Groom and Scott Haggerty

Public Comment Period: Francisco Da Costa, Director of the Environmental Justice Advocacy, requested the District focus on empirical data of all adverse impacts, reported higher than usual instances of suicide in Bayview Hunters Point which he believes is linked to the environment, and asked that the District report on disbursement of Lennar settlement funds.

Approval of Minutes: **Committee Action:** Director Uilkema made a motion to approve the August 5, 2010 minutes; seconded by Secretary Gioia; unanimously approved without objection.

Update on the Strategic Facilities Planning Project – Phase II Study

Strategic Facilities Planning Manager, Mary Ann Okpalaugo, introduced representatives from CB Richard Ellis (CBRE), reviewed activities completed in the Strategic Facilities Planning Phase II Study, outlined Phase II project objectives, which include:

Conducting analysis of existing facilities:

- Operational Requirements
- Sustainability and environmental objectives
- Financial & market research analysis
- Real Estate Scenarios; and a
- Disposition Strategy for exiting current facilities

Developing a Strategy to achieve facility requirements for the Air District, MTC and ABAG, which:

- Promotes the core values;
- Provides for greater building efficiencies
- Lessens environmental impact; and
- Improves Inter-Agency cooperation and initiatives

Ms. Okpalaugo stated CBRE has completed the scope of work for Phase II which included a Needs Analysis, Scenario Planning and Strategy Development. She noted that ABAG and MTC Boards would be provided with an update on the project in mid-November, 2010. Next steps include presentation of study findings to the Air District Board of Directors.

Raul Campos, Managing Director and Senior Vice President, CBRE, presented study findings, alternatives of consolidating, extensive financial analysis, key issues of renovation costs for continued tenancy, disposition values, key planning drivers and reviewed tables of consolidation criteria for the Oakland and San Francisco markets. Mr. Campos then reviewed transit commute effects reviewed their strategy and next steps.

Key issues include the fact that the building is obsolete at 44 years old and in extensive need of renovation. Average square feet per person is 420 per person compared to 225 square feet per person, which is inefficient. CBRE estimates making repairs would cost about \$300/square foot, which is equivalent to buying a newer facility in move-in condition.

Director Uilkema confirmed with Mr. Campos that the District headquarters building is already five years beyond its useful life; remaining in the building is the most expensive option as the District would likely spend an exponential amount to maintain it. Newer building systems operate much more efficiently, and if the building is purchased, because it is in a non-core area, it most likely would be demolished.

Director Garner questioned square footage per employee and confirmed that an architect would ultimately determine the exact footprint for any new facility. CBRE reviewed existing functions and space for the entire District and arrived at a combined total of 150,000 square feet.

Director Torliatt questioned and confirmed zoning was non-conforming residential, that the Van Ness corridor includes a mix of multi-family and mixed use zoning.

Mr. Campos discussed MTC and ABAG buildings which are in good condition and are full, but their needs may change and become more growth-oriented. Regarding disposition values, the condition of the building and market and said the Air District building is valued at \$4 million which is mostly land value due to its location

Director Ross confirmed that the trigger point used was the 2/3 rule for legal, non-conforming use; there are issues of capital and financing which would be required for renovation, and Mr. Campos indicated that the building has only land value and little building value.

Director Torliatt questioned the possibility for residential units on the site and potential height. Mr. Campos indicated there is not a market to finance a residential project. Buildings could be as tall as 130 feet and if developed, the property would most likely remain dormant until the market returned. He said CBRE reviewed land value, value per unentitled unit, retrofitting the building, and they all penciled out evenly at around \$4 million value.

Director Torliatt questioned the timing for the Cathedral Hill hospital project, and confirmed it was several years away due to issues relating to uncertainty with the community, traffic and the market.

Director Ross questioned whether the District would have an obligation to offer the building to another public agency, and Mr. Broadbent agreed that District Legal Counsel would research this, as there may be some restriction.

Mr. Campos continued his presentation and discussed potential consolidation, which does make good sense. Strategy drivers were compelling as all three agencies have the same mission, accessible to public transit, have good employees use and need for public transit, retail and housing. There is also consolidation of office space for board meetings, training rooms, and consolidation would not disrupt commuting patterns.

He said all three agencies expressed sensitivity to cost drivers. CBRE also looked at the real estate market, rents, building values, debt, opportunities to purchase existing buildings of contiguous availability is limited. There are 7 existing options identified that met criteria in San Francisco, and 2 options in Oakland. He presented a graph for consolidation criteria for both markets, and noted that the information was current as of September 29, 2010, with new options appearing or disappearing.

Mr. Campos presented a transit commute effects chart and discussed results of consolidating all three agencies, the Air District only, MTC only and ABAG only in both downtown San Francisco and in Oakland, with minimal variations in commute times. CBRE looked at the base case to remain in the current building through retrofit or to expand for ABAG and MTC into other buildings. He presented cost comparisons of scenarios. The analysis used information for transit only.

Key findings reveal:

1. Consolidate occupancy
 - a. Supports strategic drivers and promotes interagency synergy
 - b. Benefits from economies of scale
 - c. Carbon footprint reduction of 40% or more

2. San Francisco and Oakland are appropriate locations
 - a. Consider options close to BART (within half mile) and other public transportation
 - b. Consolidations in either San Francisco or Oakland will have little adverse impacted on any of the agencies
 - c. Currently Oakland has two potential options for consolidation other than build-to-suit projects
 - d. San Francisco offers a greater feasibility for successful implementation given the number of alternatives

3. Develop specific options in the Market
 - a. Engage outside support to run a competitive process with existing options
 - b. Team to negotiate a non-binding "letter of intent" with best option
 - c. Provide Board with results for review and approval of next steps

Mr. Campos concluded by outlining the District's current carbon footprint, potential reductions, rental markets, leasing analysis, property valuations, and cost comparison of blended occupancy scenarios. Next steps are to take the study findings to the Boards of each agencies, as recommended by the SFPAHC.

Committee Comments/Questions:

Director Bates suggested CBRE review the Ashby BART station, noting that the City of Berkeley owns its air rights.

Director Uilkema questioned financing and bonding capability and suggested private investment groups also be approached. Alex Somerville, CBRE's First Vice President stated there may be

capacity to do bond financing for the building itself. However, build-out would need to be separate financing and CBRE could research bonding capabilities for the District and ABAG.

Mr. Broadbent noted that of critical determination is whether or not the District consolidates. He said it has been the Board's direction to also look at a stand-alone option. The recommendation is for CBRE representatives to make a presentation to the Board on December 1, 2010, and in November, MTC and ABAG Boards will meet and discuss issues relating to consolidation. Chairperson Wagenknecht supported continuing pursuit of a stand-alone option for the District and said financing could also soon be clearer.

Director Torliatt referred to the cost comparison scenario and questioned and confirmed with CBRE that they take into account operating costs such as utilities and maintenance operational costs of the building.

Director Ross reiterated his desire for Legal Counsel to determine whether the District must first offer its building to other public agencies if it is placed on the market.

Director Garner questioned the potential timeframe for a new District headquarters, and Mr. Campos said relocation could be accomplished by 2012, but a lot depends on the option chosen.

Public Comments: None

Committee Action: None; for information only.

7. CEQA Guidelines Implementation Update:

Henry Hilken, Director of Planning and Research, gave an update on the implementation of the District's California Environmental Quality Act (CEQA) guidelines, reviewed District work with local governments and stakeholders in responding to inquiries, providing data and technical assistance, and agency staff are familiar with the guidelines and using them, while contacting staff for assistance when necessary.

Mr. Hilken discussed regional agency collaboration with ABAG and MTC and noted that staff has convened an Air Quality PDA workgroup to identify concerns and provide assistance in streamlining the CEQA process. Staff has issued numerous technical tools, and described a new CAPCOA greenhouse gas mitigation measure quantification tool, and a suite of documents that help consultants and staff, which are helpful but not mandated to be used.

Mr. Hilken discussed Community Risk Reduction Plans and pilot projects underway in San Jose and San Francisco, staff is working with agencies to prepare local emission inventories, have presented and reviewed CRRP Guidelines with the CARE Task Force, and he discussed the development of Community Development Guidelines which further refine mitigations in CRRPs, streamline mitigation measures, standardize setbacks and mitigation measures from various sources/receptors, and establish standard setbacks in CARE communities.

Mr. Hilken said staff has received a lot of comments from affordable housing advocates who are concerned that sites do not pass initial screening; thresholds could be misused and make it harder to develop infill and affordable housing. He briefly reviewed the comments and responses of District staff.

Next steps include:

- Continuing work with cities, counties and regional agency staff;
- Continuing work with affordable housing advocates and other stakeholders;
- Updating screening tables and technical resources as new information becomes available;
- Continuing to make progress with CRRP development; and
- Developing Community Development Guidelines

Committee Comments/Questions:

Director Ross questioned whether or not projects are qualifying under the thresholds. Mr. Hilken cited the positive outcome of developing relationships with local planning departments, and stated that where EIR's were done, in no case has air quality been the only issue.

Public Comment:

Evan Reeves, Center for Creative Land Recycling (CCLR), submitted a letter into the record regarding Toxic Air Contaminant Screening Method, asked that screening models be removed from the website and the deadline be extended, citing thresholds create problems for affordable housing projects.

Stephanie Shakofsky, CCLR, submitted and read a portion of a letter into the record regarding concerns with the effective date for the risk and hazard thresholds for receptor projects relating to calculation of major sources, use of a worst case dispersion model, and non-inclusion of new regulations that limit the TAC levels above stationary and mobile sources in screening models.

Deni Adaniya, Resources for Community Development (RCD), said RCD is an infill developer in Berkeley and most, if not all new projects, are within two blocks of major thoroughfares, transit corridors and/or rail. They are concerned many would not pass and would trigger an EIR, that regulations would be a significant factor in new site selection, and encouraged the District to defer the effective date of January 1, 2011.

Evelyn Stivers, Nonprofit Housing Association, submitted a letter into the record, and voiced concerns that new thresholds conflict with Housing Element sites and Priority Development Area (PDA) regional plans, and questioned the ability for projects to meet the threshold. She asked that the table be removed from the District's website until it was made clearer and more refined.

Francisco Da Costa, Environmental Justice Advocacy (EJA), said what is needed is more empirical data, accountability and transparency, and he asked that the website be updated for consistency and that housing development not occur along freeways.

Directors confirmed with staff the existence of 355 inactive housing element sites in various jurisdictions where affordable housing could potentially be located, discussed the review of screening levels and traffic volumes in preparing the checklist, and acknowledged that the Board's June 2, 2010 action was to make thresholds effective immediately, except for the risk and hazard thresholds for new receptors, which would take effect January 1, 2011, with the idea that CRRPs are underway. Directors acknowledged that the District is a health-based organization, that some affordable housing is being developed in zone districts other than residential, and recognized that some are developed with a mix of both market rate and affordable housing.

Mr. Broadbent supported comments from Directors about the District being a health-based organization and said staff believes that in the long-term, infill development is the way to

approach meeting thresholds. He supported continuation of the dialogue, thinking it would take another 4 to 5 months, and supported the development guidelines and tools in place.

Director Garner agreed, stated the progress made to date in San Francisco and San Jose, and confirmed that the District will work with affordable housing representatives regarding concerns regarding risk and hazard thresholds for receptor projects.

Director Ross supports additional time for further developing guidelines and extending the deadline of January 1, 2011. Infill is a good strategy whether it is affordable, moderate or market rate, acknowledges concerns of affordable housing advocates, but all levels must be considered.

Director Torliatt cited the importance of policy and vision and briefly discussed Petaluma's success in affordable housing development.

Vice Chair Bates understands there are ways to create affordable projects, and recognized that no exceptions should be made for unhealthy development.

Mr. Broadbent stated staff would return to the Board of Directors for consideration of extending thresholds for receptor projects.

5. Update on Webcasting from the Board Room

Mr. Broadbent gave a brief staff report, stating staff is recommending the Committee recommend authorization to issue an RFP for bids to install webcasting equipment in the District Board Room, the results of which would return to the Executive Committee.

Committee Action: Director Garner made a motion to authorize issuance of an RFP for bids to install webcasting equipment in the District Board Room; Secretary Gioia seconded the motion; unanimously approved without objection.

6. Update on Video Conferencing from the Fourth Floor Conference Room

Mr. Broadbent discussed the recommendation to allow video conferencing for Committee meetings for items not requiring action and/or when information items are of short duration. This will allow for greater efficiencies in Committee member time and reductions in emissions. He confirmed the meeting would be completely interactive with available access from the two locations in Santa Clara and Sonoma.

Directors clarified that, depending upon agenda items, attendance would be required at either the District Headquarters, Santa Rosa Junior College in Santa Rosa or the County of Santa Clara Building in San Jose. Directors would be notified 72 hours ahead of the meeting as to whether or not meetings were informational and could be conducted via remote location or required attendance at District Headquarters. And, the agenda would identify all three locations.

Committee Action: Director Garner made a motion to recommend approval of a video conferencing protocol that will allow remote interactions via both audio and video communication for Committee meetings in the Fourth Floor Conference Room that do not include action items; Director Uilkema seconded the motion; unanimously approved without objection.

8. Workplan and Preparation for Board Retreat

The Committee received Air District accomplishments and major initiatives (draft) for the upcoming year, as an informational item, which included the following:

Major Initiatives 2010:

- Contract with Employees Association (EA)
- Proposed Changes to Fees
- Update to CEQA Guidelines
- 2010/2011 budget
- Clean Air Plan
- Refinery NOx Rule
- Production System – Live
- Metal Melting Rule
- Summer/Winter Spare the Air Season Reviews
- Green Port Initiative
- CAPCOA Climate Change Forum

Major Initiatives 2011 (draft):

- Refinery NOx Rule (Amendment)
- Metal Melting Rule
- Community Risk Reduction Plans
- Community Development Guidelines
- Cement Kilns
- General PM Rule
- Indirect Source Rule
- Vacuum Trucks
- Public Engagement Plan
- Facility Relocation
- Contract with Employee Association (EA)
- Production System – Live
- GHG Fee
- Bay Area business Assistance Program

Time and Place of Next Meeting: At the call of the Chair

Adjournment: The meeting was adjourned at 11:35 a.m.

Lisa Harper
Clerk of the Boards

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5000

Board of Directors Regular Meeting
November 3, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; and Directors Harold Brown, Chris Daly, Susan Garner, Carole Groom, Scott Haggerty, David Hudson, Ash Kalra, Carol Klatt, Liz Kniss, Nate Miley, Mark Ross, James Spering

Absent: Directors Dan Dunnigan, Jennifer Hosterman, Eric Mar, Pamela Torliatt, Gayle B. Uilkema, Ken Yeager and Shirlee Zane

PLEDGE OF ALLEGIANCE: Chairperson Wagenknecht led the Pledge of Allegiance.

PUBLIC COMMENTS: None

BOARD MEMBER COMMENTS: None

CONSENT CALENDAR (Items 1-4):

1. Minutes of October 6, 2010 Regular Meeting;
2. Communications
3. District Personnel on Out-of-State Business Travel
4. Quarterly Report of Air Resources Board Representative – Honorable Ken Yeager

Board Action: Vice Chair Bates made a motion to approve Consent Calendar Items 1, 2, 3 and 4; Director Spering seconded the motion; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS

5. **Report of the Executive Committee Meeting of October 20, 2010**
Chair: B. Wagenknecht

The Executive Committee met on Wednesday, October 20, 2010 and approved the minutes of August 5, 2010.

The Committee received an update on the Strategic Facilities Planning Project—Phase II study findings with the primary objective of exploring alternative locations and a real estate strategy that best fits the needs of the District, MTC and ABAG. CB Richard Ellis presented study findings, consolidation alternatives, extensive financial analysis, and renovation costs for continued tenancy,

disposition values, commute statistics, key planning drivers, and reviewed tables of consolidation criteria for the Oakland and San Francisco markets. Next steps are to take study findings to the Boards of each of the three agencies. The Board will be provided with a presentation on December 1, 2010.

The Committee then received an update on the implementation of the District's CEQA Guidelines and thresholds of significance adopted by the Board at its June 2, 2010 meeting, an overview of District staff's coordination with local governments and stakeholders, regional agency collaboration, and the use and further refinement of technical tools and resources. The Committee reviewed Community Risk Reduction Plan (CRRP) pilot projects underway in San Jose and San Francisco, and discussed the development of Community Development Guidelines which will further refine mitigations in sources/receptors, and establish standard setbacks in CARE communities.

Public comment was received regarding possible unintended consequences relating to screening levels for affordable housing and infill development, potential conflicts between thresholds and housing element sites and Priority Development Areas (PDA's), and general concern regarding development of affordable housing in impacted areas. The Committee held discussion regarding the January 1, 2011 effective date for the risk and hazards thresholds for new receptors, and asked staff to continue to work with affordable housing representatives, and bring back the issue of possible extension of the January 1, 2011 deadline.

The Committee briefly discussed webcasting technology and unanimously recommended that staff issue an RFP and return to the Executive Committee with the cost to install webcasting equipment in the District Board Room.

The Committee then discussed video conferencing from the Fourth Floor Conference Room to two remote locations: the Santa Rosa Junior College in Santa Rosa, and the County of Santa Clara Building in San Jose. **The Committee unanimously recommended that the Board of Directors approve a protocol for video conferencing that will allow remote interactions via both audio and video communication for Committee meetings held in the Fourth Floor Conference Room that do not include action items.**

The Committee then received the Bay Area Air Quality Management District's Major Initiatives 2010 and 2011 (draft), which will be discussed at the Board Retreat in early 2011.

The next meeting of the Committee is at the Call of the Chair.

Board Action: Chairperson Wagenknecht made a motion to approve the report and recommendations of the Executive Committee; Secretary Gioia seconded the motion; carried unanimously without opposition.

6. Report of the Public Outreach Committee Meeting of October 25, 2010
Chair: M. Ross

The Public Outreach Committee met on Monday, October 25, 2010 and, due to the lack of initial quorum, deferred approval of the minutes of July 21, 2010.

The Committee received an update on the 2010 Spare the Air Every Day Campaign. This year's campaign targeted young adults between the ages of 17-35. The Committee discussed the use of social media networks through Facebook and Twitter, received an overview of the year's campaign elements, advertising and media highlights, discussed events held throughout the Bay Area, and reviewed results of the 2010 Great Race for Clean Air contest and public awareness survey results.

The Committee received an overview of the 2010/11 Winter Spare the Air Campaign which informs residents about the Wood Burning Rule. The Committee reviewed a comparison of enforcement statistics from the first two Winter Spare the Air seasons, the District's advertising approach which is built on previous years, expansion of a multi-cultural outreach strategy, and targeted advertisement throughout the Bay Area.

The Committee received an overview of a District-initiated assessment which analyzed current Limited English Proficiency (LEP) practices, guidance, and Bay Area demographics. Staff discussed current laws and guidance governing language access, presented statistics of Bay Area residents who speak English *less than very well*, and reviewed current District services provided to LEP populations and potential improvements. Next steps include development of a comprehensive Public Engagement Policy and Plan.

The Public Engagement Policy and Plan will provide the District with guidance and tools for engaging stakeholders. The Committee reviewed next steps and a timeline of actions.

Public comment was received from speakers who voiced support of development of the Public Engagement Policy and Plan.

The next meeting of the Public Outreach Committee is at the Call of the Chair.

Board Action: Chairperson Ross made a motion to approve the report of the Public Outreach Committee; Director Brown seconded the motion; carried unanimously without opposition.

7. Report of the Mobile Source Committee Meeting of October 28, 2010
Chair: S. Haggerty

The Mobile Source Committee met on Thursday, October 28, 2010 and approved the minutes of September 23, 2010.

The Committee discussed and considered recommending Board of Director's approval of the Carl Moyer Program projects with proposed grant awards over \$100,000. Recommended projects include four marine engines, and five off-road engines. Based on its review, the Committee recommends the Board of Directors authorize the Executive Officer/APCO to enter into these agreements.

The Committee then discussed and considered recommending Board of Directors' approval to accept up to \$6.7 million in Climate Innovation Program (CIP) grant funding from the Metropolitan Transportation Commission (MTC) for bicycle sharing pilot and electric vehicle (EV) charging infrastructure projects. These projects will deploy 1,000 bicycles along the Cal Trans Mass Transportation Corridor in a pilot project, and develop a regional public charger deployment plan. The Committee recommends that the Board of Directors authorize the Executive Officer/APCO to enter into agreements for the recommended projects.

The Committee also discussed and considered allocating \$5 million in Mobile Source Incentive Funds for the Lower Emission School Bus Replacement Program. This funding will replace 30 of the highest emitting buses in service in the Bay Area. Based on this discussion, the Committee is requesting the Board of Directors approve the allocation of \$5 million in Mobile Source Incentive funds (MSIF) to fund public school bus replacement projects under the Lower-Emission School Bus Program (LESBP).

The next meeting of the Mobile Source Committee will be Thursday, November 18, 2010 at 9:30 a.m.

Board Action: Chairperson Haggerty made a motion to approve the report and recommendations of the Mobile Source Committee Meeting; Director Klatt seconded the motion; carried unanimously without opposition.

8. Report of the Nominating Committee Meeting of November 3, 2010

Chair: B. Wagenknecht

The Nominating Committee met on Wednesday, November 3, 2010 and approved the Nominating Committee minutes of November 4, 2009.

The Committee considered the 2011 Board Officers for the 2011 Term of Office, discussed Board Member interest, diversity of representation, and recommended the following Board Officers for 2011:

Chairperson Tom Bates
Vice Chairperson John Gioia
Secretary Ash Kalra

The next meeting of the Nominating Committee is at the call of the Chair.

Board Action: Chairperson Wagenknecht made a motion to approve the report and recommendations of the Nominating Committee; Director Brown seconded the motion; carried unanimously without opposition.

PRESENTATION

9. Advisory Council Report and Recommendations from the June 9, 2010 Meeting on California's 2050 GHG Emission Reduction Target – Control Technologies and Strategies for the Industrial and Electric Power Sectors

Advisory Council Member Mike Sandler said the Advisory Council spent several months working on the report and recommendations from the June 9, 2010 meeting on California's 2050 GHG emission reduction target for control technologies and strategies for the industrial and electric power sectors.

Mr. Sandler gave a PowerPoint presentation, reviewed key points provided by speakers as being carbon capture, sequestration, and cap and trade and briefly discussed what each involves in the context of reducing emissions from the industrial and electric power sectors to receive an 80% reduction in greenhouse gases below 1990 levels by 2050.

He said the Advisory Council reviewed the draft and new cap and trade regulation which has a 45-day comment period open until December 16, 2010. They discussed regulating upstream companies, the allocation of permits, beneficiaries of the permit value or auction revenues, offsets and cost containment, as well as complaints from agencies regarding the current cap and trade systems, over allocation of permits, and equity issues.

Mr. Sandler reviewed the Advisory Council's recommendations:

Carbon Capture:

- Promote technologies
- Research alternative, lower carbon cement; work with cities
- Consider recognition of the use of lower net carbon footprint materials in materials and infrastructure projects.

Sequestration:

- Track progress, consider risks

Cap and Trade:

- Encourage carbon price (even beyond cost recovery)
- Support Health Impact Assessment recommendations

Director Comments/Questions:

Director Hudson questioned geologic risks of injecting carbon, recycled water, the existence of coal power plants, and the potential for using membrane technology. Mr. Sandler said with injection of water, there is not a worry that it will not come back up into the air. CO₂ is a gas and it flows differently.

Vice Chair Bates questioned and confirmed there was a small scale, coal power plant at Moss Landing which was created for study in their pilot project. There was a question regarding whether Calera is looking at their process for a natural gas plant and they indicated their first choice was to go with coal because it is a high CO₂ source and a big problem for climate change. Director Hudson believed there is one or possibly two small coal burning plants in Stockton which may or may not be in operation.

Mr. Broadbent referred to the CARB cap and trade rule and he noted that District staff will be commenting on the cap and trade rule.

Chairperson Wagenknecht thanked the Advisory Council for their recommendations, said he was impressed with speaker presentations and ensuing discussion.

Director Ross said CARB released their cap and trade regulations, which may overlay in the District's efforts. He noted that Proposition 26 requires 2/3 vote for a fee, and he asked Mr. Sandler whether this would affect cap and trade and the District. Mr. Sandler said Proposition 23 did not pass and AB 32 will continue. Proposition 26 passed which would change the definition of the fee and require voter approval. This could come up in terms of auctioning the permits depending on whether there are lawsuits, and it might force a vote in order to auction permits. Mr. Broadbent said staff would pose this question back to the Advisory Council, staff will comment on cap and trade, and CARB is considering it at their December Board meeting.

10. 2010-2011 Winter Wood Smoke Reduction Program

Air Quality Program Manager, Barbara Coler, gave a brief overview of the Wood Smoke Reduction Program. She said the program continues to be successful, it is critical to attain PM2.5 air quality standards, the District is protecting the Bay Area health by implementing the rule, and noted essential program components include education and outreach, compliance assistance, and a robust enforcement program.

Ms. Coler reviewed survey results, key components of Regulation 6, Rule 3 which was adopted July 9, 2008, and said the District is in non-attainment for PM2.5. She presented a particulate matter pyramid of health effects, emphasizing this is the most serious health related air pollutant in the Bay Area because it causes immediate health effects. She reviewed wood smoke enforcement, complaints and warning letter statistics for the 2008/09 and 2009/2010 programs and reviewed 2010/2011 program highlights.

Communications and Outreach Director, Lisa Fasano, presented the Winter Spare the Air (WSTA) program outreach, stating the District will continue to blanket the area with messaging and will target message to non-English speaking communities and those more likely to exceed the 24 hour standard. Staff will stress health impacts this year and expand multi-cultural outreach. She then presented a video of the campaign, an outreach map with various types of targeting with billboards, transit shelters, TV, radio, bicycle, family events, door to door, and Treasure Island banner advertising. Ms. Fasano then presented a video of WSTA commercial, and presented a map of outreach in the Bay area.

Ms. Fasano also indicated staff will be messaging with the Livermore Amador Valley Transit Authority (LAVTA). She said messages will be to Check Before You Burn, Call 1-877-4NO-BURN, Check with WSTA Alert status at www.sparetheair.org or www.baaqmd.gov, and listen for Alerts on local news and TV.

Director Comments/Questions:

Director Hudson stated LAVTA and County Connection are affiliated in how they provide transit to Pleasanton, Dublin and Bishop Ranch, and he asked about advertising on some of the Bishop Ranch Express buses with County Connection.

Director Ross commended staff with their approach, hoped that the program is institutionalized in people's minds, feels it has a lot of resonance with residents, and noted that 50% of people have reduced wood smoke burning.

Vice Chair Bates confirmed that 24 hour notice is provided when Spare the Air days are called, and it runs midnight to midnight.

Director Haggerty asked staff to focus on what he believes is a missed opportunity with barbeques. Ms. Fasano noted that outside fireplaces are included; however, cooking over a fire outdoors is exempt under the regulation.

Chairperson Wagenknecht stressed that education and broadening of the message will continue to resonate with people, and Directors agreed.

OTHER BUSINESS

11. Report of the Executive Officer/APCO:

- Staff is meeting with representatives of the affordable housing and development community regarding CEQA guidelines and will be recommending a series of actions at either the Board of Directors meeting on December 1 or 15, 2010. Part of the actions will

include a recommendation to move the date of the toxics receptor portion which becomes effective January 1, 2011 and provide more time. Staff will be preparing additional information that will serve to simplify the process of preparing CEQA analyses and refined inventory analyses.

- Staff is working with the new owners of the former NUMMI facility; Tesla, to transfer credits and in making sure the plant operates smoothly in building electric vehicles for the Bay Area.
- Staff is working closely with the Lehigh Cement community of Cupertino and others to address concerns. Staff will be going out with public process for Title V permit in late November/early December.
- The Air and Waste Management Association's People to People program 2011 delegation to India, which was assembled two years ago was canceled and postponed. He said A&WMA is now asking for delegates to join them in February 2011 and an email was sent to the Board to garner interest in being part of the delegation. The subject of Board expenses had been thoroughly discussed in 2007, and it was decided at that time to cover half the amount of total costs. He confirmed that the Board will be asked to make a decision no later than the end of November in order to properly plan and reported that three Directors had previously been scheduled to attend.
- Chairperson Wagenknecht requested staff to agendize the discussion about reimbursement for travel to India at the next Executive Committee meeting. Director Ross confirmed with Mr. Bunger that when the vote was taken for the last trip, the Board set aside a total amount of money which was divided amongst those who attended.

12. Chairperson's Report:

- Acknowledged the festivities of the San Francisco Giants' World Series parade which is being held downtown this date;
- The November 17, 2010 Board of Directors meeting is canceled.

13. Time and Place of Next Meeting: Regular Meeting - Wednesday, December 1, 2010, 9:45 a.m., Board Room, 939 Ellis Street, San Francisco, CA 94109

16. Adjournment: The Board of Directors meeting adjourned at 10:45 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 6, 2012

Re: Status Report of Regional Agency Headquarters Project

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On October 12, 2011, the Bay Area Toll Authority (BATA) and the Metropolitan Transportation Commission (MTC) approved the purchase of 390 Main Street in San Francisco. The Bay Area Headquarters Authority (BAHA) was created as a Joint Powers Authority (JPA) between the BATA and MTC to purchase 390 Main Street.

On October 14, 2011, BAHA purchased 390 Main Street for \$93 million dollars and authorized approximately \$53 million dollars for renovations.

In preparation for Air District acquisition of a portion of the building, a condominium agreement and lease purchase agreement are being finalized.

BAHA has contracted with Perkins + Will as the architectural and engineering firm for the renovation and seismic retrofit work. The contract with Perkins + Will was signed January 20, 2012.

Staff will review the Air District Acquisition process and the transition from its current location, 939 Ellis Street, San Francisco, California.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None at this time.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalauugo
Approved by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 22, 2012

Re: Report of the Public Outreach Committee Meeting of February 16, 2012

RECOMMENDED ACTION:

- A) None; receive and file
- B) None; receive and file.
- C) None; receive and file.

BACKGROUND

The Public Outreach Committee met on Thursday, February 16, 2012. The Committee received the following reports:

- A) 2011-2012 Winter Spare the Air Season Summary.
- B) Overview of Retreat with the Bay Area Environmental Health Collaborative.
- C) Update on the Public Engagement Policy and Guidance Plan Workshop Strategy.

Attached are the staff reports presented in the Public Outreach Committee packet.

Chairperson Mark Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) Funding for the Winter Spare the Air outreach program is included in the Fiscal Year Ending 2012 budget.
- B) This retreat was funded with Community Outreach funds from the Fiscal Year Ending 2012 budget.
- C) Funding for this project is included in the Fiscal Year Ending (FYE) 2011 and FYE 2012 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

Attachments

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 6, 2012

Re: 2011-2012 Winter Spare the Air Season Summary

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

The Winter Spare the Air Season began on November 1, 2011, and will end February 29, 2012. The Air District's Communications and Outreach Office conducted Winter Spare the Air outreach and advertising to message the health impacts of wood smoke during the four winter months.

DISCUSSION

The Winter Spare the Air campaign continued to inform residents about the Wood Burning Rule and focused on the localized health impacts from wood smoke in the Bay Area. This year's campaign included a stronger call to action that focused on some of the Bay Area's hot spots for wood smoke-related issues.

Staff will present a summary of the 2011-2012 Winter Spare the Air advertising and outreach campaign including upcoming media outreach for the season wrap-up. Preliminary survey data, new air monitoring data and trends will also be featured.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for the Winter Spare the Air outreach program is included in the Fiscal Year Ending 2012 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kristine Roselius
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 6, 2012

Re: Overview of Retreat with the Bay Area Environmental Health Collaborative

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Air District staff recognized a need to meet with the Bay Area Environmental Health Collaborative membership to address ongoing concerns and challenges regarding protecting air quality and public health in the Bay Area. On Wednesday, November 2, 2011, the Executive Officer informed the Board of Directors of a retreat planned with the Bay Area Environmental Health Collaborative (BAEHC). The Air District staff will provide the Committee with an overview of the retreat.

DISCUSSION

On January 26, 2012, Air District staff and the BAEHC held a retreat at the Port of San Francisco facilities. Approximately 30 individuals from BAEHC and the Air District participated in the full day retreat. The Air District hired a facilitator to assist in planning and facilitation.

A planning committee, which included the facilitator, three BAEHC members and three Air District staff, developed the objectives and the agenda for the day which were:

General Objective: Strengthen working relationships by advancing trust and understanding.

Specific Objectives

1. Define how to work together effectively by learning from past experiences.
2. Identify common goals and opportunities for collaboration based on each organization's priorities, limitations, and approaches to policy development.
3. Develop a shared understanding of community exposure to air contaminants and cumulative impacts to prepare for a follow-up meeting.

Retreat participants discussed previous working experiences between the two organizations, strategies for working together effectively, and broke into smaller groups to discuss key questions, including the meaning of cumulative impacts and the Air District's work on reducing community exposure to air contaminants. At the end of the day, the group collectively identified next steps for working together.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This retreat was funded with Community Outreach funds from the Fiscal Year Ending 2012 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Fasano
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 6, 2012

Re: Update on the Public Engagement Policy and Guidance Plan Workshop Strategy

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

In late 2010, staff briefed the Committee on plans to develop a comprehensive, District-wide *Public Engagement Policy and Guidance Plan (Plan)*. The purpose of this *Plan* is to develop a District-wide, consistent approach to engage stakeholders in Air District processes. In October 2011, staff provided the Committee with an update on the project.

DISCUSSION

Since last fall, staff and the *Plan* consultant, have:

- Hosted four meetings of the Stakeholder Advisory Task Force;
- Convened an Internal Working Group, composed of staff from each division, to review *Plan* development;
- Convened four meetings of the Internal Working Group
- Initiated development of a draft *Plan* document; and
- Initiated development of a strategy for public review of the *Plan*. During the public review phase, residents and stakeholders will be able to provide feedback and input on the draft *Plan*.

Staff will present a project overview and update the Committee on the strategy for public review, including timeline, meeting dates and locations.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for this project is included in the Fiscal Year Ending (FYE) 2011 and FYE 2012 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval

Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 22, 2012

Re: Report of the Budget and Finance Committee Meeting of February 22, 2012

RECOMMENDED ACTION:

- A) None; receive and file.
- B) Recommend that the Board of Directors adopt staff's proposed Cost Recovery Policy.

BACKGROUND

The Budget and Finance Committee met on Wednesday, February 22, 2012. The Committee received the following reports:

- A) Air District Financial Audit Report for Fiscal Year Ending 2011.
- B) Development of a Cost Recovery Policy

Attached are the staff reports presented in the Executive Committee packet.

Chairperson Carole Groom will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) None.
- B) The increased fee revenue that would result from meeting the proposed Cost Recovery Policy's goals would reduce the District's financial risks moving forward in an economic environment that continues to be challenging. Ultimately, the District would also be provided with greater flexibility to use property tax revenue for additional air quality program activities and initiatives that further the District's mission, but that lack a dedicated funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

Attachments

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 9, 2012

Re: Air District Financial Audit Report for Fiscal Year Ending 2011

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The Independent Auditors' Report confirms that the Air District's financial statements "...present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bay Area Quality Management District as of June 30, 2011, and the respective changes in the financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America." The report on the basic financial statements is unqualified with no reportable conditions, no instances of non-compliance, and no financial statement findings noted. The Auditors report also included a review of the Air District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, grant agreements, and other areas in accordance with *Government Auditing Standards*.

This year marks the implementation of Governmental Accounting Standards Board (GASB), statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." One of the objectives of this statement is to improve financial reporting by providing fund balance classifications and categories that will be more easily understood. This new standard establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The new fund balance categories are as follows:

- *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* - includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- *Assigned* – includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned* - is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Report on compliance in accordance *with OMB Circular A-133* states “In our opinion, the Air District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.”

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Glasser
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Groom and Members of the
Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2011

Re: Development of a Cost Recovery Policy

RECOMMENDED ACTION

Recommend that the Board of Directors adopt staff's proposed Cost Recovery Policy.

BACKGROUND

In March 2011, the District's contractor, Matrix Consulting Group, completed an updated Cost Recovery and Containment Study. The Study concluded that fees collected by the District are well below the point of full cost recovery (e.g., for Fiscal Year Ending 2010, fees recovered 62% of program costs). The consultant recommended that the District's Board of Directors "adopt a formalized, District-wide cost recovery policy for the fee services included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources."

At the December 14, 2011 Budget and Finance Committee meeting, an initial draft Cost Recovery Policy was discussed that would guide the development of future amendments to the District's fee regulation. Elements included in this draft Policy include: (1) the District should continue to implement feasible cost containment measures to ensure that the costs of regulatory program activities are reasonable, (2) the District should continue to analyze the extent to which fee revenue recovers the costs of regulatory program activities, and use this information at a fee schedule level to develop appropriate fee amendments, and (3) as a matter of policy, fees should generally be assessed to fully recover regulatory program activity costs (unless the use of tax revenue is identified in specific instances as being appropriate to cover a portion of costs - e.g., small business discounts on permit applications); in order to move towards this goal, the District should adopt fee amendments over the next five years sufficient to increase overall cost recovery to 90 percent. Staff estimated that overall fee revenue would need to be increased by an average of 6.7 percent per year over the next five years to meet the 90 percent cost recovery goal established in the initial draft Policy (assuming that program activity costs would increase by 2 percent per year).

DISCUSSION

In consideration of input received from the Cost Recovery Policy Stakeholder Advisory Group, staff is proposing to modify the initial draft Cost Recovery Policy to set a goal of achieving 85 percent cost recovery within the next four years (instead of 90 percent cost recovery within the next five years as initially proposed). Staff estimates that overall fee revenue would need to be increased by an average of 6.4 percent per year over the next four years in order to meet this goal (instead of 6.7 percent per year over the next five years as initially proposed).

At the February 22, 2012 Committee meeting, staff requests that the committee take a position to recommend approval of the revised Cost Recovery Policy as proposed by staff (a copy of this Policy follows). The Policy would then be presented for consideration of adoption by the full Board of Directors.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The increased fee revenue that would result from meeting the proposed Cost Recovery Policy's goals would reduce the District's financial risks moving forward in an economic environment that continues to be challenging. Ultimately, the District would also be provided with greater flexibility to use property tax revenue for additional air quality program activities and initiatives that further the District's mission, but that lack a dedicated funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey McKay

**COST RECOVERY POLICY FOR BAY AREA AIR QUALITY
MANAGEMENT DISTRICT REGULATORY PROGRAMS**
(DRAFT – 02/14/2011)

PURPOSE

WHEREAS, the District has the primary authority for the control of air pollution from all sources of air emissions located in the San Francisco Bay Area, other than emissions from motor vehicles, in accordance with the provisions of Health & Safety Code sections 39002 and 40000.

WHEREAS, the District is responsible for implementing and enforcing various District, State, and federal air quality regulatory requirements that apply to non-vehicular sources.

WHEREAS, the District's regulatory programs involve issuing permits, performing inspections, and other associated activities.

WHEREAS, the District is authorized to assess fees to regulated entities for the purpose of recovering the reasonable costs of regulatory program activities, and these authorities include those provided for in California Health and Safety Code sections 42311, 42364, and 44380.

WHEREAS, the District's fees fall within the categories provided in Section 1(e) of Article XIII C of the California Constitution, which indicates that charges assessed to regulated entities to recover regulatory program activity costs, and charges assessed to cover the cost of conferring a privilege or providing a service, are not taxes.

WHEREAS, the District has adopted, and periodically amends, a fee regulation for the purpose of recovering regulatory program activity costs, and this regulation with its various fee schedules, is used to allocate costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities.

WHEREAS, the District analyzes whether assessed fees result in the collection of sufficient revenue to recover the costs of related program activities; these analyses have included contractor-conducted fee studies completed in 1999, 2005, and 2011, and annual District staff-conducted cost recovery updates completed in 2006 through 2010. Each fee study and cost recovery update completed revealed that District fee revenue falls significantly short of recovering the costs of related program activities.

WHEREAS, the District's most recently completed fee study (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report, Matrix Consulting Group, March 9, 2011*) concluded that in Fiscal Year Ending (FYE) 2010, the District recovered approximately 62 percent of its fee-related activity costs, resulting in an under-recovery of costs (i.e., a cost recovery gap), and a subsidy to fee payers, of approximately \$16.8 million, and that this cost recovery gap resulted despite the implementation of a number of strategies to contain costs.

WHEREAS, cost recovery analyses have indicated that the District's Fee Schedule P: Major Facility Review Fees, which establishes fees for program activities associated with the Title V permit program, has under-recovered costs by an average of \$3.4 million per year over the period FYE 2004 through FYE 2010.

WHEREAS, the District's Board of Directors has recognized since 1999 that the District's cost recovery gap has been an issue that needs to be addressed, and since that time has adopted annual fee amendments in order to increase fee revenue.

WHEREAS, in addition to fee revenue, the District receives revenue from Bay Area counties that is derived from property taxes, and a large portion of this tax revenue has historically been used on an annual basis to fill the cost recovery gap.

WHEREAS, the tax revenue that the District receives varies on a year-to-year basis, and cannot necessarily be relied on to fill the cost recovery gap and also cover other District expenses necessitating, in certain years, the use of reserve funds.

WHEREAS, tax revenue that the District receives, to the extent that it is not needed to fill the cost recovery gap, can be used to fund initiatives or programs that may further the District's mission but that lack a dedicated funding source.

WHEREAS, it may be appropriate as a matter of policy to establish specific fee discounts for small businesses, green businesses, or other regulated entities or members of the public, where tax revenue is used to cover a portion of regulatory program activity costs, and the District's existing fee regulation contains several fee discounts of this type.

POLICY

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Air Quality Management District that:

(1) Cost Containment –In order to ensure that the costs of its regulatory programs remain reasonable, the District should continue to implement feasible cost containment measures, including the use of appropriate best management practices, without compromising the District’s effective implementation and enforcement of applicable regulatory requirements. The District’s annual budget documents should include a summary of cost containment measures that are being implemented.

(2) Analysis of Cost Recovery – The District should continue to analyze the extent to which fees recover regulatory program activity costs, both on an overall basis, and at the level of individual fee schedules. These cost recovery analyses should be periodically completed by a qualified District contactor, and should be updated on an annual basis by District staff using a consistent methodology.

(3) Cost Recovery Goals – It is the general policy of the District, except as otherwise noted below, that the costs of regulatory program activities be fully recovered by assessing fees to regulated entities. In order to move towards this goal, the District should amend its fee regulation over the next four years, in conjunction with the adoption of budgets for Fiscal Year Ending (FYE) 2013 through FYE 2016, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85 percent. Amendments to specific fee schedules should also be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps. This includes Fee Schedule P: Major Facility Review Fees, which has been determined to under-recover costs by a significant amount. Newly adopted regulatory measures should include fees that are designed to recover increased regulatory program activity costs associated with the measure, unless the Board of Directors determines that a portion of those costs should be covered by tax revenue. Tax revenue should also continue to be used to subsidize existing fee discounts that the District provides (e.g., for small businesses, green businesses, and third-party permit appeals), and to cover the cost of the District’s wood smoke enforcement program.

BE IT FURTHER RESOLVED that this resolution is non-binding in the case of unforeseen financial circumstances, and may also be reconsidered or updated by the District’s Board of Directors.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 23, 2012

Re: Report of the Mobile Source Committee Meeting of February 23, 2012

RECOMMENDED ACTIONS:

The Committee recommends Board of Directors' approval for the following items:

A) Projects with Proposed Grant Awards over \$100,000

- 1) *Approve Carl Moyer Program projects with proposed grant awards over \$100,000.*
- 2) *Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Project projects.*

B) Participation in Year 14 of the Carl Moyer Program and Year 3 of the Goods Movement Bond Program

- 1) *Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2011-2012 (Program Year 14).*
- 2) *Allocate \$5 million in Mobile Source Incentive Funding for projects eligible for funding under the Carl Moyer Program.*
- 3) *Authorize the Executive Officer/ APCO to enter into agreements with the ARB related to the acceptance of I-Bond funding for the Year 3 Port Truck replacement program.*
- 4) *Authorize the Executive Officer to enter into agreements for port truck projects ranked and approved by the ARB.*

C) Regional Plug-In Electric Vehicle Readiness Planning Grants Contractor(s)

- 1) *Approve the selection of ICF International, a contractor to assist the Bay Area Air Quality Management District (Air District) in the preparation of required regional plug-in electric vehicle (PEV) readiness planning documents under grants from the United States Department of Energy (DOE) and the California Energy Commission (CEC).*
- 2) *Authorize the Executive Officer/APCO to enter into all necessary agreements with ICF International to produce the planning documents required by the DOE and CEC.*

3) *In the event that a contract cannot be agreed upon with the selected contractor, authorize the Executive Officer/APCO to enter into an agreement with the next highest ranking bidder (UC Berkeley) and to execute all necessary agreements to produce the documents required by DOE and CEC.*

D) None. Informational item, receive and file.

E) Port Drayage Truck Program

- 1) *Approve the changes to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to include engine model year (MY) 2005/2006 drayage truck replacement projects as an eligible project type.*
- 2) *Authorize the expenditure of the remaining TFCA Regional Fund monies from the MY 2004 port truck program to implement a program to replace MY 2005/2006 port drayage trucks registered in the Bay Area, and allocate an additional \$1 million in TFCA Regional Funds for this program.*
- 3) *Authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the program funds to eligible projects.*
- 4) *Authorize the Executive Officer/APCO to accept, enter into contracts for and allocate funding from additional sources for MY 2005/2006 Drayage Truck Replacement Program.*

BACKGROUND

The Mobile Source Committee met on Thursday, February 23, 2012. The Committee received and considered the following reports and recommendations:

- A) Projects with Proposed Grant Awards over \$100,000
- B) Participation in Year 14 of the Carl Moyer Program and Year 3 of the Goods Movement Bond Program
- C) Regional Plug-In Electric Vehicle Readiness Planning Grants Contractor(s); and
- D) Air District Grant Programs Overview
- E) Port Drayage Truck Program

Attached are the staff reports presented in the Mobile Source Committee packet.

Chairperson, Scott Haggerty will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) None. Through the CMP, MSIF and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.
- B) None. Through the CMP, MSIF, and I-Bond programs the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

- C) None. The Air District match and administrative funding for these projects comes from the TFCA program.
- D) None.
- E) None. The Air District receives funding for the administration of incentives under the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer C. Cooper

Attachments

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Projects with Proposed Grant Awards over \$100,000

RECOMMENDATIONS:

Recommend the Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority

for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

On February 2, 2011, the Board of Directors authorized Air District participation in Year 13 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. On November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 13 projects on August 8, 2011. The Air District has approximately \$14 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of February 2, 2012, the Air District had received 42 project applications. Of the applications that have been evaluated between November 9, 2011 and February 2, 2012, six eligible projects have proposed individual grant awards over \$100,000. These projects will replace 4 pieces of off-road equipment and 12 marine engines, which will result in the reduction of 122 tons of NOx, ROG and PM per year. Staff recommends allocating \$2,371,774 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of February 2, 2012, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 60% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of February 2, 2012 are being forwarded for approval at this time.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

- Attachment 1: BAAQMD Year 13 Carl Moyer Program/MSIF projects with grant awards greater than \$100,000 (evaluated between 11/9/11 and 2/2/12)
- Attachment 2: Summary of all CMP Year 13/MSIF and VIP approved/eligible projects (as of 2/2/12)

Attachment 1:

BAAQMD Year 13 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k
(Evaluated between 11/9/2011 and 2/2/2012)

Project #	Applicant name	Equipment category	Project type	Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
13MOY14	Silva Farms	Off-road	The replacement of one (1) off-road diesel powered tractor.	\$ 181,905.00	1.270	0.151	0.055	Santa Clara
13MOY23	Simoni & Massoni Farms	Off-road	The replacement of one (1) off-road diesel powered tractor.	\$ 257,132.00	1.365	0.088	0.031	Contra Costa
13MOY29	RANKINS AG INC.	Off-road	The replacement of two (2) off-road diesel powered tractors.	\$ 168,347.00	1.408	0.181	0.063	Contra Costa
13MOY24	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-4"	\$ 590,263.00	40.012	0.636	1.192	Alameda
13MOY25	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-3"	\$ 579,878.00	37.843	0.602	1.126	Alameda
13MOY26	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-5"	\$ 594,249.00	34.517	0.542	1.034	Alameda
				\$ 2,371,774.00	116.415	2.201	3.501	

Attachment 2

Summary of all CMP Yr 13/ MSIF and VIP approved/ eligible projects (As of 2/2/12)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOY4	Off-road	Tractor replacement	2	\$ 122,000.00	Humberto Castaneda (farmer)	1.076	0.142	0.037	12/7/2011	Sonoma
13MOY6	Off-road	Tractor replacement	2	\$ 50,861.00	Ronald Palmer (Vineyard)	0.308	0.059	0.017	APCO	Sonoma
13MOY9	Off-road	Tractor replacement	1	\$ 23,576.00	Joesph Pinheiro (Dairy)	0.159	0.028	0.008	APCO	Sonoma
13MOY15	Off-road	Tractor replacement	1	\$ 23,576.00	David Evans dba Marin Sun Farms, Inc.	0.299	0.050	0.016	APCO	Marin
13MOY10	Off-road	Loader replacement	10	\$ 379,700.00	GreenWaste Recovery, Inc.	2.095	0.456	0.115	12/7/2011	Santa Clara
13MOY12	Off-road	Loader replacement	1	\$ 110,132.00	Deniz Dairy	0.541	0.066	0.025	12/7/2011	Sonoma
13MOY17	Off-road	Tractor replacement	1	\$ 36,163.00	Neil McIsaac & Son Dairy	0.158	0.029	0.013	APCO	Marin
13MOY19	Off-road	Tractor replacement	1	\$ 24,577.00	Foley Family Wines dba Sebastiani Vineyards	0.151	0.033	0.008	APCO	Sonoma
13MOY13	Off-road	Loader replacement	1	\$ 104,943.00	Renati Dairy	0.375	0.070	0.025	12/7/2011	Sonoma
13MOY18	Off-road	Tractor replacement	2	\$ 75,489.00	Gerald & Kristy Spaletta (Dairy)	0.520	0.088	0.029	APCO	Sonoma
13MOY14	Off-road	Tractor replacement	1	\$ 181,905.00	Silva Farms	1.270	0.151	0.055	TBD	Santa Clara
13MOY16	Off-road	Tractor replacement	2	\$ 75,971.00	R. Castaneda Farms	0.490	0.085	0.030	APCO	Sonoma
13MOY23	Off-road	Tractor replacement	1	\$ 257,132.00	Simoni & Massoni Farms	1.365	0.088	0.031	TBD	Contra Costa
13MOY28	Off-road	Tractor replacement	2	\$ 54,212.00	Boisset Family Estates (Vineyard)	0.305	0.062	0.019	APCO	Napa
13MOY21	Off-road	Tractor replacement	1	\$ 28,948.00	Roy and Beverly King (Dairy)	0.105	0.030	0.012	APCO	Sonoma
13MOY29	Off-road	Tractor replacement	2	\$ 168,347.00	RANKINS AG INC.	1.408	0.181	0.063	TBD	Contra Costa
13MOY30	Off-road	Tractor replacement	1	\$ 28,651.00	Clos Du Val Wine Company, Ltd.	0.085	0.016	0.007	APCO	Napa
13MOY33	Off-road	Tractor replacement	1	\$ 29,920.00	Michael Meyer DBA: Meyer Farming	0.107	0.023	0.006	APCO	Sonoma
13MOY24	Marine	Engine reman and repower	4	\$ 590,263.00	Harley Marine Services, Inc.	40.012	0.636	1.192	TBD	Alameda
13MOY37	Off-road	Tractor replacement	1	\$ 30,748.00	Greg Lyons (farmer)	0.324	0.054	0.020	APCO	Solano
13MOY35	Off-road	Tractor replacement	1	\$ 39,700.00	Dominus Estate Corporation	0.129	0.025	0.009	APCO	Napa
13MOY24	Marine	Engine reman and repower	4	\$ 579,878.00	Harley Marine Services, Inc.	37.843	0.602	1.126	TBD	Alameda
13MOY26	Marine	Engine reman and repower	4	\$ 594,249.00	Harley Marine Services, Inc.	34.517	0.542	1.034	TBD	Alameda
13MOY36	Off-road	Equipment replacement	2	\$ 45,106.00	Dutton Ranch Corp.	0.189	0.040	0.012	APCO	Sonoma
VIP41	VIP	Truck replacement	1	\$ 40,000.00	James Bell	0.550	0.017	0.036	APCO	Santa Clara
VIP42	VIP	Truck replacement	1	\$ 40,000.00	Robert E. Poole	0.547	0.002	0.036	APCO	Marin
VIP43	VIP	Truck replacement	1	\$ 45,000.00	Thomas Garcia	0.970	0.019	0.022	APCO	San Mateo
VIP44	VIP	Truck replacement	1	\$ 20,000.00	Clark's Rock	0.280	0.010	0.019	APCO	Napa
VIP45	VIP	Truck replacement	1	\$ 45,000.00	Nanak Singh	0.970	0.019	0.022	APCO	Contra Costa
VIP48	VIP	Truck replacement	1	\$ 20,000.00	Jill Lee	0.282	0.009	0.019	APCO	Contra Costa
VIP49	VIP	Truck replacement	1	\$ 35,000.00	Domingo Rodriguez III	0.649	0.016	0.022	APCO	Alameda
VIP50	VIP	Truck replacement	1	\$ 15,000.00	Kon Chen	0.464	0.009	0.000	APCO	Alameda
VIP51	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP52	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP53	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP54	VIP	Truck replacement	1	\$ 45,000.00	Richard Renfro	0.452	0.000	0.048	APCO	Alameda
VIP55	VIP	Truck replacement	1	\$ 5,000.00	James Bell	0.000	0.000	0.008	APCO	Santa Clara
VIP56	VIP	Truck replacement	1	\$ 45,000.00	James Key	0.970	0.190	0.022	APCO	San Benito
VIP58	VIP	Truck replacement	1	\$ 5,000.00	All Points Rolloff Inc.	0.160	0.000	0.011	APCO	Santa Clara
39 Projects			64	\$ 4,046,047.00		131.067	3.866	4.174		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 2/2/12

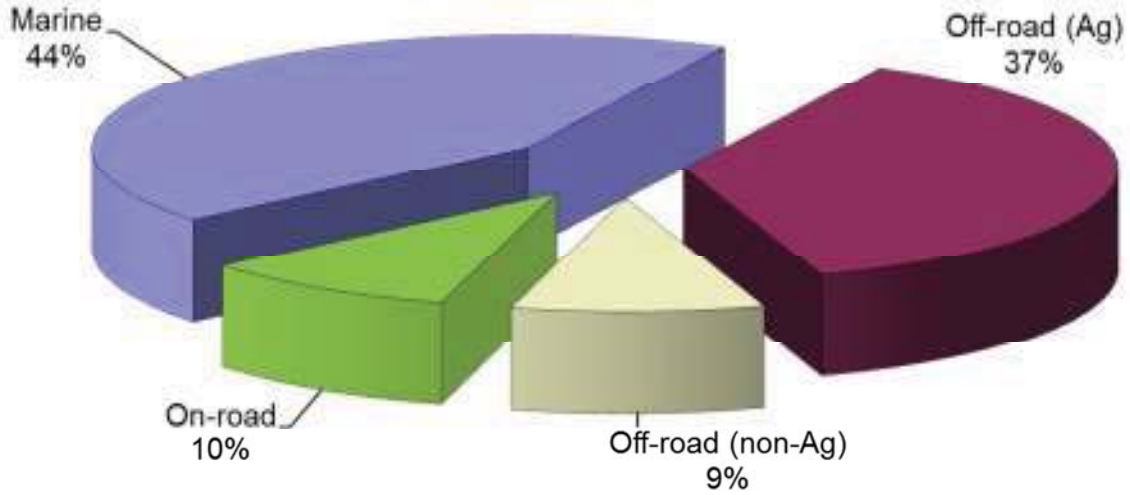
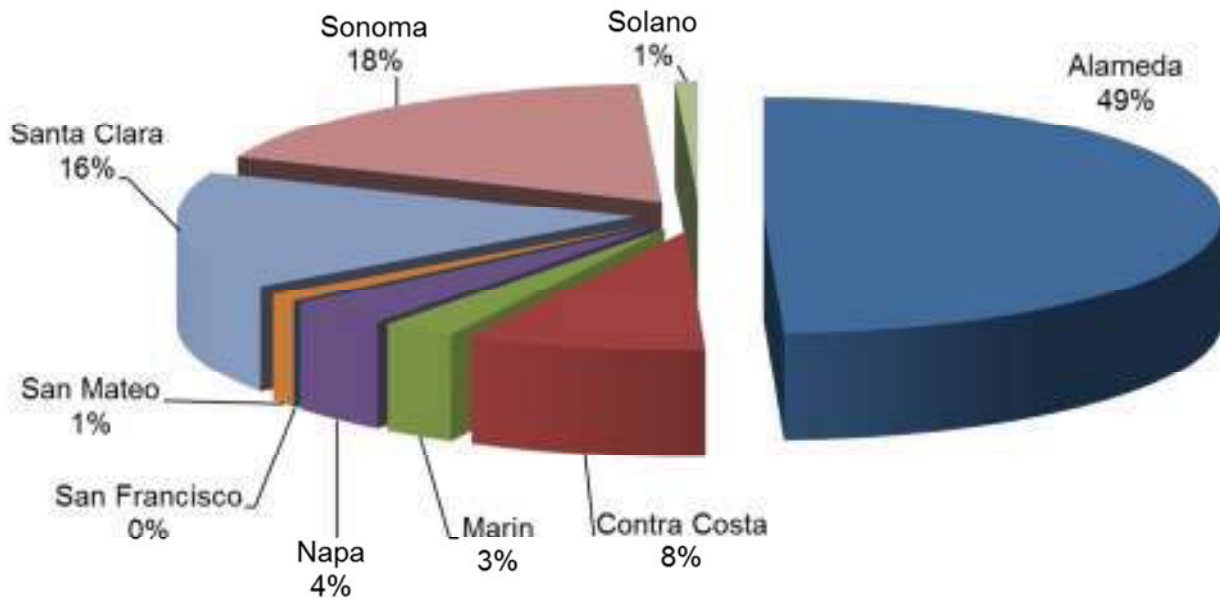


Figure 2: CMP/ MSIF Funding Distribution by County as of 2/2/12



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Participation in Year 14 of the Carl Moyer Program and Year 3 of the
Goods Movement Bond Program

RECOMMENDATION:

Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2011-2012 (Program Year 14).
2. Allocate \$5 million in Mobile Source Incentive Funding for projects eligible for funding under the Carl Moyer Program.
3. Authorize the Executive Officer/ APCO to enter into agreements with the ARB related to the acceptance of I-Bond funding for the Year 3 Port Truck replacement program.
4. Authorize the Executive Officer to enter into agreements for port truck projects ranked and approved by the ARB.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the ARB, since the program began in fiscal year 1998/ 1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include trucks and buses, mobile off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

In November 2006, California voters approved Proposition 1B which authorized the Legislature to appropriate \$1 billion in bond funding to the ARB to quickly reduce air pollution emissions and health risks from freight movement along California's priority trade corridors. Senate Bill 88, enacted in 2007 (codified as Health and Safety Code Section 39625), requires ARB to determine the formula to distribute funding to qualified local governments based on California bond sales.

As part of this report staff will update the Committee on the upcoming CMP and I-Bond grant programs.

DISCUSSION

Carl Moyer Program

The Air District has submitted an application to ARB requesting \$10,044,000 in funding for the implementation of the Year 14 (FY 2011/ 2012) CMP funding cycle. Up to 5% of the total funds awarded to the Air District will be used to pay for administrative expenses related to the implementation of the CMP. As part of the application, the Air District has proposed the commitment of \$1,510,000 in matching funds for Year 14. The Air District will provide the required match by allocating MSIF funds to eligible emission reduction projects.

Staff plans to begin accepting CMP Year 14 applications during the summer of 2012. Project applications will be accepted and evaluated on a first-come, first-served basis until all funds have been allocated. Also, in accordance with the authorization granted to the Executive Officer/APCO on February 4, 2009, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the Mobile Source Committee (MSC) on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

ARB requires districts to use the 2011 CMP Guidelines to award Year 14 CMP funds. The guidelines require all projects to achieve a cost-effectiveness of \$16,640 or less per ton of reduced emissions in order to be eligible to receive funding. Year 14 funding must be obligated to eligible projects by June 30, 2013, and expended by June 30, 2014, and per AB 1390 50% of all funding provided must be awarded to projects in impacted communities. The process that will be used for identifying and prioritizing CMP Year 14 projects with the most significant exposure ("impacted communities") will be similar to the process used for the previous CMP funding cycles with priority being given to projects that reduce emissions in the six highest impacted communities: (1) Eastern San Francisco, (2) West Oakland, (3) East Oakland/San Leandro (4) Richmond, (5) San Jose

and (6) Concord. 50% of the funding available under the program will be reserved for projects in these communities.

Staff requests the Committee recommend the Board of Directors adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with ARB relating to the Air District's receipt of CMP Year 14 funds. Staff also requests \$5,000,000 in MSIF funds be allocated to eligible projects evaluated during the CMP Year 14 funding cycle. These funds will be used to cover the Air District match requirement, and to fund additional CMP projects.

I-Bond Year 3 Port Truck Program

On December 16, 2011, ARB approved a plan for Year 3 I-Bond funding that will make up to \$46 million available to port truck owners in Northern California who had retrofitted and registered their vehicles with ARB by June 30, 2010. Up to \$30,000 in grant funding is available to 1,700 trucks with engine model years between 1994 and 2003, including the 1,319 retrofitted under the Air District's earlier programs and 400 other vehicles retrofitted privately. The amount of money the Air District will ultimately receive for these projects will be determined by the total number of port drayage truck owners that submit applications to ARB to reserve funding by February 9, 2012.

In contrast to the previous I-Bond port truck program, the Year 3 funding cycle was structured by ARB as a closed process only available to the trucks meeting specific eligibility requirements. ARB published a list of the eligible trucks and notified the truck owners on the list of the funding opportunity by mail. Applications for this funding cycle were submitted to ARB for initial review, and then forwarded to Air District staff for completeness checks, eligibility review, contracting and administration. At the end of this process, ARB will make a determination on how much funding will be allocated to the Air District based on a ranking list. This ranking list will specifically identify the only trucks that can be funded by the Air District with I-Bond funding.

Staff will update the Committee on the final funding awarded as a result of this process. Additionally, staff recommends that the Committee request the Board of Directors authorize the Executive Officer/ APCO to: 1) enter into agreements with ARB to accept I-Bond funding for the Year 3 Port Truck replacement program, and 2) to enter into agreements for port truck projects ranked and approved by the ARB based the process described above.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF, and I-Bond programs the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

Attachment 1: Resolution accepting Carl Moyer Program funds from ARB

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2012 -

**A Resolution Accepting Carl Moyer Program Funds
From the California Air Resources Board**

WHEREAS, California Health and Safety Code Division 26, Part 5, Chapter 9, empowers the California Air Resources Board (ARB) to allocate Carl Moyer Program funds to local air quality districts to provide financial incentives to both the public and private sector to implement eligible projects to reduce emissions from on-road, marine, locomotive, agriculture, and off-road engines;

WHEREAS, California Health and Safety Code section 44287, authorizes ARB to provide an air district with funds if that district provides matching funds in an amount established by ARB;

WHEREAS, the Bay Area Air Quality Management District (District) submitted an application to ARB requesting \$10,044,000 in Carl Moyer Program funds to implement the Carl Moyer Program for the fiscal year (FY) 2011-2012 (Year 14) cycle;

WHEREAS, the District proposed to commit up to \$1,510,000 in matching funds as part of the FY 2011-2012, (Year 14) Carl Moyer Program cycle, in accordance with the requirements of California Health and Safety Code section 44287;

WHEREAS, ARB has authorized a grant to the District to implement the Carl Moyer Program Year 14, upon approval by the Board of Directors to accept such grant of funds;

WHEREAS, ARB will award the a grant in the amount of as much as \$10,044,000, with the District-required match of up to \$1,510,000.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District's continued participation in the Carl Moyer Program and acceptance of the FY 2011-2012, Carl Moyer Program funds, to be awarded to eligible projects in accordance with the ARB Carl Moyer Program guidelines.

BE IT FURTHER RESOLVED, the District will provide the required matching funds by allocating local motor vehicle surcharge revenues to eligible emission reduction projects that qualify for Carl Moyer Program matching purposes.

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer is hereby authorized and empowered to execute on behalf of the District grant agreements with ARB and all other necessary documents to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2012, by the following vote of the Board:

AYES:

NOES:

ABSENT:

John Gioia
Chairperson of the Board of Directors

ATTEST:

Nate Miley
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Regional Plug-in Electric Vehicle Readiness Planning Grants Contractor(s)

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the selection of ICF International, a contractor to assist the Bay Area Air Quality Management District (Air District) in the preparation of required regional plug-in electric vehicle (PEV) readiness planning documents under grants from the United States Department of Energy (DOE) and the California Energy Commission (CEC).
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with ICF International to produce the planning documents required by the DOE and CEC.
3. In the event that a contract cannot be agreed upon with the selected contractor, authorize the Executive Officer/APCO to enter into an agreement with the next highest ranking bidder (UC Berkeley) and to execute all necessary agreements to produce the documents required by DOE and CEC.

BACKGROUND

Recognizing the potential of PEV to be an important technology in terms of reducing emissions in the Bay Area, the Air District has allocated over \$6 million in Transportation Fund for Clean Air (TFCA) funding to deploy PEV infrastructure over three fiscal years [fiscal year ending (FYE) 2010, 2011 and 2012]. To ensure that these investments in PEV are well coordinated with the region's needs, the Air District successfully applied for a number of State and Federal grants with its regional agency partners [Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG)] and others to undertake regional PEV readiness planning in both the Bay Area and Monterey regions.

DOE Grant

On June 10, 2011, the Air District, South Coast and the California Plug-In Electric Vehicle Collaborative (PEVC) submitted a joint application for funding from the United States Department of Energy (DOE), for PEV readiness planning for the State of California. As part of that application, the Air District applied for \$300,000 in PEV planning funds for the Bay Area and Monterey (Monterey, Santa Cruz, and San Benito) regions. On September 8, 2011, the DOE notified the Air District that the application for this funding had been successful. The funding provided by the DOE requires the following allocations of grant and match funding:

- \$75,000 in DOE funding was requested for the three Bay Area Clean Cities Coalitions (East Bay, San Francisco and Silicon Valley) to perform outreach for the plan. This funding is matched by \$75,000 in TFCA Regional Fund monies (as allocated by the Board of Directors (Board) on June 15, 2011)
- \$225,000 was requested for the Air District to hire a consultant to draft and coordinate input into the plan. This funding is matched by \$75,000 in Air District staffing time to assist with the drafting and preparation of the plan (allocated as part of this year's Air District budget in program 317) and by \$50,000 in funding allocated by the Board to ECotality for PEV planning on February 2, 2011.

CEC Grants

Subsequent to the submittal of the DOE grant, on July 27, 2011, the Air District also submitted two grants applications for regional PEV readiness planning to the CEC for both the Bay Area and Monterey regions respectively. On September 26, 2011, the CEC announced that the Air District had been successful in obtaining both planning grants. The specific funding allocation for Bay Area portion of these awards requires the following:

- In order to develop the required regional PEV readiness plan, the BAAQMD will hire a contractor(s) via a request for proposals (RFP) to develop the planning document required by CEC using \$200,000 in awarded grant funding.

While both of the grants above have distinct requirements they also share numerous common elements, therefore the Air District and its partners (ABAG, MTC and the Bay Area EV Strategic Council) have developed a unified scope of work which will meet the requirements of both via an RFP. As part of this report, staff will update the Committee on the results of the RFP process designed to select a contractor(s) to assist with developing the plans required by the combined scope of the DOE and CEC grants.

DISCUSSION

In order to comply with the requirements of both grants, Air District staff issued an RFP on January 13, 2012, seeking a contractor(s) to assist with the drafting of the regional readiness planning documents required by the DOE and CEC. The RFP outlines the dates for project milestones including production of various documents (DOE documents

by August 2012 and CEC documents by September 2013), deliverables and subtasks. This timeline is based on the commitments made by the Air District in its applications to DOE and CEC. Additionally, the RFP outlines two separate tasks (Task 1 and Task 2) to produce the documents required under the grants and 30 subtasks each of which has a designated budget.

The RFP allowed for entities to bid on portions of the contract and to team together to submit joint bids for the required scope of work. Additionally, the Air District has the ability to select multiple contractors to perform different portions of the scope of work based on their experience and responsiveness to the RFP. The cost for the preparation of the regional PEV readiness planning documents is not to exceed \$350,000. Also, because the DOE and CEC work is sequential, the RFP allows the Air District the option to change contractor(s) based on performance in the development of the first planning document (the DOE plan due September 2012).

On January 20, 2012, the Air District hosted a bidder’s conference at its San Francisco location which was attended by six (6) separate interested parties. The RFP closed on February 3, 2012, at which time completed applications were due to the Air District offices by 4 PM. The Air District received a total of five (5) applications for the RFP and on February 7 and 8, 2012, staff along with representatives from ABAG, MTC and the Clean Cities Coalitions (Panel) analyzed and scored the applications received against the following criteria:

Table 1 - RFP Scoring Criteria and Percentages

Criteria	Allotted Percentage
Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm’s ability to perform and complete the work in a professional and timely manner.	15%
Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	25%
Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	40%
Cost	20%

Based on the combined average score for each submittal provided by the Panel (see Table 2), staff is recommending that the Committee recommend the Board of Directors award a contract for this project to ICF International (ICF). Additionally, due to the rapid timeline required by this project, staff is also requesting that the Board of Directors authorize the Executive Officer/APCO to enter into an agreement with the second ranked contractor (UC Berkeley) in the event that a contract cannot be agreed upon with ICF.

Table 2 - Ranked RFP Scores by Contractor

Contractor	Score out of 100 points
ICF International	80
UC Berkeley	70
Jack Faucett Associates in Co-operation with ECOTality, Fehr and Peers, and Circle Point	56
IBI Group in association with IHS Consulting/CALSTART	45
MCB Energi Solutions	30

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District match and administrative funding for these projects comes from the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Air District Grant Programs Overview

RECOMMENDATIONS:

None. Informational item, receive and file.

BACKGROUND

As part of its efforts to reduce emissions from mobile sources, the Bay Area Air Quality Management District (Air District) allocated approximately \$71.2 million in funding in the last calendar year (2011). Approximately \$61.2 million of that funding was directly allocated by the Air District. The remaining \$10 million is distributed via the Transportation Fund for Clean Air (TFCA) County Program Manager program. Additionally, as part of this \$61.2 million total, the Air District received the following 7 one-time grant distributions: \$0.5 million in Assembly Bill 118 for three (3) separate Advanced Technology demonstration projects, \$0.7 million in DOE and CEC funding as part of three (3) separate grants to perform regional plug-in electric vehicle readiness planning for the Bay Area and Monterey regions, and \$1.5 million from the United States Environmental Protection Agency for a port truck replacement program.

Of the \$61.2 million allocated, approximately \$58.5 million came from 4 renewable funding sources: the California Goods Movement Bond (I-Bond), TFCA Regional Fund, Mobile Source Incentive Fund (MSIF) and Carl Moyer Program (CMP) funds, all of which accumulate annually via fees and bond sales that are distributed to the Air District. These programs constitute the Air District's primary grant programs.

DISCUSSION

As part of its deliberations in calendar year 2011, the Committee received a report from staff on expenditures in various grant programs for the previous calendar year (2010). That report was based on total dollar allocations and projected emissions reductions for calendar year 2010 projects. The intention of that report was to provide the Committee a better overall indication of the total flow of funding in and out of the primary grants programs. This methodology allowed staff to align the grant funding with future compliance dates set in airborne toxic control measures (ATCM) adopted by the California Air Resources Board and to present to the Committee anticipated needs for grant funding for this calendar year. This same methodology has been applied to the grant allocations in calendar year 2011.

As part of this report, staff will recap the expenditures of funding in calendar year 2011 and discuss with the Committee the anticipated challenges and projected funding for each of the Air District primary grant programs in calendar year 2012.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Port Drayage Truck Program

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the changes to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to include engine model year (MY) 2005/2006 drayage truck replacement projects as an eligible project type.
2. Authorize the expenditure of the remaining TFCA Regional Fund monies from the MY 2004 port truck program to implement a program to replace MY 2005/2006 port drayage trucks registered in the Bay Area, and allocate an additional \$1 million in TFCA Regional Funds for this program.
3. Authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the program funds to eligible projects.
4. Authorize the Executive Officer/APCO to accept, enter into contracts for and allocate funding from additional sources for MY 2005/2006 Drayage Truck Replacement Program.

BACKGROUND

In December of 2007, the ARB approved a regulation to reduce emissions from drayage trucks operating at California's ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation's compliance requirements is shown in Table 1:

Table 1: ARB Drayage Truck Regulation Compliance Schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 * engine emissions standards

* Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

As the next set of compliance deadlines approach for this regulation the Air District must consider how to best assist the trucker population at Bay Area ports with early compliance. As part of this report, the Committee will be updated on efforts to assist truckers with MY 2004 engine vehicles and a proposal to assist additional drayage trucks with MY 2005/2006 engines.

DISCUSSION

Table 2, below contains data from ARB’s Drayage Truck Registry database, and describes the population of vehicles calling on Northern California ports by engine model year. Table 2 also identifies which trucks received grant funds from the original Air District Drayage Truck Program in 2009/2010.

Table 2: Drayage truck population as of November 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA ¹	# of trucks that received grant funds	Grant funds expended ³
1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534
2004	12/31/11	700	TBD ²	TBD
2005 & 2006	12/31/12	2,200	0	\$0
2007 – 2009	2022	1,400	203	\$10,150,000
2010 +	Fully compliant	500		
Total		6,500	1,522	\$25,736,534

Notes:

1. The number of trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.
2. Staff is working to evaluate and contract projects under the engine MY 2004 port truck program.
3. Funding sources for the Air District’s Year 1 port truck funding program: TFCA (\$5 million), Port (\$5 million), ARB Prop 1B (\$13,835,133), and DERA (~\$2 million)

Status Update on MY 2004 Program

On December 7, 2011, the Air District’s Board of Directors approved the creation of a grant program for engine MY 2004 port trucks registered in the Bay Area. The program was funded by \$1.04 million in TFCA regional funds, and provided \$10,000 in assistance for the replacement of up to 104 of 247 eligible trucks. The Board of Directors also selected Cascade Sierra Solutions (CSS), a contractor, to assist the Air District with the implementation of the program, coordination of truck trade-ins and the sale of new trucks. Staff opened a project solicitation period for this grant on December 15, 2011, and accepted applications until January 13, 2012. Staff also sent out notices to all eligible applicants, and worked with the Port, CSS, and local trucking groups to distribute program materials.

While outreach of this program was broad, staff only received 23 applications requesting \$230,000 in total grant funding. Based on staff discussions with industry groups, it is believed that many of the drivers affected by the ARB Phase 1 deadline for MY 2004 trucks had previously made decisions about regulatory compliance and that the program came too late for them. Staff is currently in the process of evaluating the applications received and will begin contracting with these truck owners to award grant funding in the coming weeks.

Proposal for an MY 2005/ 2006 Program

In analyzing the data from Table 2, staff determined that there are a significant number of MY 2005/2006 drayage trucks that need to comply with the upcoming requirements of ARB's rule. A further staff analysis revealed that 916 of the 2,200, MY 2005/2006 Northern California drayage trucks required to meet upcoming ARB deadlines are registered within the boundaries of the Air District (Table 3).

Table 3: Analysis of Northern California MY2005/2006 Drayage Trucks

County	# of trucks	Bay Area %
Alameda	550	60.0%
Contra Costa	126	13.8%
Santa Clara	108	11.8%
San Mateo	16	1.7%
Solano	33	3.6%
San Francisco	35	3.8%
Sonoma	46	5.0%
Napa	2	0.2%
Marin	0	0.0%
Total	916	

Staff is therefore proposing a program to assist these truck drivers to comply with ARB’s Phase 2 requirements one year ahead of the 2014 deadline. In order to provide

funding for this program, Staff is proposing the re-allocation of the remaining program funds from the MY 2004 program and the allocation of an additional \$1 million in TFCA Regional Fund monies to provide grants for MY 2005/2006 truck replacement projects.

Staff is also recommending the amendment of Policy #32 of the current FYE 2012 TFCA Regional Fund policies to allow for the replacement of MY 2005/2006 drayage trucks as an eligible project type (Attachment 1 to this staff report contains the proposed amended policies). In order to obtain input on this proposed change, staff noticed interested parties on January 25, 2012, requesting public comments be returned by February 3, 2012. A summary of the comments and staff responses received can be found in Attachment 2 to the staff report.

Staff is additionally requesting the approval of MY 2005/2006 drayage truck replacement projects, under TFCA County Program Manager Policy #3 (Eligible Projects, and Case-by-Case Approval) of the current TFCA County Program Manager policies. This change will allow Bay Area counties to contribute funding to the Air District in support of the drayage truck replacement program. This action will support Alameda County who on January 26, 2012 approved the commitment of \$1.43 million in TFCA Program Manager funding in support of an Air District MY 2005/2006 port truck replacement program.

In order to encourage further financial participation from other Bay Area counties staff is proposing to first fund all the eligible projects for the counties that have contributed funding in support of this program. Under the proposed MY2005/2006 program Air District's TFCA Regional Funds will be: 1) allocated before participating county funds are awarded, 2) participating county funds will only be used for projects located in the contributing counties, 3) unallocated county funds will be returned to the contributing counties, 4) in the event that more than one county chooses to participate in the program, the Air District will distribute its funds proportionally across participating counties based on the dollar contribution provided (1:1 match on a first-come first-served basis until Air District funding is exhausted), 5) distribution of funds to non-participating counties will be based on the funding available to complete a whole project and the date on which applications were submitted.

The program proposes to provide \$10,000 for each eligible Bay Area truck owner towards the cost of a truck with a compliant MY 2007 engine. The program would also allow MY 2005/ 2006 truck owner to trade their current vehicle in for its worth. In order to ensure that this trade-in and replacement is done in such a manner that MY 2005/ 2006 trucks surrendered do not return to service in California for at least 10 years staff proposes to continue to use CSS as a contractor to administer the MY 2005/ 2006 program. The following is an overview of some additional program details:

- MY 207 or newer truck costs cannot exceed \$69,400.
- The contractor(s) must provide the trade-in value of between \$8,000 and \$15,000 (or greater) for the engine MY 2005/ 2006 truck being traded in (dependent on condition).

- The contractor(s) must be a "CalCap" qualified lender in order to ensure that truckers with local and poor credit scores can receive loan guarantees under an ARB program being run concurrently.
- The contractor(s) must assist truckers in availing themselves of the program and meet all Air District administrative requirements.
- The contractor will assist the Air District with project inspections.
- The contractor will be responsible for ensuring that the engine MY 2005/ 2006 trucks are re-sold to new owners outside of California.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of incentives under the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

Attachment 1: Proposed amendments to BAAQMD TFCA Regional Fund Policies

Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2012

The following policies apply to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2012.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must meet a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Project Type	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	Reserved
Reserved	22	Reserved
Reserved	23	Reserved
Reserved	24	Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot	28	\$125,000
Regional Ridesharing	29	\$90,000
Reserved	30	Reserved
Reserved	31	Reserved
2004 Drayage Truck Replacement Projects	32	\$90,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919, and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District.
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b(7)).

b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.

5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications must provide matching funds from a non-Air District source, which equal or exceed at least 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.

6. **Minimum Grant Amount:** \$10,000 per project.

7. **Maximum Grant Amount:** Maximum award per calendar year:

a. **Each public agency** may be awarded up to \$1,500,000, and

b. **Each non-public entity** may be awarded up to \$500,000.

8. **Readiness:** Projects must commence in calendar year 2012 or sooner. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment the delivery of the award letter for a service contract; or the delivery of the award letter for a construction contract.

9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive funding for up to two (2) years of operation or implementation. Projects that request up to \$100,000 annually in TFCA Regional Funds are eligible to apply for two years of funding. Projects that request more than \$100,000 annually in TFCA Regional Fund are eligible for only one year of funding and must apply each year for subsequent funding.

10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

12. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future

funding for five (5) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Reimbursement is required where it has been determined that funds were expended in a manner contrary to the TFCA Regional Program's requirements and requirements of HSC Code section 44220 et seq.; the project did not result in a reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Program, or otherwise failed to comply with the approved project scope as set forth in the project funding agreement.

13. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements throughout the life of the project.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA funding.
17. **Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible.

Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds to fund a project that is eligible and meets the criteria for funding under both Funds. For the purpose of calculating the TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.

20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

- 21. **Reserved.**
- 22. **Reserved.**
- 23. **Reserved.**
- 24. **Reserved.**
- 25. **Reserved.**
- 26. **Reserved.**

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Projects that significantly lower single-occupancy vehicle trips while minimizing emissions created by the shuttle vehicle are eligible for funding. The project's route must operate to or from a rail station, airport, or ferry terminal and must coordinate with connecting rail or ferry schedules. Projects cannot replace a local bus service or serve the same route as a local bus service, but rather must connect transit facilities to local commercial, employment and residential areas.

Shuttle/feeder bus service applicants must be:

- a. A public transit agency or transit district that directly operates the shuttle/feeder bus service;
- b. A city, county, or any other public agency.

Unless the applicant is the transit agency or transit district that directly implements this project, the project applicant must submit documentation from the General Manager of the transit district or transit agency that provides service in the area of the proposed route, which demonstrates that the proposed service does not duplicate or conflict with existing service.

Applicants are strongly encouraged to use the cleanest vehicle powered with the best-available technology (e.g., electric, hydrogen) to provide the shuttle/feeder bus service. Eligible vehicle types include:

- a. A zero-emission vehicle (e.g. electric, hydrogen)
- b. An alternative fuel vehicle (e.g. compressed natural gas, liquefied natural gas, propane);
- c. A hybrid-electric vehicle;
- d. A post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- e. A post-1989 gasoline-fueled vehicle.

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years. In addition to meeting the requirements listed in Policy 27 for Shuttle/Feeder Bus Service, pilot shuttle/feeder project applicants must also provide data supporting the demand for the service, including letters of support from potential users and providers, and plans for financing the service in the future. Pilot projects must meet and maintain a minimum cost-effectiveness of \$125,000/ton during the first year of operation and a minimum cost-effectiveness of \$90,000 by the end of the second year of operation (see Policy #2). Projects may only receive a maximum

of two years of funding under the Pilot designation. Applicants must apply for subsequent funding under the Shuttle/Feeder Bus designation, described above.

REGIONAL RIDESHARING

29. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five Bay Area counties, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application. Ride matching services must be coordinated with the Metropolitan Transportation Commission's regional ridesharing program. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

BICYCLE FACILITY PROJECTS

30. **Reserved**

31. **Reserved**

2004 DRAYAGE TRUCK REPLACEMENT PROJECTS

32. **2004 Drayage Truck Replacement Projects:** Projects that replace Class 8 (33,001 lb GVWR or greater) drayage trucks with engine Model Years (MY) of 2004, 2005 or 2006 with trucks that have engines certified to 2007 California Air Resources Board (CARB) emissions standards or cleaner are eligible for funding. The existing trucks with the 2004, 2005, or 2006 engines must be registered with the California Department of Motor Vehicles (DMV) and with the CARB drayage truck registry to a Bay Area address, and must be taken out of service after replacement.

REGIONAL FUND EVALUATION CRITERIA

TFCA projects will be evaluated on a first-come-first-serve basis. In order to address Air District priorities, funding available will be reserved as follows:

1. **For Shuttle/Feeder Bus Services and Ridesharing Projects:** 60% of funding available in this category will be reserved for projects that fall within one or more of the following categories:
 - a. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Reduction plans;
 - b. Priority Development Areas; and
 - c. Projects that reduce greenhouse gasses (GHG).
2. **Reserved.**

Attachment 2:

Summary of public comments received
on the proposed modifications to the
TFCA Regional Fund Policies

Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

Committer and Agency/organization	Comment	Staff Response
Lynn March, Sonoma County Transportation Authority (SCTA) Submitted on: 1/26/12	Will BAAQMD be conducting outreach to potential drayage companies in Sonoma County?	Outreach for this funding program would be designed to go out to all eligible applicants in the Air District's jurisdiction (including Southern Sonoma County).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 23, 2012

Re: Overview of Retreat with the Bay Area Environmental Health Collaborative

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

The Air District staff recognized a need to meet with the Bay Area Environmental Health Collaborative (BAEHC) membership to address ongoing concerns and challenges regarding protecting air quality and public health in the Bay Area. On Wednesday, November 2, 2011, the Executive Officer informed the Board of Directors of a retreat planned with BAEHC. The Air District staff will provide the Board with an overview of the retreat.

DISCUSSION

On January 26, 2012, Air District staff and the BAEHC held a retreat at the Port of San Francisco facilities. Approximately 30 individuals from BAEHC and the Air District participated in the full day retreat. The Air District hired a facilitator to assist in planning and facilitation.

A planning committee, which included the facilitator, three BAEHC members and three Air District staff, developed the objectives and the agenda for the day which were:

General Objective: Strengthen working relationships by advancing trust and understanding.

Specific Objectives

1. Define how to work together effectively by learning from past experiences.
2. Identify common goals and opportunities for collaboration based on each organization's priorities, limitations, and approaches to policy development.
3. Develop a shared understanding of community exposure to air contaminants and cumulative impacts to prepare for a follow-up meeting.

Retreat participants discussed previous working experiences between the two organizations, strategies for working together effectively, and broke into smaller groups to discuss key

questions, including the meaning of cumulative impacts and the Air District's work on reducing community exposure to air contaminants. At the end of the day, the group collectively identified next steps for working together.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

This retreat was funded with Community Outreach funds from the Fiscal Year Ending 2012 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Fasano
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Gioia and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 27, 2012

Re: Update on Regional Plug-In Electric Vehicle Deployment and Planning

RECOMMENDATION:

None. Informational Item, receive and file.

BACKGROUND

Since the 1990s, the Bay Area Air Quality Management District (Air District) has taken a leadership role in the promotion of Plug-In Electric Vehicles (PEV). The Air District interest in this technology is based on its potential to reduce tailpipe emissions which contribute significantly to criteria pollutants and greenhouse gases in the Bay Area. In order to incentivize the uptake of PEV, the Air District initially invested \$1.3 Million in TFCA funding between 1994 and 2004 for infrastructure and vehicle deployment in several Bay Area communities. While PEV deployment faltered in the last decade, renewed interest by the public, auto manufacturers, government and private industry has revived the market for this technology. Recognizing this trend and the potential of PEV to be an important technology in terms of reducing emissions in the Bay Area, the Air District has allocated over \$6 million in TFCA funding to deploy PEV infrastructure in the Bay Area over the past three (3) fiscal years.

To ensure that these investments in PEV are well coordinated with the region's needs, the Air District has partnered with the Association of Bay Area Governments, the Metropolitan Transportation Commission, Bay Area Clean Cities Coalitions (San Francisco, East Bay and Silicon Valley) and other local PEV stakeholders to obtain a number of state and federal grants to undertake regional planning in both the Bay Area and Monterey regions.

DISCUSSION

As part of this report, staff will update the Board of Directors on recent Air District efforts on PEV infrastructure deployment and regional PEV readiness planning.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp