



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS REGULAR MEETING

February 19, 2014

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

### Questions About an Agenda Item

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

### Meeting Procedures

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

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of 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  
FEBRUARY 19, 2014  
9:45 A.M.

BOARD ROOM  
7TH FLOOR

## CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance

Chairperson, Nate Miley  
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.*

## CONSENT CALENDAR (ITEMS 1 – 10)

Staff/Phone (415) 749-

1. Minutes of the Board of Directors Special Meeting/Retreat of January 15, 2014  
Clerk of the Boards/5073

2. Board Communications Received from January 15, 2014 through February 18, 2014  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*A copy of communications directed to the Board of Directors received by the Air District from January 15, 2014 through February 18, 2014, 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](mailto: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 notified of Air District personnel, if any, who have traveled on business out-of-state in the preceding month.*

4. Quarterly Report of California Air Resources Board Representative - Honorable John Gioia  
J. Broadbent/5072  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

5. Quarterly Report of Executive Office and Division Activities **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto: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 2013 – December 2013.*

6. Notice of Violations Issued and Settlements in Excess of \$10,000 in January 2014 **B. Bunger/4797**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violation issued and all settlements for amounts in excess of \$10,000 during the month of January 2014.*

7. Set a Public Hearing for March 19, 2014 to Consider Proposed Regulation 14, Rule 1: Bay Area Commuter Benefits Program; and Approval of a California Environmental Quality Act (CEQA) Negative Declaration **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*At the March 19, 2014 Regular Board meeting, the Board of Directors will consider proposed Regulation 14, Rule 1: Bay Area Commuter Benefits Program, and approval of a California Environmental Quality Act (CEQA) Negative Declaration.*

8. Notice of Proposed Amendments to the Air District's Administrative Code, Operating Policies and Procedures for the Board of Directors Division I: Section 8, Hearing Board, Section 8.6, Limits on Term of Office **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider proposed amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 8.6: Limits on Term of Office for the Hearing Board.*

9. Consideration to Authorize Purchase Order in Excess of \$70,000 for Development of an Engineering Permit Training Program **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider authorizing the Executive Officer/APCO to issue a Purchase Order in the amount of \$62,200, to Emerson Human Capital for development of an Engineering Permit Training Program. This will bring total expenditures above \$70,000.*

10. Consideration of Establishing a New Job Classification of Communications Officer **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider establishing a new job classification of Communications Officer with an annual salary range from \$141,222 to \$171,656 (Salary Range 156M).*

## COMMITTEE REPORT(S)

11. Report of the **Budget and Finance Committee** Meeting of January 22, 2014

CHAIR: C. Groom

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

- A) **Air District Financial Audit Report – Fiscal Year Ending 2013**

*Informational item, received and filed.*

- B) **Second Quarter Financial Report – Fiscal Year Ending 2014**

*Informational item, received and filed.*

- C) **Air District Financial Overview**

*Informational item, received and filed.*

12. Report of the **Mobile Source Committee** Meeting of January 23, 2014

CHAIR: S. Haggerty

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports and recommends that the Board of Directors' approve the following items as indicated below:*

- 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 Program projects.*

- B) **Participation in Year 16 of the Carl Moyer 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 2013-2014 (Program Year 16).*
- 2. Allocate \$5 million in Mobile Source Incentive Funding to provide the required match funding and additional monies for projects eligible for funding under the Carl Moyer Program.*

- C) **Overview of Transportation Fund for Clean Air (TFCA) Policies**

*Informational item, received and filed.*

## **PRESENTATION**

13. Overview of Air District's Rules and Regulations

**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Pursuant to the Board Chair's direction, staff will provide an overview of the Air District's Rules and Regulations.*

## **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; California Court of Appeal, First Appellate District, Case No. A135335.

15. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR – (Government Code Section 54956.8)** *The Board of Directors will meet in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss the disposition and leaseback of real property as follows:*

Property: 939 Ellis Street, San Francisco, CA

Air District Negotiators: Jack P. Broadbent, Executive Officer/APCO  
Jeffrey McKay, Deputy Air Pollution Control Officer  
Tom Christian, Cassidy Turley  
Ric Russell, Cassidy Turley

Negotiating Parties: Columbia Pacific Real Estate Fund I, L.P.

Under Negotiation: Price and Terms

## **OPEN SESSION**

### **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**

16. Report of the Executive Officer/APCO
17. Chairperson's Report
18. Time and Place of Next Meeting: *Wednesday, March 19, 2014, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.*
19. Adjournment

**CONTACT THE CLERK OF THE BOARDS  
939 ELLIS STREET SF, CA 94109**

**(415) 749-5073  
FAX: (415) 928-8560  
BAAQMD homepage:  
[www.baaqmd.gov](http://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.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

**EXECUTIVE OFFICE:**  
**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**FEBRUARY 2014**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Advisory Council Regular Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i> - RESCHEDULED TO FEBRUARY 13, 2014	Wednesday	12	9:00 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Thursday	13	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i> -CANCELLED	Monday	17	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i> - RESCHEDULED TO FEBRUARY 24, 2014	Monday	17	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	24	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i> - CANCELLED	Wednesday	26	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	27	9:30 a.m.	Board Room

**MARCH 2014**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i> -CANCELLED	Wednesday	5	9:45 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	12	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	17	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	17	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room



## MARCH 2014

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Climate Protection Committee</b> <i>(Meets on the 3<sup>rd</sup> Thursday of Every Other Month)</i>	Thursday	20	9:30 a.m.	Board Room
<b>Board of Directors Personnel Committee</b> <i>(At the Call of the Chair)</i>	Monday	24	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	27	9:30 a.m.	Board Room

## APRIL 2014

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: January 31, 2014

Re: Minutes of the Board of Directors Special Meeting/Retreat of January 15, 2014

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Special Meeting/Retreat of January 15, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Special Meeting/Retreat of January 15, 2014.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Rex Sanders

Attachments

Bay Area Air Quality Management District  
Alameda County Transportation Commission Office  
1111 Broadway  
Oakland, CA 94607  
(415) 749-5073

Board of Directors Special Meeting/Retreat  
Wednesday, January 15, 2014

## **DRAFT MINUTES**

**CALL TO ORDER:** Outgoing Chairperson Ash Kalra called the meeting to order at 9:56 a.m.

### **ROLL CALL:**

Present: Chairperson Nate Miley; Vice-Chairperson Carole Groom; Secretary Eric Mar; and Directors Susan Adams, John Avalos, Teresa Barrett, Tom Bates, Cindy Chavez, John Gioia, Scott Haggerty, David Hudson, Ash Kalra, Roger Kim (on behalf of Edwin Lee), Liz Kniss, Jan Pepper, Mary Piepho, Mark Ross, Jim Spering and Brad Wagenknecht.

Absent: Directors Carol L. Klatt, Tim Sbranti (resigned) and Shirlee Zane.

**PLEDGE OF ALLEGIANCE:** Outgoing Chairperson Kalra led the Pledge of Allegiance.

**OPENING COMMENTS:** None.

### **PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Gary Latshaw, Sierra Club, submitted written material and addressed the Board of Directors (Board) to encourage efforts to convert the Bay Area infrastructure to a renewable energy model.

Taylor Hawke, 350 Bay Area, addressed the Board in gratitude for its climate work in 2013 and to request the inclusion of greenhouse gases (GHG) in the permitting program, District support of programs that implement sustainable energy alternatives in order to meet climate resolution targets, and to encourage the development of an aggressive climate action plan.

Aaron Reaven, 350 Bay Area, addressed the Board in gratitude for the adoption of the climate resolution, said the Bay Area refineries intend to receive and process petroleum stocks from fracking and tar sands operations, and to request the inclusion of GHG in the permitting program and aligning it with the climate action plan.

**NOTED PRESENT:** Director Haggerty was noted present at 10:06 a.m.

Floyd Earl Smith, 350 Bay Area, addressed the Board regarding the Air District's success at addressing historically identified pollutants, to express gratitude for the adoption of the climate resolution, to commend the opportunity for public involvement in the development of the climate

work program, and to request the inclusion of GHG in the permitting program and to impose maximum emission limits for the largest facilities in the Bay Area.

**COMMENDATIONS/PROCLAMATIONS/AWARDS:**

Chairperson-Elect Miley and Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), each recognized Outgoing Chairperson Kalra in turn for his outstanding leadership as Chair of the Board of Directors in 2013.

Outgoing Chairperson Kalra commended staff for the work of the Air District in 2013 and thanked the Board, public and staff for their involvement and efforts.

Outgoing Chairperson Kalra passed the gavel to Chairperson-Elect Miley.

**CONSENT CALENDAR (ITEMS 1 – 5)**

1. **Minutes of the Board of Directors Regular Meeting of December 18, 2013;**
2. **Board Communications Received from December 18, 2013 through January 14, 2014;**
3. **Air District Personnel on Out-of-State Business Travel;**
4. **Notice of Violations Issued and Settlements in Excess of \$10,000 in December 2013; and**
5. **Consider Authorizing Contract Amendments for the My Air Online Program.**

Board Comments: None.

Public Comments: None.

Board Action:

Director Piepho made a motion to approve Consent Calendar Items 1, 2, 3, 4 and 5; Director Kniss seconded; and the motion carried by the following vote of the Board:

AYES: Adams, Avalos, Barrett, Bates, Chavez, Gioia, Groom, Haggerty, Hudson, Kalra, Kim, Kniss, Mar, Miley, Pepper, Piepho, Ross, Spring and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Klatt, Sbranti and Zane.

**COMMITTEE REPORTS AND RECOMMENDATIONS**

6. **Report of the Personnel Committee (PC) Meeting of January 13, 2014**  
Committee Chairperson Wagenknecht

The PC met on Monday, January 13, 2014, and approved the minutes of December 2, 2013.

The PC received the Advisory Council (AC) Interview summary material for the two vacant conservation organization category seats, conducted interviews of applicants, and recommends Board approval of the appointment to the Air District's AC of Bruce Mast (Build It Green) to the conservation organization category seat, for the remainder of a term expiring December 31, 2014, and Laura Tam (SPUR) to the conservation organization category seat, for the remainder of a term expiring December 31, 2015. The PC also recommends Board approval of incumbent reappointment of AC Member Jeffrey Bramlett for the remainder of a term expiring December 31, 2015.

The next meeting of the PC is at the call of the Chair.

Board Comments: None.

Public Comments: None.

Board Action:

Director Wagenknecht made a motion to approve the recommendations of the PC; Director Adams seconded; and the motion carried by the following vote of the Board:

AYES: Adams, Avalos, Barrett, Bates, Chavez, Gioia, Groom, Haggerty, Hudson, Kalra, Kim, Kniss, Mar, Miley, Pepper, Piepho, Ross, Spering and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Klatt, Sbranti and Zane.

## **BOARD OF DIRECTORS RETREAT**

### **7. Opening Comments**

Chairperson Miley thanked the Alameda County Transportation Commission for the use of the facility for today's meeting and welcomed those present.

Board Comments: None.

Public Comments: None.

Board Action: None; receive and file.

### **8. State of the Air District**

Mr. Broadbent addressed the Board regarding the State of the Air District.

Board Comments:

The Board and staff discussed the recent weather patterns, the spate of national air quality standard violations that resulted, and the reason for the varied identifiers used for “Site Name” in the staff report on agenda item #4.

Public Comments: None.

Board Action: None; receive and file.

**9. Air Quality Summary**

Jean Roggenkamp, Deputy APCO (DAPCO), gave the staff presentation *Air Quality Summary*, including ozone exceedance, air toxics, and fine particulate matter (PM<sub>2.5</sub>) trends over the years; an update on the 2013/2014 Winter Spare the Air Season; a comparison of PM<sub>2.5</sub> levels in 2007 and 2013; Bay Area GHG emissions trends from 1990 to 2050; the key elements of the Air District climate protection resolution; and an update on the Clean Air Plan.

Mr. Broadbent noted a recent public health study by Professor Robert A. Harley, University of California Berkeley, regarding the improvements particulate matter levels in the Bay Area.

The Board and staff discussed transposing public health information over future graphs like that found on slide #10, *PM<sub>2.5</sub> Exceedance Trends 2000 to Present*; the number of Spare the Air Alerts since November 1, the air quality levels each of those days, and their relationship to the federal standards; incentives for low-income constituents to transition away from wood-fueled heating systems; the Spare the Air Alert seasonal messages to limit driving and prohibit wood burning; the need to educate and inform the public about the origin and impact of the federal standards which drive the Spare the Air Alerts; the recent history and politics of the lowered U.S. Environmental Protection Agency standard; whether it is possible to extend Spare the Air Alerts beyond February of each year; the forecasting capabilities of the Air District; the necessity for changes in individual behavior and the inclusion of that message in Air District outreach; and current air quality levels and the contributing sources by percentage.

Mr. Broadbent continued the staff presentation.

The Board and staff discussed the effects of transport between the San Joaquin Valley (Valley) and Bay Area, the contributing sources in the Valley and program funds available to each air district for addressing the issue, the value of including medical information regarding the health impacts of air quality in Spare the Air Alerts, the contributions of various subsets of motor vehicles, the length of time particulate matter (PM) remains in the human body, and the likelihood of rule-making work on this topic in 2015.

Ms. Roggenkamp continued the staff presentation.

The Board and staff discussed the development of interim GHG emission targets and the calculation of per capita levels to better inform future regional reduction targets.

Ms. Roggenkamp concluded the staff presentation.

Board Comments:

The Board and staff discussed the climate work ahead and the critical need for continued enhancement of the Spare the Air Program messaging.

Public Comments: None.

Board Action: None; receive and file.

**10. Administrative and Financial Overview**

Jeff McKay, DAPCO, gave the staff presentation *Administrative & Financial Overview*, including summaries of the recent financial history, topics for Fiscal Year Ending 2015 budget discussions, personnel costs, purchase of 375 Beale Street, and yearly costs.

The Board and staff discussed the state of and forecast for labor contract negotiations with Air District staff; a strategic staffing plan; exploration of a hybrid retirement plan option; position-specific explanations for vacant positions that remain funded in future budgets; the effect of the global economic downturn on staff levels and vacancies; and the consideration of the staff diversity in terms gender, ethnicity, language and cultural competency when implementing the strategic staffing plan.

Mr. McKay concluded the staff presentation.

Board Comments: None.

Public Comments: None.

Board Action: None; receive and file.

**11. Update on 375 Beale Street**

Mr. Broadbent introduced Jack Colbourn, Director of Administrative Services, who gave the staff presentation *375 Beale Street Regional Agency Headquarters Status Report*, including current activities, overviews of the interagency shared services delivery assessment and furniture procurement request for proposals process, the construction schedule and next steps.

Board Comments:

The Board and staff discussed the inclusion of Americans with Disabilities Act considerations and good ergonomic practice during the planning process and that an update on the sale of 939 Ellis Street will be part of the closed session discussion at the next Board meeting.

Public Comments: None.

Board Action: None; receive and file.

## **12. Production System and Website Project Update**

Mr. Broadbent introduced Damian Breen, DAPCO, who introduced Jaime Williams, Information Technology Officer, who jointly gave the staff presentation *Production System & Website Project Update*, including My Air Online program status and 2014 plan.

### Board Comments:

The Board and staff discussed ways to provide easier and more direct access to public meeting agendas and related materials, the navigational challenges of the current website, the desire to include an improved search engine in the new website and the central role of the website in all outreach efforts.

Public Comments: None.

Board Action: None; receive and file.

## **13. Key Policy Initiatives**

Mr. Broadbent gave the staff presentation *Key Policy Initiatives*, including a proposed modernization of the AC and summaries the Bay Area Commuter Benefits Program, draft climate action work program and the petroleum refinery emissions tracking rule.

### Board Comments:

The Board and staff discussed the unique quality of the petroleum refinery emissions tracking rule; the nature of the U.S. Chemical Safety Board work relating to petroleum refineries; the possibility of convening Board meetings with more comprehensive discussions of single, large topics that allow greater opportunities for stakeholder input than the traditional meeting model; the robust public involvement in the development of the climate change resolution and Public Participation Plan; the positive direction the petroleum refinery emissions tracking rule will take the Air District; the ability of petroleum refineries to afford operational changes that will improve air quality; the importance of informing stakeholders of the benefits that will accompany the costs of complying with the climate action work program; where the authority lies for adjusting the limitations of stakeholder input in public meetings; the robust and comprehensive staff work on proposed rules in general; and the nature of stakeholder outreach regarding the draft climate work program.

Public Comments: None.

Board Action: None; receive and file.

## **14. Upcoming Committee Assignments and Goals**

Chairperson Miley announced the upcoming committee assignments, explained his approach in making the assignments, and delivered the written roster to the Board.

Board Comments: None.



Public Comments:

Mr. Smith addressed the Board regarding the changing job of the Air District, the Air District's success at addressing historically identified pollutants, the emissions outside the Bay Area overwhelm the Air District's successes, and the importance of Air District work as a model for the rest of the world.

Board Action: None; receive and file.

**PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Martin Mackerel, Pittsburg Defense Council, addressed the Board regarding the importance of taking into consideration the petroleum stocks going into Bay Area refineries, the health and safety impacts on the surrounding communities during transport and processing, and to request changes in the permit application process to require disclosure of the same.

**OTHER BUSINESS (OUT OF ORDER)**

**15. Chairperson's Report (Out of Order):**

Chairperson Miley thanked staff and encouraged an open door approach to the work of the Air District but said he will remain mindful of the limits of the Air District mission, jurisdictional authority and resources.

Chairperson Miley asked that staff reports be delivered to the Executive Committee regarding Air District procurement policies, affirmative action plan, and a regulations and rules summary.

Chairperson Miley encouraged fair and reasonable approaches to situations, despite the differences between those involved, and suggested the dialogue that results will yield solutions.

Chairperson Miley thanked the former chairpersons in attendance.

**BOARD MEMBERS' COMMENTS:**

Director Bates introduced Arthur Agnos, Former Mayor, City and County of San Francisco, as a guest of the Board at today's meeting.

**OTHER BUSINESS (CONTINUED)**

**16. Report of the Executive Officer/APCO:**

Chairperson Miley announced the cancellation of the Board of Directors Regular Meeting on February 5, 2014.

**17. Time and Place of Next Meeting:**

Wednesday, February 19, 2014, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

18. **Adjournment:** The Board meeting adjourned at 12:27 p.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 13, 2014

Re: Board Communications Received from January 15, 2014 through February 18, 2014

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from January 15, 2014 through February 18, 2014, if any, will be at each Board Member's place at the February 19, 2014 Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Vanessa Johnson  
Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 19, 2014

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

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

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

The report covers the out-of-state business travel for the month of January 2014. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

No out-of-state business travel activities occurred in the month of January 2014.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze  
Reviewed by: Jeff McKay



**Matthew Rodriguez**  
Secretary for  
Environmental Protection

# Air Resources Board

**Mary D. Nichols, Chairman**  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)



**Edmund G. Brown Jr.**  
Governor

TO: Members of the Board of Directors

FROM: Supervisor John Gioia   
Board Member

DATE: January 24, 2014

SUBJECT: QUARTERLY REPORT OF MY ACTIVITIES AS AN AIR RESOURCES BOARD MEMBER

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The list below summarizes my activities as an Air Resources Board member from October 1 thru December 31, 2013:

## October Activities

8<sup>th</sup> Subaru re Zero Emission Vehicles (ZEV's)

14<sup>th</sup> California Strategies/CE2 re Cap-and-Trade – Mine Methane Protocol

18<sup>th</sup> Auto Alliance re ZEV's

21<sup>st</sup> Small Refiners re Cap-and-Trade

11<sup>th</sup> Air Resources Board Staff Briefings – Confirmation Hearing Prep

16<sup>th</sup> Air Resources Board Staff Briefings – October Agenda Items

21<sup>st</sup> Air Resources Board Staff Briefings – Confirmation Hearing Prep

23<sup>rd</sup> Air Resources Board Staff Briefings – Confirmation Hearing Prep

23<sup>rd</sup> Mitsubishi re ZEV's

23<sup>rd</sup> Tesla re ZEV's

23<sup>rd</sup> & 24<sup>th</sup> Meeting of the Air Resources Board, Sacramento

## November Activities

13<sup>th</sup> Calif. Cleaner Freight Coalition

21<sup>st</sup> Did not attend Meeting of the Air Resources Board – Conflict with CSAC

25<sup>th</sup> Union of Concerned Scientists – Freight, Clean Cars, ZEV's

25<sup>th</sup> Mercury Public Advocates re Cap-and-Trade - Mine Methane Protocol

25<sup>th</sup> California Trucking Association

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

Members of the Board of Directors  
January 8, 2014  
Page 2

December Activities

9<sup>th</sup> Air Resources Board Staff Briefings – December Agenda Items  
12<sup>th</sup> Meeting of the Air Resources Board, Sacramento  
12<sup>th</sup> Air Resources Board Staff Briefings – Confirmation Hearing Prep

Attachments: Public Agendas

**PUBLIC MEETING AGENDA**

**Thursday, October 24, 2013  
and  
Friday, October 25, 2013**

[Webcast](#)  
[Board Book](#)

**LOCATION:**

Air Resources Board  
Byron Sher Auditorium, Second Floor  
1001 I Street  
Sacramento, California 95814  
<http://www.calepa.ca.gov/EPAbldg/location.htm>

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website: <http://www.sacrt.com>  
(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS ON AN  
AGENDA ITEM IN ADVANCE OF THE MEETING GO  
TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>**

**Thursday  
October 24, 2013  
9:00 a.m.**

**DISCUSSION ITEMS:**

**Note:** The following agenda items may be heard in a different order at the Board meeting.

**Agenda Item #**

**13-9-3: Status Report to the Board on the Advanced Clean Cars Program**

*Staff will update the Board on the Advanced Clean Cars Program and plans for the midterm review of the program.*

[More Information](#)      [Staff Presentation](#)

**13-9-4: Public Hearing to Consider Minor Modifications to the Zero Emission Vehicle Regulation**

*Staff will present to the Board proposed minor amendments to the Zero Emission Vehicle Regulation.*

[More Information](#)      [Staff Presentation](#)

**13-9-5: Status Update to the Board on Implementation of the Truck and Bus Regulation  
(This item will not be heard prior to 1:00 p.m. on Thursday, October 24, 2013)**

*Staff will present to the Board a status update on the implementation of the Truck and Bus Regulation. This will include a brief overview of the Regulation, a discussion of the Air Resources Board's efforts to assist fleets with compliance through outreach, planning and incentive funding opportunities, enforcement efforts to ensure high levels of compliance, and future efforts to build on the successes to date.*

[More Information](#)      [Staff Presentation](#)

**13-9-6: Informational Status Report to the Board on the Assembly Bill 32 Scoping Plan Update Discussion Draft**

*Staff will present to the Board a status report on the Assembly Bill 32 Scoping Plan Update Discussion Draft.*

[More Information](#)      [Staff Presentation](#)

**Friday**  
**October 25, 2013**  
**8:30 a.m.**

**13-9-7: Public Hearing to Consider a Proposed Regulation for State Implementation Plan Credit From Mobile Agricultural Equipment**

*Staff will present to the Board a proposed regulation that will provide an administrative mechanism to receive State Implementation Plan credit for emission reductions from agricultural equipment that are achieved through incentive programs. The proposed regulation complements the SIP credit rule for agricultural equipment adopted by the San Joaquin Valley Air Pollution Control District. The proposed regulation would provide for an opt-in for any other California air district that complies with the regulation.*

[More Information](#)

[Staff Presentation](#)

**13-9-8: Public Hearing to Consider Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions**

*Staff will present to the Board minor revisions to the Air Resources Board's (ARB) current regulation for the mandatory reporting of greenhouse gas (GHG) emissions. The proposed amendments will support the Cap-and-Trade Regulation by collecting additional information to ensure the accuracy of the data used for benchmarking, allocation of allowances, and the covered emissions calculation. Additionally, the proposed amendments will clarify the reporting requirements to ensure the GHG data are accurate and complete in order to support other ARB Climate Change programs.*

[More Information](#)

[Staff Presentation](#)

**13-9-9: Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms**

*Staff will present to the Board proposed amendments to the Cap-and-Trade Regulation related to implementation, allocation, cost containment mechanisms, and other specific directions from the Board.*

[More Information](#)

[Staff Presentation](#)

**CLOSED SESSION**

*The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):*

*POET, LLC, et al. v. Goldstene, et al., Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District No. F064045.*

*Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; interlocutory appeal, U.S. Court of Appeal, Ninth Circuit Nos. 09-CV-02234 and 10-CV-00163.*



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*Association of Irrigated Residents, et al. v. United States Environmental Protection Agency, 2011 WL 310357 (C.A.9), (Feb. 2, 2011).*

*California Dump Truck Owners Association v. Nichols, U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.*

*California Construction Trucking Association v. United States Environmental Protection Agency, U.S. Court of Appeals, Ninth Circuit, Case No. 13-70562.*

*Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2010-00082774.*

*Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board, San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, No. A138830.*

*California Chamber of Commerce et al. v. California Air Resources Board, Sacramento Superior Court, Case 34-2012-80001313.*

*Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464.*

*Delta Construction Company, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.*

*City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al., Los Angeles Superior Court, Case No. BS140620.*

#### **OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST**

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#### **OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD**

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#### **TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:**

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(Note: not all agenda items are available for electronic submittals of written comments.)

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(Note: not all agenda items are available for online sign-up.)

**IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:**

**1001 I Street, 23<sup>rd</sup> Floor, Sacramento, California 95814**

**(916) 322-5594**

**ARB Homepage: [www.arb.ca.gov](http://www.arb.ca.gov)**

**SPECIAL ACCOMMODATION REQUEST**

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
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**LOCATION:**

Air Resources Board  
Byron Sher Auditorium, Second Floor  
1001 I Street  
Sacramento, California 95814  
<http://www.calepa.ca.gov/EPAbldg/location.htm>

**PUBLIC MEETING AGENDA**

**Thursday, November 21, 2013**

[Webcast](#)  
[Board Book](#)

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website: <http://www.sacrt.com>  
(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>**

**November 21, 2013**

**9:00 a.m.**

**CONSENT CALENDAR:**

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it. Attached are the Proposed Resolutions the Board will consider for consent items listed below.

**Consent Item #**

**13-10-1: Public Meeting to Consider Greenhouse Gas Quantification Determination for the Santa Barbara County Association of Governments' Regional Transportation Plan/Sustainable Communities Strategy**

*The Board will consider acceptance of the Santa Barbara County Association of Governments' determination that implementation of its 2013 Sustainable Communities Strategy would meet the region's 2020 and 2035 per capita greenhouse gas emissions reduction targets set by the Air Resources Board.*

[More Information](#)

[Proposed Resolution](#)

**13-10-2: Public Hearing to Consider Updates to the 2009 Sacramento Metropolitan Federal Ozone Nonattainment Area State Implementation Plan for the 1997 8-Hour Ozone Standard**

*The Board will consider approving proposed updates to the 2009 Sacramento Metropolitan Federal Ozone Nonattainment Area 8-hour Ozone State Implementation Plan (SIP) for submission to the United States Environmental Protection Agency (U.S. EPA) as a revision to the California SIP. These updates incorporate new emissions inventory data that reflect rules and regulations adopted since 2009 and address U.S. EPA "Vehicle Miles Traveled Offset" guidance issued since 2009.*

[More Information](#)

[Proposed Resolution](#)

**13-10-3: Public Meeting to Consider A Research Proposal**

Staff will seek Board approval of a research proposal that was developed to support the Advanced Clean Cars program and to investigate potential emissions reduction opportunities for passenger cars.

[More Information](#)

[Proposed Resolution](#)

**13-10-5: Public Meeting to Hear PM2.5 Area Designation Recommendations for the Revised Federal PM2.5 Annual Standard**

The Board will consider recommendations for initial nonattainment areas for the 2012 Revised Annual PM2.5 National Ambient Air Quality Standard to be submitted to the United States Environmental Protection Agency.

[More Information](#)

[Proposed Resolution](#)

**DISCUSSION ITEMS:**

**Note:** The following agenda items may be heard in a different order at the Board meeting.

**Agenda Item #****13-10-6: Public Meeting to Consider Approval of the San Joaquin Valley 2013 Plan for the Federal 1-hour Ozone Standard**

The Board will consider approving the San Joaquin Valley's 2013 Plan for the 1-hour Ozone Standard as a revision to the California State Implementation Plan. This plan demonstrates the San Joaquin Valley will attain the federal 1-hour ozone standard by 2017.

[More Information](#)

[Staff Presentation](#)

**13-10-7: Public Meeting to Hear a 2013 Legislative Update**

The Air Resources Board's Legislative Director will present a review of air quality and climate change legislation from the first year of the 2013-2014 Legislative Session.

[More Information](#)

[Staff Presentation](#)

**13-10-8: Update to the Board on the Enhanced Fleet Modernization Program**

Staff will present to the Board a summary of the Enhanced Fleet Modernization Program, including staff's recent assessment of the program's performance, identifying the components that are working well and those in need of improvement.

[More Information](#)

[Staff Presentation](#)

**CLOSED SESSION**

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**SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD**

**REVISED 12/9/13**

**PUBLIC MEETING AGENDA**

**Thursday, December 12, 2013**

[Webcast](#)  
[Board Book](#)

**LOCATION:**

Air Resources Board  
Byron Sher Auditorium, Second Floor  
1001 I Street  
Sacramento, California 95814  
<http://www.calepa.ca.gov/EPAblgd/location.htm>

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<http://www.sacrt.com>

(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>**

**December 12, 2013**

**9:00 a.m.**

**CONSENT CALENDAR:**

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it.

**Consent Item #**

**13-11-5: Public Meeting to Consider Appointment of a New Member to the Research Screening Committee**

*Staff will recommend the appointment of Dr. Yifang Zhu to the Research Screening Committee to fill the vacancy left by the resignation of Dr. Tracy Thatcher from Cal Polytechnic State University. The Board's Research Screening Committee consists of scientists, engineers, and others who are knowledgeable, technically qualified, and experienced in air pollution research.*

[More Information](#)

**DISCUSSION ITEMS:**

**Note:** The following agenda items may be heard in a different order at the Board meeting.

**Agenda Item #**

**13-11-1: Public Hearing to Consider the Proposed Greenhouse Gas (GHG) Regulations for Medium- and Heavy-Duty Engines and Vehicles, Optional Reduced Emission Standards For Heavy-Duty Engines, and Amendments to the Tractor-Trailer GHG Regulation, Diesel-Fueled Commercial Motor Vehicle Idling Rule, and the Heavy-Duty Hybrid-Electric Vehicles Certification Procedures**

*Staff will propose for Board consideration five regulations or regulatory amendments, all related to on-road medium- and heavy-duty engines and vehicles and all intended to help usher in new generations of lower-emitting trucks by establishing new GHG and optional NOx*

standards and by enhancing the enforcement and implementation of existing requirements. The proposals include new GHG standards for medium- and heavy-duty engines and vehicles, amendments to the Tractor-Trailer GHG Regulation, a new set of optional NOx standards for heavy-duty engines, amendments to ARB's Diesel Idling Measure, and amendments to the Heavy-Duty Hybrid-Electric Vehicles Certification Procedures.

[More Information](#)

[Staff Presentation](#)

**13-11-2: Public Hearing to Consider the Proposed Regulation on the Commercialization of New Alternative Diesel Fuels**

**(THIS ITEM HAS BEEN POSTPONED UNTIL THE MARCH 2014 BOARD MEETING.)**

Staff will present for the Board's consideration a regulation that establishes a multistage process governing the commercialization of new alternative diesel motor vehicle fuels in California.

[More Information](#)

[Staff Presentation](#)

**13-11-3: Public Meeting to Hear the Planned Air Pollution Research for Fiscal Year 2014-2015**

Staff will present to the Board the proposed 2014-2015 Research Plan. This Research Plan includes 14 projects needed to support attainment of air quality standards and meet greenhouse gas reduction goals. Research included in this plan will examine the extent and effects of air pollution exposure and associated mitigation strategies, support the Advanced Clean Cars program, enhance modeling techniques for criteria pollutants, improve estimates of emissions from off-road vehicles, and investigate the potential to lower greenhouse gas emissions from multiple sectors.

[More Information](#)

[Staff Presentation](#)

**CLOSED SESSION**

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):

*POET, LLC, et al. v. Goldstene, et al., Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394.*

*Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case Nos. 09-CV-02234 and 10-CV-00163.*

*American Fuels and Petrochemical Manufacturing Associations, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case Nos. 09-CV-02234 and 10-CV-00163.*

*Association of Irrigated Residents, et al. v. United States Environmental Protection Agency, 2011 WL 310357 (C.A.9), (Feb. 2, 2011).*

*California Dump Truck Owners Association v. Nichols, U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.*



*Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2010-00082774; defendant's appeal, California Court of Appeal, Third District, Case No. C071891.*

*Truck and Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2013-00150733.*

*Alliance of Automobile Manufacturers v. California Air Resources Board; Sacramento Superior Court, Case No. 34-2013-00152974.*

*Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board, San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, Case No. A138830.*

*California Chamber of Commerce et al. v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2012-80001313.*

*Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464.*

*Delta Construction Company, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.*

*City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al., Los Angeles Superior Court, Case No. BS140620 (transferred to Sacramento Superior Court, Case No. 34-2013-80001451-CU-WM-GDS).*

*Alliance for California Business v. Nichols et al., Glenn County Superior Court, Case No. 13CV01232.*

*Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283.*

#### **OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST**

*Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.*

#### **OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD**

*Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.*

#### **TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:**

<http://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

**ONLINE SIGN-UP:**

**You can sign up online in advance to speak at the Board meeting** when you submit an electronic Board item comment. For more information go to:

<http://www.arb.ca.gov/board/online-signup.htm>

(Note: not all agenda items are available for online sign-up.)

**IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:**

**1001 I Street, 23<sup>rd</sup> Floor, Sacramento, California 95814**

**(916) 322-5594**

**ARB Homepage: [www.arb.ca.gov](http://www.arb.ca.gov)**

**SPECIAL ACCOMMODATION REQUEST**

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

AGENDA: 5

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 3, 2014

Re: Quarterly Report of the Executive Office and Division Activities for the Months  
of October 2013 – December 2013

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**ADMINISTRATION AND HUMAN RESOURCES – J. COLBURN, DIRECTOR**

**375 Beale Street Status Update:**

The Executive Committee at its December 16, 2013 meeting received a status report on the design of the building including the board room and the layout for the 1<sup>st</sup>, 2<sup>nd</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> floors.

**Construction Update**

The atrium demolition and soil excavation for foundation strengthening began in November. The cut out for the atrium is almost complete.



**Inter-Agency Shared Service Assessments Update**

Staff from the Air District, BAHA, Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) have been working to develop options for sharing various business operations and to implement shared technology services upon move-in to 375 Beale Street.

### **Furniture Procurement Update**

On November 13th, BAHA issued a two-part Request for Qualifications/Request for Proposals (RFQ/RFP) inviting furniture dealers to submit a Statement of Qualifications (SOQ) to provide and install workstation and office (i.e. systems furniture, conference furniture, seating, storage units), public space and other ancillary furniture for 375 Beale Street. The total budget is \$5.0 million and includes 550 workstations /offices, 50 conference rooms and public area furniture.

The next phase of work involves 1) developing a governance framework for ownership, oversight and resources management of agreed-upon services and 2) developing the technical design and specifications needed to move to the procurement phase.

### **Human Resources**

The Human Resources (HR) Office coordinated 7 recruitment exams including exams for Air Quality Inspectors, Air Quality Program Manager, Senior Advanced Projects Advisor, Senior Air Quality Chemist, Senior Air Quality Inspector, Supervising Air Quality Engineer, and Temporary Facilities Services Supervisor. In addition, the HR Office conducted training sessions, including: Medical Privacy in the Workplace, Preventing Workplace Harassment, Difficult Conversations, and wellness seminars. The HR Office continues to administer payroll, benefits, safety, and labor/employee relations. There are currently 311 regular employees, 13 temporary employees and interns, and 54 vacant positions. There were 2 new employees and 6 employee separations from October to December 2013.

### **Financial Audit**

On November 15, 2013, the District's independent auditors of Gilbert and Associates Inc. conducted their year-end field work for the fiscal year ending June 30, 2013. The District received the Audited Financial Reports with no audit findings on December 30, 2013. Auditor's presentation to the Budget and Finance Committee is scheduled for Wednesday, January 22, 2014.

### **JD Edwards Financial System**

Finance and IT staff are working together with Oracle to make minor upgrades to JDE servers and JDE database. This project will replace outdated servers no longer supported by Microsoft and will improve existing database performance. Initial project work and discussions between District staff and Oracle started in mid-December with upgrade work commencing late January 2014. The projected timeline for completion is May 2014.

**COMPLIANCE AND ENFORCEMENT – W. KINO, DIRECTOR****Enforcement Program**

Staff documented 224 air pollution violations that resulted in Notices of Violation and responded to 710 general air pollution complaints. These activities addressed noncompliance with applicable federal, state, and air district regulations and provided a mechanism for the public to voice their concerns about air pollution issues that might be in noncompliance. Additionally, highlighted enforcement activities for the quarter are as follows:

- I. On November 7, 2013, staff investigated and confirmed eight of nine air pollution odor complaints from the public to Evergreen Oil, a waste oil re-refinery in Newark. The odors emanated from an overfilled storage tank and caused a public nuisance.
- II. Staff investigated two large fires that occurred at Sims Metal Management, a scrap metal processing facility in Redwood City. The November 10, 2013 and December 17, 2013 fires generated dark grey smoke plumes and associated “burnt rubber” odors that impacted many cities along the peninsula, south and east bays and generated widespread media coverage. The Air District received 61 air pollution complaints from the first fire and 36 air pollution complaints from the second. The facility was cited for creating a public nuisance.
- III. The Air District issued 23 Winter Spare the Air Alerts (WSTA) (on November 25, 26, 29 and 30; and December 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 23, 24, 25, 26, 27, 28, 29 and 31), resulting in 206 first time Notices of Violation and 6 second Notices of Violation issued on WSTA days.

**Compliance Assurance Program**

Staff conducted over 2579 inspections including permitted facilities, gasoline stations, asbestos, open burning, portable equipment and mobile sources. Additionally, highlighted inspection activities for the quarter are as follows:

- Staff attended the quarterly California Air Pollution Control Officers Association (CAPCOA) Vapor Recovery Subcommittee meeting in Sacramento on October 16, 2013. Staff received updates from the California Air Resources Board (CARB) on Enhanced Vapor Recovery (EVR) for above ground storage tanks (AST) and In-Station Diagnostics (ISD); and, worked on 2014 priorities.
- Staff participated in the California Air Resources Board (CARB) Field Study of In-Station Diagnostics (ISD) Overpressure Alarms. ISD information was downloaded from 58 Bay Area gas stations in October (summer fuel blend) and then in December (winter fuel blend). Data will be collected twice more in the first quarter of 2014. The purpose of the study is to provide a permanent solution to the ISD overpressure phenomenon believed to be related to California’s winter fuel blend.

- On October 10, 2013, staff met with representatives from Virtual Technologies LLC. This company developed software using digital cameras as an alternative to EPA Method IX (EPA approved method for reading visible emissions to determine compliance with opacity standards). The software has been approved by EPA as an alternative to Method IX and is referred to in the Federal Register as ALT 82. Staff is testing this technology for future use by enforcement staff.
- On October 24, 2013, staff met with representatives of the John Stewart Company (Housing Developer) to discuss the construction schedule for the Phase II portion of the Hunters View Redevelopment Project in Bayview Hunters Point and its planned construction and grading operations subject to the State Asbestos Airborne Toxic Control measure.
- Staff met with the Malcom X Academy Elementary School on November 1, 2013 to discuss the Air District's regulatory role in overseeing the Hunters View Redevelopment Project (Phase II). The school borders the project and the faculty was concerned about airborne asbestos and their students' safety.
- On October 31, 2013, staff and the US Environmental Protection Agency (US EPA), met with the Navy and Navy contractors to discuss dust mitigation issues and track-out prevention at the Hunters Point Shipyard in San Francisco.
- On November 13, 2013, staff met with representatives of Lennar Urban (Lennar), developer of Parcel A' Phase I Development Project at Hunters Point Shipyard, to discuss the following topics: a one day violation for failure to conduct ambient asbestos air monitoring during construction and grading operations at parcel A'; an investigation into an unusually elevated asbestos reading for November 7; an update on planned construction activities at Parcel A'; planned future construction and grading activities at the Alice Griffith Public Housing Development; and possible demolition scenarios of Candlestick Park.
- Staff conducted 268 grant inspections for the Strategic Incentives Division.

### **Compliance Assistance and Operations Program**

Staff received and evaluated over 1644 plans, petitions, and notifications required by the asbestos, coatings, open burn, tank and flare regulations. Staff received and responded to 71 compliance assistance inquiries and green business review requests. Additionally, highlighted compliance assistance activities for the quarter are as follows:

- Pursuant to the Air District's Compliance Assistance Program, advisories were sent to operators and degassing contractors of organic liquid storage tanks regarding notification and tank degassing requirements (Regulation 8-5).
- Pursuant to the District's Wood Smoke Program, staff mailed out 677 informational packets to residences that received complaints regarding wood burning. During the 4<sup>th</sup> quarter of 2013, the District received approximately 95,250 calls to the 1-877-4NO-BURN line, and 3,770 complaints regarding wood burning.
- Staff presented an overview of the Open Burning program to the Napa Valley Grapegrowers Association on December 12<sup>th</sup> to discuss Regulation 5 and the new fee process.

- The fall marsh management burn season ended on October 15<sup>th</sup>, with a total of 2 acreage allocations and 11 acres burned for burn projects in Solano County. Staff approved 2 Prescribed Burn Smoke Management Plans for burn projects in Santa Clara County.
- Staff completed the data verification and posting of refinery flare monitoring data through August 2013.
- Staff participated in the Monthly Trucker Work Group meetings at the Port of Oakland.

(See Attachment for Activities by County)

**ENGINEERING DIVISION – J. KARAS, DIRECTOR**

**Permit Activity Statistics**

The following tables summarize permit activity in the 4<sup>th</sup> quarter:

<b>Permit Activity</b>			
New applications received	281	New facilities added	85
Authorities to Construct issued	146	Permit Exemptions (entire applications deemed exempt)	3
Permits to Operate issued (new and modified)	213	Annual update packages completed	1203
Registrations (new)	76		

<b>Title V Permits Issued</b>			
Initial	0	Administrative amendments	9
Renewals	1	Minor revisions	7

**Permit Evaluation Program**

**Energy Projects Overview:** Staff has been meeting with regulatory agencies and community groups to discuss permitting issues associated with proposed energy projects, which include Valero Crude by Rail, WesPac, Phillips 66 Propane Butane Recovery Project, and the Chevron Renewal Project.

**Phillips 66 Propane Recovery (Rodeo):** The draft EIR for the Propane Recovery Project was approved by the planning commission on November 19, 2013. An appeal was filed with Contra Costa County by the December 2, 2013 due date by two parties (Rodeo Citizens Association, Citizens for a Better Environment). The hearing for the final EIR before the Contra Costa Board of Supervisors has been extended until April 1, 2014.

### **Toxics Programs**

**Health Risk Screen Analysis (HRSA):** 71 HRSAs were completed during the reporting period.

**National Association of Clean Air Agencies (NACAA) Air Toxics Committee:** On December 5, 2013 staff participated in a Committee conference call to discuss two current EPA screening-level air toxics modeling tools: Risk-Screening Environmental Indicators Model (RSEI) and National-scale Air Toxics Assessment (NATA). EPA plans to release an updated NATA in 2015.

### **Greenhouse Gas (GHG) Projects**

**EPA Carbon Pollution Guidelines for Existing Power Plants:** On November 15, 2013 staff met with the EPA Regional Administrator and staff to discuss existing power plant guidelines that EPA is developing. Staff shared experiences developing air pollution plans, regulations, validation, how power is managed and other state efficiency requirements. Attendees supported a stringent standard or goal with maximum flexibility, so that EPA's proposals do not conflict with current local efforts to reduce GHG emissions. EPA plans to require plan submittals by 2016. It was suggested that the plans follow a similar process to State Implementation Plans for criteria pollutants. This will allow different timeframes to achieve the goals by demonstrating reasonable further progress.

**EPA GHG Reporting Requirements:** EPA has requested data on GHG permitting activities from 2011 through 2014. They have also requested an estimate of the increase in permitting workload if trigger levels were reduced. A status report for 2011 is due by the end of January, 2014.

### **Engineering Projects**

**California Air Pollution Control Officers Association (CAPCOA) Bio-Energy Survey:** In October 2013, staff completed CAPCOA's Bio-Energy Survey which tracks state-wide projects that convert non-fossil fuels into energy. Seven Bay Area projects were reported that are currently under review or have already been issued a permit. Since October, the District issued Authorities to Construct for two of these projects: Redwood Landfill - New 8 megawatt (MW) Landfill Gas to Energy Plant and Zero Waste Energy - Food Waste to Fuel Conversion Project. The applicant for Green Envirotech withdrew the permit application for a Tires and Waste Plastic Conversion to Oil and Synthetic Gas project.



**CAPCOA Engineering Managers Committee:** Staff is working with the committee to finalize a Portable Equipment Registration Program guidance document. The California Air Resources Board (CARB) and various local air districts have started meeting to discuss composting regulatory issues. The Committee discussed the upcoming Office of Environmental Health Hazard Assessment (OEHHA) Risk Assessment Guideline changes and implementation issues and impacts.

**Production System:** Staff is verifying and fixing issues of new functionality for the gas dispensing facilities and dry cleaner programs. Staff is currently testing functionality to improve transfer of permits from one owner to another, a common occurrence with gas dispensing facilities and dry cleaners and the ability to create multi-year permit renewal periods. Next quarter, the main effort will be the public access tools.

**College Intern Program:** On November 18, the college interns participated in a tour of the Shell Refinery to learn about their operation, emission impacts and field safety. One intern successfully completed his internship in December.

**LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL**

The District Counsel's Office received 66 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties or passing the Wood Smoke Awareness Course for 49 violations reflected in NOVs. In addition, 5 Final 30 Day Letters were sent regarding civil penalties for 5 violations reflected in NOVs. Finally, settlement negotiations resulted in collection of \$46,500 in civil penalties for 52 violations reflected in NOVs. *19 NOVs were also settled by violators passing the Wood Smoke Awareness Course with no civil penalty.*

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 13 violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$626,800 in civil penalties for 78 violations reflected in NOVs.

**(See Attachment for Penalties by County)**

<b>COMMUNICATIONS AND OUTREACH – L. FASANO</b>
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**News Releases**

The Air District issued 42 press releases and/or media advisories during the last quarter:  
(to view press control key and click link)

- 9/26/2013 [Permissive burn periods for crop replacement and flood debris fires open](#)
- 10/1/2013 [Governor Brown signs bill extending crucial air quality funding](#)
- 10/1/2013 [Air District salutes Bay Area Green Power Leadership Award winners](#)
- 10/1/2013 [Bay Area air cleaner due to state's low sulfur fuel law for ships](#)
- 10/3/2013 [Air District settles case with Martinez facility](#)
- 10/4/2013 [Solano County grass fire impacting Bay Area air quality](#)
- 10/7/2013 [Bay Area Air District renews \\$7 million Vehicle Buy Back Program](#)
- 10/8/2013 [Permissive burn season closes for fall marsh management fires](#)
- 10/16/2013 [Air District Board approves refinery rule amendments](#)
- 10/22/2013 [Air District settles case with Valero Refinery](#)
- 10/30/2013 [Winter Spare the Air Season Begins November 1](#)
- 10/31/2013 [Permissive burn periods for orchard pruning and attrition and forest management fires open](#)
- 11/24/2013 [First Winter Spare the Air Alert of season called for Monday, November 25](#)
- 11/24/2013 [First Winter Spare the Air Alert of season called for Monday, November 25](#)
- 11/25/2013 [Another Winter Spare the Air Alert called for Tuesday, November 26](#)
- 11/25/2013 [Another Winter Spare the Air Alert called for Tuesday, November 26](#)
- 11/27/2013 [Air District asks public not to burn wood on Thanksgiving](#)
- 11/27/2013 [Air District asks public not to burn wood on Thanksgiving](#)
- 11/28/2013 [Winter Spare the Air Alert called for Friday, November 29](#)
- 11/28/2013 [Winter Spare the Air Alert called for Friday, November 29](#)
- 11/29/2013 [Another Winter Spare the Air Alert called for Saturday, November 30](#)
- 11/29/2013 [Another Winter Spare the Air Alert called for Saturday, November 30](#)
- 12/3/2013 [Bay Area Bike Share off to a strong start](#)
- 12/7/2013 [Winter Spare the Air Alert called for Sunday, December 8](#)
- 12/8/2013 [Another Winter Spare the Air Alert called for Monday, December 9](#)
- 12/9/2013 [Third consecutive Winter Spare the Air Alert called for Tuesday, December 10](#)
- 12/10/2013 [Fourth consecutive Winter Spare the Air Alert called for Wednesday, December 11](#)
- 12/11/2013 [Record fifth consecutive Winter Spare the Air Alert called for Thursday, December 12](#)
- 12/11/2013 [Smoke from recycling facility fire impacting local air quality](#)
- 12/12/2013 [Record sixth consecutive Winter Spare the Air Alert called for Friday, December 13](#)
- 12/13/2013 [Seventh straight Winter Spare the Air Alert called for Saturday, December 14](#)
- 12/16/2013 [Tenth straight Winter Spare the Air Alert called for Tuesday, December 17](#)
- 12/17/2013 [Eleventh straight Winter Spare the Air Alert called for Wednesday, December 18](#)
- 12/20/2013 [Air District Board approves implementation of Public Participation Plan](#)

12/22/2013	<a href="#">Winter Spare the Air Alert called for Monday, December 23</a>
12/23/2013	<a href="#">Winter Spare the Air Alert called for Tuesday, December 24</a>
12/24/2013	<a href="#">Third consecutive Winter Spare the Air Alert called for Wednesday, December 25</a>
12/25/2013	<a href="#">Fourth consecutive Winter Spare the Air Alert called for Thursday, December 26</a>
12/26/2013	<a href="#">Fifth consecutive Winter Spare the Air Alert called for Friday, December 27</a>
12/27/2013	<a href="#">Sixth consecutive Winter Spare the Air Alert called for Saturday, December 28</a>
12/28/2013	<a href="#">Seventh consecutive Winter Spare the Air Alert called for Sunday, December 29</a>
12/30/2013	<a href="#">Winter Spare the Air Alert called for Tuesday, December 31</a>
12/31/2013	<a href="#">Another Winter Spare the Air Alert called for New Year's Day</a>

### **Media Inquiries**

Staff responded to 190 media inquiries during this quarter, topics included:

- Winter Spare the Air
- Bike Share
- SIMS Fire in Redwood City
- Vehicle Buy Back Program
- Commuter Benefits Program
- Near Roadway Monitors
- Port Truckers Protest
- Solano County Grass Fire
- Valero Settlement
- Broadway Shuttle
- Google Barge
- Community Monitoring

### **Media Highlights**

The Air District was mentioned in approximately 1,800 print/online stories and 1,000 video clips in the last quarter. Below are the last quarter's media coverage highlights: (to view press control key and click link)

- SF Chronicle: Burning controversy over East Oakland crematorium  
<http://www.sfgate.com/bayarea/article/Burning-controversy-over-East-Oakland-crematorium-4867741.php>
- Napa Valley Register: Clean air agency renews Vehicle Buy Back Program  
[http://napavalleyregister.com/news/local/clean-air-agency-renews-vehicle-buy-back-program/article\\_64da1954-3034-11e3-93a9-0019bb2963f4.html](http://napavalleyregister.com/news/local/clean-air-agency-renews-vehicle-buy-back-program/article_64da1954-3034-11e3-93a9-0019bb2963f4.html)
- The Reporter.com: Wind-whipped wildfire near Suisun scorches more than 1,000 acres  
[http://www.thereporter.com/news/ci\\_24246630/wind-whipped-wildfire-near-suisun-scorches-more-than](http://www.thereporter.com/news/ci_24246630/wind-whipped-wildfire-near-suisun-scorches-more-than)
- Inside Bay Area: Bay Area air pollution agency eyes rule to benefit commuters  
[http://www.insidebayarea.com/my-town/ci\\_24243367/bay-area-air-pollution-agency-eyes-rule-benefit](http://www.insidebayarea.com/my-town/ci_24243367/bay-area-air-pollution-agency-eyes-rule-benefit)

- Napa Valley Register: Clean air agency renews Vehicle Buy Back Program  
[http://napavalleyregister.com/news/local/clean-air-agency-renews-vehicle-buy-back-program/article\\_64da1954-3034-11e3-93a9-0019bb2963f4.html](http://napavalleyregister.com/news/local/clean-air-agency-renews-vehicle-buy-back-program/article_64da1954-3034-11e3-93a9-0019bb2963f4.html)
- Contra Costa Times: Bay Area air pollution agency eyes rule to benefit commuters  
[http://www.contracostatimes.com/my-town/ci\\_24243367/bay-area-air-pollution-agency-eyes-rule-benefit](http://www.contracostatimes.com/my-town/ci_24243367/bay-area-air-pollution-agency-eyes-rule-benefit)
- Planetizen: Strict Standards for Ship Emissions Cleanse Bay Area Air  
<http://www.planetizen.com/node/65475>
- KQED: Peninsula Bay Area Bike Share Pilot Slow to Get Into Gear  
[http://www.kqed.org/news/story/2013/10/14/127015/bay\\_area\\_bike\\_share\\_pilot\\_grows\\_but\\_is\\_still\\_slow\\_to\\_get\\_into?source=peninsula%20press&category=bay%20area](http://www.kqed.org/news/story/2013/10/14/127015/bay_area_bike_share_pilot_grows_but_is_still_slow_to_get_into?source=peninsula%20press&category=bay%20area)
- Contra Costa Times: How to take that old car off Bay Area roads and get \$1,000  
[http://www.contracostatimes.com/mr-roadshow/ci\\_24316218/roadshow-how-get-that-old-smoggy-car-off](http://www.contracostatimes.com/mr-roadshow/ci_24316218/roadshow-how-get-that-old-smoggy-car-off)
- SF Chronicle: Valero to pay fine for air quality violations  
<http://www.sfgate.com/science/article/Valero-to-pay-fine-for-air-quality-violations-4917926.php>
- Patch.com: Winter Spare the Air Season Begins Friday  
[http://pacificapatch.com/groups/politics-and-elections/p/winter-spare-the-air-season-begins-friday\\_5b984021-pacificapatch.com](http://pacificapatch.com/groups/politics-and-elections/p/winter-spare-the-air-season-begins-friday_5b984021-pacificapatch.com)
- NBC Bay Area: Valero to Pay Penalty for Air Quality Violations at Benicia Refinery  
<http://www.nbcbayarea.com/news/local/Valero-to-Pay-Penalty-for-Air-Quality-Violations-at-Benicia-Refinery-228998631.html>
- SF Chronicle: Oakland truckers strike to protest pollution rules  
<http://www.sfgate.com/bayarea/article/Oakland-truckers-strike-to-protest-pollution-rules-4917925.php>
- [San Jose Mercury News: First 'Spare the Air' day issued for the Bay Area](#)
- [Capital Public Radio: Air Resources Board Launches Air Quality Mobile Website](#)
- [U.S. News and World Report: Gov. Underestimates Methane Emissions by 50 Percent](#)
- [Marin IJ: Thanksgiving tradition could go up in smoke this year](#)
- [NBC Bay Area: Bike Lockers Could Replace Parking Spaces in San Francisco](#)
- KTVU: String of 'Spare the Air' days continues in Bay Area  
<http://www.ktvu.com/news/news/local/string-spare-air-days-continue-bay-area/ncK5L/>
- Napa Valley Patch: The Neverending Story: Spare the Air Again on Monday  
[http://napavalley.patch.com/groups/politics-and-elections/p/the-neverending-story-spare-the-air-again-on-monday\\_1da87c0a](http://napavalley.patch.com/groups/politics-and-elections/p/the-neverending-story-spare-the-air-again-on-monday_1da87c0a)
- Press Democrat: Spare the Air alert issued for Monday  
<http://www.pressdemocrat.com/article/20131216/articles/131219682>
- KTVU.com: Winter Spare the Air alert issued for Friday  
<http://www.ktvu.com/news/news/local/residents-encouraged-not-burn-wood-thanksgiving/nb6tp/>
- SF Chronicle: Builders mount challenge to air-quality guidelines

<http://www.sfgate.com/science/article/Builders-mount-challenge-to-air-quality-guidelines-5017817.php>

- The Press Democrat: What is behind the record number of wood-burning bans  
<http://www.pressdemocrat.com/article/20131227/articles/131229632>
- Siliconbeat.com: Sharing Economy Hot Streak Continues In 2014  
<http://www.siliconbeat.com/2013/12/30/sharing-economy-hot-streak-continues-in-2014/>
- Marin Independent Journal: Experts say persistent winter air pollution in Marin poses health risks  
[http://www.marinij.com/marinnews/ci\\_24805297/experts-say-persistent-winter-air-pollution-marin-poses](http://www.marinij.com/marinnews/ci_24805297/experts-say-persistent-winter-air-pollution-marin-poses)
- Mercury News: Burn ban will snuff out Christmas fires  
[http://www.mercurynews.com/breaking-news/ci\\_24782918?source=inthenews](http://www.mercurynews.com/breaking-news/ci_24782918?source=inthenews)

### **Public Inquiries**

Staff responded to approximately 630 calls and 647 e-mails from the public, many regarding Winter Spare the Air days, enforcement issues, and grants.

Phone Calls	630
E-mails	647 (sparetheair.baaqmd.gov, feedback@baaqmd.gov)

### **Publications**

#### ***Air Currents***

The November 2013 issue of the Air District's electronic Air Currents newsletter was sent out. It featured articles on the Winter Spare the Air program, the Bay Area Bike Share program, and the air monitoring expert panel. Other articles covered the upcoming near-roadway monitoring initiative, the recent Chevron settlement and the low-sulfur shipping fuel air quality impacts study. It can be read [here](#).

### **Campaigns**

#### ***Summer Spare the Air***

Summer Spare the Air Season wrapped up in October. STACommuteTips.org received more than 34,000 visits during the campaign.

There were a total of six Spare the Air Days during the summer. Highlights from our 2013 Spare the Air survey found that 67% of Bay Area residents think reducing air pollution is either extremely or very important; 46% indicated that they recalled hearing, reading or seeing the Spare the Air messages; and awareness and favorability of the Air District and Spare the Air remain strong.

#### ***Winter Spare the Air***

Communications and Outreach staff in conjunction with Compliance and Enforcement staff identified five hot-spot areas for door-to-door outreach; these areas and outreach are as follows:

1. St. Helena (January 10, 2014)
2. San Bruno (January 24, 2014)
3. Fremont (December 13, 2014)
4. Morgan Hill (January 24, 2014)
5. Livermore (November 15, 2014)

Thus far, door-to-door outreach has reached more than 1,000 homes.

Communications and Outreach staff ordered new Winter Spare the Air handouts and materials for the season.

In November and December, as a result of low winds and elevated levels of particulate pollution, 23 Winter Spare the Air Alerts were called and 1 Voluntary No-Burn. The Winter Spare the Air Alert and voluntary no-burn dates were as follows:

- Monday, November 25, 2013
- Tuesday, November 26, 2013
- Thursday, November 28, 2013 (voluntary no-burn)
- Friday, November 29, 2013
- Saturday, November 30, 2013
- Sunday, December 8, 2013
- Monday, December 9, 2013
- Tuesday, December 10, 2013
- Wednesday, December 11, 2013
- Thursday, December 12, 2013
- Friday, December 13, 2013
- Saturday, December 14, 2013
- Sunday, December 15, 2013
- Monday, December 16, 2013
- Tuesday, December 17, 2013
- Wednesday, December 18, 2013
- Monday, December 23, 2013
- Tuesday, December 24, 2013
- Wednesday, December 25, 2013
- Thursday, December 26, 2013
- Friday, December 27, 2013
- Saturday, December 28, 2013
- Sunday, December 29, 2013
- Tuesday, December 31, 2013

As a result of the numerous Winter Spare the Air Alerts in November and December, the Spare the Air social media sites have been very active. In a one week period, there were

more half a million people were exposed to tweets about Winter Spare the Air Alerts.

### Website

In the last quarter of the year, staff wrapped up the discovery phase of the project and moved into the planning phase. The Contractor presented discovery phase findings to the Executive Office on October 28, 2013. Staff began working with the Contractor on a new Task Order while entering the planning phase of the project.

An RFP process was completed for the GeoMapping project and the selection of a Contractor is in process.

At year end the project was put on hold.

### COMMUNITY OUTREACH

#### *Meetings and Workshops*

Air District staff participated in and assisted with the following meetings:

- **October 3 – Azerbaijani Delegation, Air District Offices**  
A delegation from the State Agency for Public Service and Social Innovations met with staff to discuss outreach efforts, the Spare the Air program, and ways individuals can contact the Air District with questions and concerns.
- **October 7 - Spare the Air Youth Grant Meeting, San Francisco**  
Staff met with representatives from the Aquarium of the Bay to discuss the scope of work for the Spare the Air Youth grant contract.
- **October 9 – North Richmond Municipal Advisory Council, Richmond**  
Staff attended the October meeting of the North Richmond Municipal Advisory Council. Staff gave brief updates on the draft Public Participation Plan, the draft Petroleum Refinery Emissions Tracking rule and the CARE Program. Staff also answered questions about recent odor complaints in North Richmond. Approximately 25 residents attended.
- **SB 1339 Commuter Benefits Workshops**  
Staff attended the public workshops on SB 1339: Commuter Benefits Workshops. A list of the workshop dates and locations are below:
  - Monday, October 7 - MTC, Oakland - 15 attendees.
  - Tuesday, October 8 - San Ramon Community Center, San Ramon - 25 attendees.
  - Wednesday, October 9 - Napa Public Library, Napa - 15 attendees.
  - Wednesday, October 9 - Fairfield Community Center, Fairfield - 15 attendees.
  - Thursday, October 10 - Finley Community Center, Santa Rosa - 10 attendees.
  - Thursday, October 10 - San Rafael Corporate Center, San Rafael - 15 attendees.

- Thursday, October 22- San Jose State University Library, San Jose – 20 attendees
- Thursday, October 22- Redwood City Public Library, Redwood City –25 attendees
- **October 22 - Spare the Air Youth Summit Planning Meeting, Conference Call**

The committee finalized the Summit agenda, discussed Summit day activities and tasks and discussed additional student outreach. The Spare the Air Youth Summit is on Saturday, November 2, 2013 at MTC in Oakland.
- **October 22 - SJSU Environmental Health Science Class Presentation, San Jose**

Staff presented information on air quality, the Air District and the Spare the Air program to an environmental health class at SJSU. Approximately 30 students were present.
- **October 23 - Spare the Air Youth Grant Meeting, San Francisco**

Staff met with representatives from POWER, PODER and SFMTA to discuss the scope of work for the Spare the Air Youth grant contract.
- **October 24 – Contra Costa Spare the Air Resource Team,**

The team discussed their ongoing outreach efforts for their Idle Free Family campaign and promoting the Transit and Trails website. Seven team members attended.
- **October 25 - SB 1339 Commuter Benefits Workshop, Webcast**

Staff attended the public workshop on SB 1339: Commuter Benefits Workshop in the Air District's boardroom. The workshop was also webcasted. Eight attendees attended the workshop and five questions were submitted via the webcast.
- **November 2 - Spare the Air Youth Summit, Oakland**

Staff attended the Spare the Air Youth Summit at the MTC's auditorium in Oakland. Summit attendees participated in a leadership and advocacy training session, panel discussions on student driven efforts to reduce driving at schools and had the opportunity to learn how to repair a bike. Approximately 80 students attended the Summit and 15 parents/teachers/program providers were in attendance as well.
- **November 4 – African American Community Health Equity Council**

Communications, planning and rule development staff met with the Environmental Justice Committee of the African American Community Health Equity Council (AACHEC). Issues discussed included the current draft of the District's new dust control rule, the CARE program and possibilities of future



collaborative research between local universities, AACHEC and the Air District. Council members strongly supported the District's current draft dust rule. Representatives from the National Resources Defense Council and the Ditching Dirty Diesel Collaborative also attended.

- **November 5 - Spare the Air Youth Committee Meeting, Oakland**  
Staff met with the Spare the Air Youth Committee to debrief on the youth summit, discussed the grantees scope of work and outlined phase II project team tasks.
- **November 19—Tri-Valley Spare the Air Resource Team, San Ramon**  
The Team discussed upcoming projects, including hosting a commute solutions workshop to assist employers meeting requirements of SB1339. There were approximately 15 members in attendance.
- **November 22—Girl Scout Presentation, Saratoga**  
Staff presented air quality and Air District information to a Girl Scout troop in Saratoga. Approximately 30 middle school students attended the presentation.
- **December 3 – Spare the Air Youth Meeting, Oakland**  
The committee met and discussed the Spare the Air Youth grant invoicing process, Spare the Air Youth Phase II activities and tentative agenda items for the upcoming Spare the Air Youth TAC meeting on January 15, 2014.
- **December 9—Southern Alameda Spare the Air Resource Team, Conference Call**  
Team members discussed further planning an upcoming Employers Shuttle Conference; a conference intended to discuss launching shuttle programs for employers. Approximately 4 team members attended the conference call.
- **December 12—Napa County Grapegrowers Association, Yountville**  
Staff worked with Compliance and Enforcement inspectors to provide an update on the Regulation 5 Open Burning Fee Schedule. Approximately 75 people attended.
- **December 16—Sonoma County Resource Team Meeting, Santa Rosa**  
Staff met with team members to explore future project ideas involving Youth and the implementation of SB 1339 in Sonoma County. Approximately 9 team members attended the meeting.
- **December 16—San Mateo County Spare the Air Resource Team, Conference Call**  
The Team met via conference call to begin planning a Commute Solutions Workshop. The Team discussed possible venue locations, dates and topics for the workshop. Five team members participated on the call.

- **December 17—Spare the Air Youth Meeting, Oakland**  
 The STAY committee reviewed logos and graphics for the Bay Area BikeMobile, received an update on the budget and finalized the agenda for the next TAC meeting. The TAC meetings will include a presentation on the Spare the Air Youth Summit, an overview of SB 1339 and its relation to parents/students carpools and more information on State funding for local Safe Routes to School programs. The next Spare the Air Youth TAC meeting is scheduled for Wednesday, January 15.
- **December 19 – African American Community Health Equity Council (AACHEC)/Black Coalition on AIDS Meeting, Air District**  
 Representatives from the AACHEC and the San Francisco Department of Public Health met to discuss the Air District's Fugitive Dust Regulation. Members of the AACHEC strongly support the Air District's Fugitive Dust Regulation and requested the City of San Francisco adopt a similar plan.
- **December 19 – Skyline High School Career Explorers, Air District**  
 Staff from COO, Compliance and Enforcement and Technical Services met with 32 students from Skyline High School in the Career Explorers program. Staff spoke with students about the Air District, career opportunities at the Air District and gave information on a day-in-the-life of an Air District staff person. Approximately 36 students and Skyline High School staff attended.

### Community Events

- **Sunday Streets** – 9/29 in The Excelsior District of San Francisco  
50 people visited the booth
- **Michael Chavez Carnival of Health** – 10/05 in Concord  
50 people visited the booth
- **Mobility Summit** – 10/10 to 10/11 in  
20 people visited the booth
- **Home Front Festival by the Bay** – 10/12 in  
75 people visited the booth
- **Fourth Annual Day on the Bay** – 10/13 in  
150 people visited the booth
- **Sunday Streets Berkeley** – 10/13 in Berkeley  
75 people visited the booth
- **Cal Maritime Career and Community Partner EXPO** – 10/17 in Vallejo  
50 people visited the booth
- **Half Moon Bay Pumpkin Festival** – 10/19 to 10/20 in Half Moon Bay  
600 people visited the booth
- **Sonoma Family Life Fall Festival** – 10/19 in Santa Rosa  
100 people visited the booth
- **Sunday Streets** – 10/13/2013 in Berkeley  
75 people visited the booth
- **Cal Maritime Academy Community Partners Expo** – 10/17/2013 in Vallejo  
50 people visited the booth
- **Half Moon Bay Fall Pumpkin Festival** – 10/19-20/2013 in Downtown Half Moon Bay

- 600 people visited the booth
- **Sonoma Family Life Magazine Fall Festival** – 10/19/2013 at Wells Fargo Center in Santa Rosa  
100 people visited the booth
  - **Sunday Streets** – 10/27/2013 in the Richmond District of San Francisco  
120 people visited the STA booth
  - **Fruitvale Village Dia de los Muertos Festival** – 11/2/2013 in Fruitvale Village in Oakland  
40 people visited the STA booth
  - **San Francisco Green Festival**—11/9-11/10 in San Francisco  
Approximately 320 people visited the booth
  - **Napa County Wine & Grape Expo** – 11/14 in Napa  
200 people visited the booth

**PLANNING DIVISION – H. HILKEN, DIRECTOR**

**Exposure Assessment and Emissions Inventory Program**

Staff reviewed modeling results for the City of Hayward’s Community Risk Reduction Plan (CRRP), to be incorporated into the City’s General Plan update, and held follow-up conference calls with City consultants. Staff attended a forum on “Near-Road Mitigation Measures and Technologies” at the South Coast Air Quality Management District. Staff participated in meetings with the African American Community Health Equity Council, who are developing recommendations for the City of San Francisco on strategies to improve health outcomes in the Bayview/Hunter’s Point neighborhoods. UC Berkeley researchers presented findings to staff regarding results of their recent studies – conducted in collaboration with District staff – on drayage truck emissions in West Oakland and CalTrain locomotive emissions in San Mateo County. Staff reviewed and provided comments on a number of environmental review documents. Staff continued to prepare a CARE Program summary report.

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Staff continued developing summary reports for the 2011 base year emissions inventory for criteria pollutants and greenhouse gases (GHGs). The Climate Registry approved the District's 2012 GHG emissions estimates for District operations and posted the 2012 GHG emission report online. Staff reviewed criteria air pollutant emissions from permitted sources reported to the California Air Resources Board (CARB) for the State Implementation Plan (SIP) modeling work. Staff attended a CARB workshop regarding updates to the State's mobile source emissions inventory tools. Staff attended a webinar on "Reducing Carbon Pollution from Existing Power Plants" sponsored by US EPA. Staff responded to a number of requests for greenhouse gas emissions data, including requests from Sonoma County, Marin County, and the City of Benicia.

### **Air Quality Planning Program**

The Board of Directors on November 6, 2013 adopted a resolution regarding a Regional Climate Protection Strategy and associated 10-Point Work Program. The resolution: sets a regional goal of reducing GHG emissions 80% below 1990 levels by 2050; directs staff to develop a Regional Climate Action Strategy, to be included in the Clean Air Plan update; and directs staff to develop a work program to guide near-term climate protection activities. Staff continued collaborating with stakeholders representing environmental groups, the local business community, health organizations, and local and regional government agencies on developing the Work Program. Staff continued working with CAPCOA and other air districts on the development of a CAPCOA GHG Registry. Staff collaborated with the CAPCOA Climate Protection Committee to draft the "Local and Regional Government Efforts" chapter of the California Air Resources Board's AB 32 Scoping Plan Update. Staff assisted with developing climate action plans for the following local governments: City of Los Altos, City of Santa Clara, City of Benicia, and the County of San Mateo.

Staff continued to develop the Bay Area Commuter Benefits Program, including: collaborating with MTC staff to develop the proposed rule and implementation guidance; meeting with business and employer groups and transportation management associations from throughout the region; hosting nine public workshops on a draft rule in all Bay Area counties; and presenting an update to the Executive Committee. Staff continued working to develop the 2014 Clean Air Plan, including: organizing meetings of the internal working group; continuing to identify and evaluate potential new control measures; and developing strategies to incorporate and expand the District's Climate Protection Program. Staff continued implementation of the District's CEQA Guidelines through meetings with staff from local jurisdictions; presentations to various organizations; tracking their use by lead agencies; and responding to inquiries from local government staff and consultants. Staff continued working with staff from the City of Oakland, Port of Oakland, US EPA, CARB, the project development team, and community stakeholders on air quality mitigations for the Oakland Army Base Redevelopment Project.

### **Research and Modeling Program**

Staff participated in several State Implementation Plan (SIP) Emissions Inventory Working Group conference calls with staff from CARB and several other air districts. Staff attended a US EPA webinar conference on Hemispheric Transport of Air Pollution in San Francisco. Staff continued work on preparing a modeling emissions inventory and meteorological input parameters for Bay Area 2012 PM and ozone air quality simulations. Staff continued work on estimating ambient levels of ultrafine PM throughout the Bay Area from measurements at the air monitoring stations, assessing its public health impacts and providing technical information to the District's 2010 Clean Air Plan update. Staff continued work on designing an ambient sampling program for greenhouse gases (GHG) to validate the District's GHG emission estimates and perform trend analysis. Staff updated the operating system and modeling software on the District's cluster computer system. Staff attended the 4th International Aerosol Modeling Algorithms Conference at UC Davis, sponsored by CARB.

### **Rule Development Program**

Staff presented proposed amendments to Regulation 9, Rule 10: Nitrogen Oxides and Carbon Monoxide from Boilers, Steam Generators and Process Heaters in Petroleum Refineries to the Board of Directors on October 16, 2013. The Board adopted these amendments. Staff continued to develop a new draft rule (Regulation 6, Rule 5: Fugitive Dust) regarding control of fugitive dust and expects to conduct one or more public workshops in the second quarter of 2014. Staff continued to investigate potential emission limits for coke calcining operations associated with kiln processing of petroleum coke produced at Bay Area refineries. Staff continued to conduct emissions testing of stationary diesel-powered engines in the Bay Area and to evaluate data from other California air districts in order to verify estimated emissions and risks associated with these engines and to inform potential rulemaking for this source category.

**STRATEGIC INCENTIVES – D. BREEN, DIRECTOR****Carl Moyer Program (CMP)**

- *Administration:*
  - Staff participated in CAPCOA discussion regarding future project categories and guideline changes for the CMP and AB923 funding sources, 10/23 & 11/5.
  - Staff participated in meeting with locomotive manufacturers, CARB staff, and staff from other air districts regarding the development of cleaner locomotive technologies, 11/6 & 11/7.
  - Staff attended the CARB Zero Emission Bus regulation workshop in Oakland, 12/3.
  - Staff participated in an ARB workshop to discuss proposed amendments to the In-Use, On-Road, Heavy-Duty Diesel-Fueled Vehicle regulation, 12/4.
  - Staff participated in a call with local air districts and ARB regarding the potential for funding locomotive projects, 12/6.
  - Staff participated in a conference call with ARB and local air districts to discuss changes to the 2011 Guidelines, 12/11.
  - Staff submitted the District's semi-annual progress report to ARB, 12/30.
- *Year 14:* The District received a distribution of \$3,609,193 in funds from ARB, 11/4.
- *Year 15:* The District received a distribution of \$432,238 in multi-district funds from ARB, 10/7.
- *Year 16:* Staff submitted an initial funding application to ARB requesting \$10,175,382 in funding, 12/11.
- *Vehicle Buy Back Program:*
  - Air District published a press release on the reopened program, 10/7.
  - Since commencement of the program in August, 1,362 vehicles were purchased and scrapped.
- *Voucher Incentive Program:* Last day for applications to be submitted under the 2013 On-road Voucher Incentive program (VIP), 12/31.
- *Lawn Mower Exchange Program:* Staff held a conference call with Black & Decker to discuss the roll out of the lawn mower exchange program, 11/19, 12/10 & 12/19.

**Goods Movement Program (GMP)**

- Administration:
  - Staff participated in a local agency conference call with other air districts regarding several outstanding program issues, 10/2.
  - Staff attended a luncheon event with Chris Lytle, the new Executive Director of the Port of Oakland, 10/3.
  - Staff submitted to ARB semi-annual reports for all projects, 10/11.
  - Staff met with Oakland Mayor - Jean Quan, CARB staff, Port of Oakland staff, and representatives from the Port of Oakland Trucker's Association to discuss the upcoming port truck regulation deadline, 11/13.
  - Staff participated in a local agency call with staff from ARB and other local air districts, 12/18.
  
- Year 4 Program:
  - Staff provided in-person application assistance at its Hayward location, 10/2, 10/8, 11/12, 11/21, 12/5, 12/10, and 12/11.
  - Staff participated in a CAPCOA grants committee conference call regarding changes to the eligibility requirements, 10/8.
  - The primary application period closed on 10/10 with 193 applications requesting funding for 388 trucks received.
  - Staff participated in a statewide conference call with ARB and other air districts to discuss administration status and proposed guideline adjustments, 10/9 and 10/16.
  - Staff participated in a GMP local agency conference call with other air districts regarding changes to a second solicitation, 10/23 and 10/31.
  - Staff sent over 9,000 mailers to truck owners announcing the changes to the solicitation, 11/5.
  - Staff worked with staff from the outreach division on a press release announcing recent changes to the program, 11/5.
  - Staff emailed updates about the extended application deadline and expansion of MY eligibility to truck dealers and to more than 1,800 truck owners in the Bay Area, 11/7.
  - Staff emailed information about the ARB regulatory advisory (MSC 13-28), providing regulatory guidance about how fleets may comply with their 1/1/14 Truck & Bus Regulation deadline, to truck dealers and to more than 1,800 truck owners in the Bay Area, 11/18.
  - Staff participated in a statewide conference call with ARB and AQMDs to discuss program completion timelines, fund distribution to AQMD's, and impacts of recent ARB changes on the administration of the program, 11/22.
  - The second application cycle closed with 496 applications initiated on the system and 268 submitted. These applications request funding for approximately 396 trucks and approximately \$16,560,434 in grants, 12/12.
  
- DERA:
  - Staff submitted DERA quarterly reports to EPA, 10/30.
  - Fiscal submitted claims to EPA requesting \$151,035 in administrative funds and \$512,564 in project funds, 11/4.

- Shore power:
  - Staff observed the load test of shore power equipment at Berth 68 at the Port of Oakland, 10/10.
  - Staff inspected the first ship commissioning/shore power connection at Berth 32 at the Port of Oakland, 10/12.
  - Staff observed the commissioning of the shore-power system at Berth 35 at the Port of Oakland and the connection of the system to the container vessel Ever Chivalry, 11/14.
  - Staff observed the berth commissioning and ship connections at berths 35, 55 and 59 at the Port of Oakland, 11/21, 11/26 and 11/27.
  - Staff observed the load test of the shore power system at berth 25 at the Port of Oakland, 11/20.
  - Staff observed the berth commissioning and ship connections at berths 25, 68 at the Port of Oakland, 12/10 and 12/12.
  - Staff observed the berth commissioning and ship connection to the GMP funded shore power infrastructure at berth 24 at the Port of Oakland, 12/19.

### **Transportation Fund for Clean Air (TFCA)**

- County Program Manager:
  - The first of two payments for each county's share of the DMV revenues for the FYE 2014 were sent to the nine CMAs.
  - Air District staff held a teleconference with the County Program Managers to discuss the Proposed Policies for FYE 2015, 10/30.
  - County Program Managers submitted project reporting documents by the 10/31 deadline including 96 Interim Project Report Forms, 24 Final Reports, and nine Funding Status Reports.
  - County Program Managers submitted Project Information Forms and Cost-Effectiveness worksheets for the 70 new FYE 2014 projects to the Air District by the 11/1 deadline.
  
- Regional Fund:
  - Bike Share:
    - Staff met with City and County of San Francisco's Board of Supervisor aides for Norman Yee (10/8) and David Campos (10/9) to introduce the Bay Area Bike Share program.
    - Staff met with Alta Bicycle Share to discuss contract administration and implementation issues, and the strategic marketing plan, operations and invoicing, 10/8, 10/8, 10/22, 11/4, 11/5, 11/7, 11/8, 11/12, 11/14, 11/19, 11/26, 12/3, 12/4, 12/6, 12/11, 12/16, 12/17, 12/18 & 12/30.
    - Staff met with representatives from MTC, Alta Bicycle Share, and the Partner Working Group to discuss the strategic marketing plan, complimentary outreach resources, 10/2, 10/7, 10/9, 10/16, 10/30, 11/4, 11/18, 11/25, 12/9 & 12/16.
    - Staff participated in a panel discussion and presented information about the Bay Bike Share program at the Shared-Use Mobility Summit, in San Francisco, 10/11.
    - Staff participated in a panel discussion and presented information about the Bay Bike Share program at Active San Mateo County, in Belmont, an annual conference hosted by Supervisor Groom, 10/15.



- Staff met with the Partner Working Group to discuss local issues and contract implementation issues, 10/9, 10/16, 10/23, 10/30, 11/6, 11/13, 11/20, 12/4, 12/11 & 12/18.
  - Staff attended MTC's Active Transportation Working Group meeting, 10/17.
  - The second amendment to the Bike Share Program Agreement for site safety improvements was executed, 10/21.
  - Staff held a pre-bidders conference for the Bike Share Asset Valuation RFP, 10/25. There were a total of 17 attendees -- 5 in person and 13 online.
  - Staff met with representatives from MTC, ICF International, and Eisen-Letunic to discuss the bike share evaluation coordination, 10/29 & 11/5.
  - Staff met with representatives from the City of San Mateo and the San Mateo County Health System to discuss bike share potential opportunities in San Mateo County, 10/31.
  - Staff met with representatives from the Public Bicycle Share Company, 8D Technology, Alta Bicycle Share, and other North American bike share clients to receive an update on equipment and software, 11/1.
  - Staff met with representatives from UC Berkeley to discuss the bike share evaluation, 11/6.
  - Staff submitted the semi-annual Climate Grants progress report to MTC, 11/12.
  - Staff met with representatives from Eisen-Letunic, True North Research, and Alta Bicycle Share to discuss the bike share evaluation, 11/14.
  - Staff met with representatives from the City of San Mateo and the San Mateo County Health System to discuss bike share potential opportunities in San Mateo County, 11/18.
  - Staff issued a press release on the System's three-month report card and the launch of a corporate partnership program, 12/3.
  - Staff met with representatives from Public Bicycle Share Company (PBSC), Alta Bicycle Share, MTC, and the Partner Working Group to discuss the PBSC road map and implementation schedule, 12/12.
  - Staff met with representatives from SF County Transportation Authority (SFTA) to discuss the TA's bike share Strategic Analysis Report, 12/17.
  - Staff met with representatives from MTC, ICF International, Eisen-Letunic, True North Research, and Alta Bicycle Share to discuss the bike share evaluation, 12/18.
  - Staff submitted the sixth reimbursement request to Caltrans, 12/23.
  - Statistics from 8/29 to 12/29: Annual Members – 3,314, Casual Members – 12,002, System Wide Trips – 101,859.
- *Bike Rack Voucher Project:*
    - Staff released a solicitation for the Project, 9/30.
    - Staff held an application workshop webinar for the Project with 54 attendees, 10/30.
    - Staff has issued 7 vouchers totaling \$25,873.50 as of 12/30.
  - *Electronic Bicycle Lockers:*
    - Staff issued a call for electronic bicycle lockers projects, 11/8.

- Staff held an application workshop webinar for electronic bicycle lockers projects with 24 attendees, 11/21.
  - *Plug-in Electric Vehicle (PEV) Program:*
    - *Incentive Funding:* Staff held a pre-bidders webinar meeting for the Current (DC) Quick Charger Deployment Program RFP, 10/8.
    - *Coordination with Statewide Initiatives:*
      - \* Staff held a conference call with contractors and members from the California PEVC-MDU workgroup, 10/4.
      - \* Staff held a conference call with contractors and members from the California PEVC-MDU workgroup to finalize case studies, guidelines, surveys, and tools to address charging barriers at MDUs, 10/18.
      - \* Staff held a conference call with contractors and members from the California PEVC-MDU workgroup to finalize tools and discuss outreach efforts to address charging barriers at MDUs, 10/31.
      - \* Staff attended a public meeting on the status of and proposed changes to the Air Resources Board’s Advanced Clean Cars Program, 10/24.
      - \* Staff attended and presented on the status of the MDU workgroup products at the PEV Collaborative Member Meeting at UC Davis, 11/06.
      - \* Staff attended a teleconference with CalETC to discuss budget and long-term strategies for CVRP, 12/20.
    - *Regional Planning and Initiatives:*
      - \* Staff submitted monthly progress reports on the PEV Readiness Plans for the Bay Area and Monterey Bay Area, 10/10, 11/12 & 12/10.
      - \* Staff conducted four public outreach meetings to solicit input on the PEV Readiness Plan at the following locations:
        - San Francisco - 4 attendees, 10/10.
        - Oakland - 10 attendees, 10/15.
        - San Jose - 9 attendees, 10/16.
        - Online Webinar, 10/16 (34 attendees)
      - \* Staff held a teleconference with CarCharging (company that purchased ECOTality) to discuss ECOTality’s ongoing contract with the Air District, 10/21.
      - \* Staff attended a panel discussion, organized by Argion, on “Emerging Modes of Personal Transportation” in San Francisco, 10/22.
      - \* Staff attended the EV Strategic Council Meeting, 10/24.
      - \* Staff attended a webinar, *Expanding Commuter Options and Reducing GHG Emissions with Workplace Plug-in Electric Vehicle Charging*, on the DOE Workplace Charging Challenge, 10/31.
      - \* Staff co-hosted a pre-bidders conference webinar with staff at Nissan, attended by 23 people, on the DC Quick Charger Deployment RFP, 11/12.
      - \* Staff held a conference call with staff from ABAG and MTC to finalize the Bay Area PEV Readiness Plan and to discuss future outreach efforts, 11/20.
      - \* Staff held a conference call with stakeholders to plan for the 2014 AltCar Expo, 12/11.
      - \* Staff attended a webinar conducted by ICF on PEV readiness planning for three different regions, 12/17.

- \* Staff met with representatives from the Eclectic Power and Research Institute (EPRI) to discuss finding included in recently completed EPRI PEV-related research projects, 12/16.
- \* Staff held a teleconference with stakeholders to plan for the 2014 AltCar Expo, 12/19.
- \* Staff presented an update on the final Bay Area PEV Readiness Plan to the Board, 12/18.
- *Shuttles and Ridesharing:*
  - Staff held a Regional Shuttle & Rideshare Stakeholder Workshop via in-person and webinar to solicit input on the proposed FYE 2014 policies, 10/8.
  - Application deadline for shuttles and ridesharing projects was on 12/30. Staff received 14 submittals - 2 ridesharing projects and 12 shuttle projects.
- *Alternative Fuels:* Staff met with ITM Power to discuss available funding for the deployment of hydrogen fuel stations in the Bay Area, 11/22.

### **Lower-Emission School Bus Program (LESBP)**

- *Replacement Program:*
  - Seven replacement contracts to replace 23 buses were executed for \$3.7 million, 10/1.
  - One contract to retrofit 15 buses was executed for \$292,000, 10/17.
  - Two contracts to replace 13 buses were executed for \$1.9 million, 10/17.
  - Staff submitted to ARB the Semi-Annual report for Prop B funded retrofit and replacement projects, 11/1.
  - Two contracts to replace six buses were executed for \$0.9 million, 11/16.
- *Retrofit program:* Eleven contracts to retrofit 147 school buses have been fully-executed for approximately \$2.87 million.
- *Compressed Natural Gas (CNG) Tank Replacement Program:* To-date, six projects to replace CNG tanks on 54 school buses are complete for approximately \$1.68 million.

### **Grant Development**

- *Response to Solicitations:*
  - Staff wrote and the APCO signed a letter of support for an ergSol application to the California Solar Initiative to demonstrate solar thermal technology on backup diesel generators, 10/7.
  - Staff wrote and the APCO signed a letter of support for ReVair's application to the CEC's Energy Innovations Small Grant program, 10/25.
  - Staff prepared and the APCO signed a letter in support of UC Berkeley's proposal in response to the CEC Center for Alternative Fuels and Advanced Technology solicitation, 11/8.
  - Staff attended a pre-application workshop on a CEC solicitation for electric vehicle infrastructure (PON-13-606), 11/22.
- Staff participated in a pre-application workshop on a CEC solicitation for Hydrogen Refueling Infrastructure (PON-13-607), 12/6.
  - Staff held a teleconference with BACC to discuss potential partnership in submitting a proposal for CEC Electrical Vehicle Charging Infrastructure (PON 13-606), 12/20.

- *AQIP NREC Tier-4 Locomotive Construction:*
  - Staff held a conference call with ARB and NREC to discuss the emissions testing to be conducted the week of October 14, 2013, 10/7.
  - Staff provided ARB with Status Report #6 for the project, 10/25.
  - KQED radio interviewed staff and representatives from NREC and Richmond Pacific Railroad regarding the project, 11/18.
  - Staff held the monthly check-in call with ARB and NREC to discuss progress on the project, 12/19.
  - Staff sent the Task 9 deliverable, Baseline Emission Testing report, to ARB for their approval, 12/19.
  
- *AQIP Wind + Wing Wind-Assisted Ferry:*
  - Staff held the monthly check in call with ARB and W + W regarding the project, 10/15.
  - Staff provided ARB with Status Report #7 for the project, 10/28.
  - Staff held a conference call with ARB and Wind + Wing to discuss progress on the project, 11/12.
  
- *DOE Fleets & Workplace Alternative Fuels Project:*
  - Staff held a conference call with the CCSE and CCCs to provide an update on the project, 10/29, 12/17.
  - Staff provided CCSE with comments on the draft fleets and first responder survey report, 10/29.
  - Staff prepared and submitted the 2013 3rd Quarter Report to DOE, 10/30.
  - Staff prepared and submitted the Continuation Application for the 2nd budget cycle of this project, 11/1.
  - Staff held a conference call with SCAQMD staff to discuss our joint role in proceeding with the project, 12/18.
  - Staff reviewed and forwarded the Training Assessment deliverable to the DOE, 12/26.

### **Staff Development**

- Staff completed a series of six writing workshops with the final session on 10/31.

**TECHNICAL DIVISION – E. STEVENSON, DIRECTOR**

### **Air Quality**

During the 4<sup>th</sup> quarter of 2013, there were 12 days when the 24-hour PM<sub>2.5</sub> national standard was exceeded. Although one of the exceedances was solely attributable to the fire at the Sim's metal recycling facility on November 10, 2013, the other 11 days were due to storm-free weather, especially in December which only had one rainy day, 24 days with morning low temperatures below freezing, and 10 exceedances of the national standard. The high number of days over the standard was due to a blocking high pressure system west of Oregon which deflected storms far to the north of California and caused mostly light easterly flow over the Bay Area. This type of pattern also occurred in December 2011 and in January 2007. During those events, the Bay Area had 7 exceedances of the PM<sub>2.5</sub> standard in 2011 and 13 in 2007.

### **Air Monitoring**

31 air monitoring stations were operational from October through December 2013. Ozone monitors at Hayward, San Martin, Gilroy, Los Gatos, San Ramon and Fairfield were shut down on December 1<sup>st</sup> during the low ozone season, as allowed under a waiver granted by the EPA. All 23 remaining air monitoring stations and two airport lead sites were operational during the 4<sup>th</sup> Quarter 2013, with equipment operating on routine, EPA-mandated schedules.

On December 10, 2013, a fourth seasonal wintertime study began in cooperation with the Planning Division to evaluate PM<sub>2.5</sub> composition at three monitoring locations, (Concord, San Francisco and Napa). The purpose of this ongoing seasonal study is to help evaluate the wintertime wood smoke contribution to particulate matter.

In late November and early December, the Air Monitoring Section and Technical Division provided assistance and resources to Sonoma Technology Institute (STI) for a Santa Rosa Winter PM<sub>2.5</sub> Study being conducted from approximately November 15, 2013, to February 15, 2014. The study will include collection of continuous PM<sub>2.5</sub> data from five residential sites in Santa Rosa and data analyses to better understand the spatial and temporal characteristics of PM<sub>2.5</sub>.

In late December, efforts to located Near-Road NO<sub>2</sub> monitoring continued at three sites. Construction at the Laney College monitoring site adjacent to I-880 in Oakland was completed and the site is expected to be operational by the end of January 2014. Air Monitoring staff continued to work with the City of Berkeley permit center to resolve design and landscaping issues for the site to be installed in Berkeley's Aquatic Park adjacent to I-80. Collaboration also continued with Caltrans, CARB and PG&E to resolve electrical easement issues at the monitoring site to be installed on Caltrans property adjacent to Highway 101 in San Jose.

Because the Santa Rosa air monitoring site property owner opted not to renew a lease with the District, the site was closed with permission from EPA Region 9 on December 18<sup>th</sup>. A new Sonoma County air monitoring site in Sebastopol was opened concurrently, and is measuring for the following criteria pollutants for NAAQS comparison; CO, NO, NO<sub>2</sub>, O<sub>3</sub>, continuous PM<sub>2.5</sub>, as well as Toxics and Ultrafine particulate (count).

Lastly, the California Air Resources Board Quality Assurance Section performed audits in November at five Air District monitoring sites. Also in November, the EPA performed an audit of the District's National Core monitoring site in San Jose. All monitors at all locations met or exceeded operational requirements and there were no audit findings.

### **Performance Evaluation**

The Performance Evaluation (PE) Group conducted EPA-mandated performance audits on 74 analyzers at 22 District air-monitoring stations during the 4th quarter of 2013. In addition, shut-down audits were performed on samplers at the District-run Santa Rosa and Cupertino sites. No issues were identified with the exception of an audit that exceeded established accuracy limits on a lead sampler at the Reid-Hillview Airport air monitoring station. The sampler was re-audited and found to be within limits.

Ground-Level Monitoring (GLM) network audits of Hydrogen Sulfide (H<sub>2</sub>S) and Sulfur Dioxide (SO<sub>2</sub>) monitors were conducted at sites in the vicinities of the Phillips 66 and Tesoro refineries. All 11 of the GLM locations that were tested met the District's performance criteria.

Meteorological audits were performed at Gilroy and San Martin. Monthly meteorological inspections were conducted at the Napa and Point San Pablo. In addition, meteorological sensor audits began in September at District sites by an outside auditing firm, Western Weather Group, and continued through October.

The PE Group calibrated ozone equipment (analyzers and generators) for Dr. John Balmes and Hofer Wong of the Human Exposure Lab, University of California, San Francisco; a division of Occupational and Environmental Medicine. The Human Exposure Lab is located at S.F. General Hospital. This is a service that the PE Group has provided UCSF on an ongoing basis for several years.

**Laboratory**

In addition to routine ongoing analyses, four ambient air grab samples taken from the vicinity of the 12/11/2013 fire at a warehouse near Buchanan Airport, Concord were analyzed for toxic compounds.

In addition, three ambient air grab samples taken from the vicinity of the 12/17/2013 fire at SIMS Metal Recycling, Redwood City and were also analyzed for toxic compounds.

**Source Test**

The Source Test Section continued participation in the District's Rule Development efforts on calcining, revisions to Regulation 6 and Regulation 12-15 (Refinery Emissions Tracking), in addition to providing source test results in support of the backup generator rule investigation. Evaluation of EPA's Method 201A and revisions to Method 202 for particulate particle size sampling also continued.

A comparison of GDF data from the production system, the HP3000, and GDF logs continues. Updating of GDF test log data with the new FID numbering system and data verification began this quarter.

As part of the new Technical Division policy regarding cross training of Air Quality Instrument Specialist (AQIS) staff, Source Test Section AQIS received training regarding GDF testing and recordkeeping.

Routine Source Test Sections duties continued which includes:

- Performance of Continuous Emissions Monitoring (CEM) Field Accuracy Tests on monitors installed at large source emission points.
- Performance of source tests to determine emissions of precursor organic compounds, filterable particulate matter and toxic air contaminants.
- Performance of tests to assess the compliance status of gasoline cargo tanks, gasoline dispensing facilities, gasoline terminal loading and vapor recovery systems.
- Evaluation of independent contractor conducted source tests to determine report acceptability and source compliance.
- The Phillips 66 Rodeo Refinery's open path monitor monthly reports for September, October, and November were reviewed.

**STATISTICS**

**Administrative Services:**

**Accounting/Purchasing/Comm.**

General Checks Issued	1,241
Purchase Orders Issued	608
Checks/CreditCards Processed	3,920
Contracts Completed	61
RFP's	1

**Executive Office:**

Meetings Attended	197
Board Meetings Held	4
Committee Meetings Held	12
Advisory Council Meetings Held	2
Hearing Board Meetings Held	2
Variances Received	2

**Information Systems**

New Installation Completed	1
PC Upgrades Completed	0
Service Calls Completed	443

**Human Resources**

Manager/Employee Consultation (Hrs.)	300
Management Projects (Hrs.)	400
Employee/Benefit Transaction	600
Training Sessions Conducted	5
Applications Processed	313
Exams Conducted	7
New Hires	2
Payroll Administration (Hrs.)	650
Safety Administration	150
Inquiries (voice/telephone/in-person)	4,000

**Strategic Facility /Vehicle**

Requests for Facility Services	140
Vehicle Request(s)/Maintenance	73

**Compliance Assistance and Operations Program**

Asbestos Plans Received	1,244
Coating and other Petitions Evaluated	4
Open Burn notifications Received	363
Prescribed Burn Plans Evaluated	2
Tank/Soil Removal Notifications Received	18
Compliance Assistance Inquiries Received	63
Green Business Reviews	8
Refinery Flare Notifications	15

**Compliance Assurance Program**

Industrial Inspections Conducted	1,264
Gas Station Inspections Conducted	190
Asbestos Inspections Conducted	499
Open Burning Inspections Conducted	13
PERP Inspections Conducted	16
Mobile Source Inspections	597
Grants Inspections Conducted	268

**Engineering Division:**

Annual Update Packages Completed	1,203
New Applications Received	281
Authorities to Construct Issued	146
Permits to Operate Issued	213
Exemptions	3
New Facilities Added	85
Registrations (new)	76

**Communications and Outreach:**

Presentations Made	13
Responses to Media Inquiries	190
Press Releases & Advisories	42
General Requests for Information	1,277
Events staffed with Air District Booth	17
Visitors (District Tour)	2



**STATISTICS (continued)**

**Compliance and Enforcement Division:**

**Enforcement Program**

Violations Resulting in Notices of Violation	224
Violations Resulting in Notice to Comply	21
New Hearing Board Cases Reviewed	5
Reportable Compliance Activity Investigated	133
General Complaints Investigated	710
Smoking Vehicle Complaints Received	743
Woodsmoke Complaints Received	3,770
Mobile Source Violations	29

**Technical Services:**

**4th Quarter 2013 Ambient Air Monitoring**

Days Exceeding Nat'l 24-hour PM <sub>2.5</sub> Std.....	12
Days Exceeding Nat'l 24-hour PM <sub>10</sub> Std.....	0
Days Exceeding State 24-hour PM <sub>10</sub> Std.....	0
Review...28	
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. 2013**

Days Exceeding State 1-hour Ozone Std.....	3
Days Exceeding Nat'l 8-hour Ozone Std.....	3
Days Exceeding State 8-hour Ozone Std.....	3

**Particulate Totals, Jan. –Dec. 2013**

Days Exceeding Nat'l 24-hour PM <sub>2.5</sub> Std.....	13
Days Exceeding the Nat'l 24-hour PM <sub>10</sub> Std.....	0
Days Exceeding State 24-hour PM <sub>10</sub> Std.....	1

**PM<sub>2.5</sub> Winter Season Totals for 2012-2013**

Days Exceeding Nat'l 24-hour PM <sub>2.5</sub> Std.....	12
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**4th Quarter 2013 Agricultural Burn Days**

Oct.-Dec. Permissive Burn Days – North.....	43
Oct.-Dec. No-Burn Days – North.....	49
Oct.-Dec. Permissive Burn Days – South.....	42
Oct.-Dec. No-Burn Days – South.....	50
Oct.-Dec. Permissive Burn Days – Coastal.....	44
Oct.-Dec. No Burn Days – Coastal.....	48

**Laboratory**

Sample Analyzed.....	1,230
Laboratory Analyses.....	0

**Technical Library**

Titles Indexed/Cataloged	
Periodicals Received/Routed	

**Source Test**

Total Source Tests.....	75
Pending Source Tests.....	9
Violation Notices Recommended.....	14
Contractor Source Tests reviewed.....	2,567
Outside Test Observed.....	0
Violation Notices Recommended After	

**Continuous Emissions Monitoring (CEM)**

Indicated Excess Emission Report Eval.....	26
Monthly CEM Reports Reviewed.....	130
Indicated Exceeded from CEM.....	17

**Ground Level Monitoring (GLM)**

Oct.-Dec. Ground Level Monitoring SO <sub>2</sub> Excess Reports.....	0
Oct.-Dec. Ground Level Monitoring H <sub>2</sub> S Excess Reports.....	2

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**

<b>Alameda County</b>				
<b>Status</b>				<b>Regulation</b>
<b>Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Title</b>
12/5/2013	A1438	Tesla Motors Inc	Fremont	Failure to Meet Permit Conditions
12/12/2013	W2916	Thomas Malpede	Fremont	Particulate Matter & Visible Emissions
11/22/2013	W2557	Chevron Station #95416	Hayward	Gasoline Dispensing Facilities
12/3/2013	E0080	Bridgelux	Livermore	Failure to Meet Permit Conditions
12/23/2013	W3187	Johnny/Deana Gonzalez	Livermore	Particulate Matter & Visible Emissions
12/23/2013	W3196	Dominique/Eric McFarlin	Livermore	Particulate Matter & Visible Emissions
11/5/2013	A0079	Morton Salt, Inc	Newark	Non-compliance, Major Facility Review (Title V)
12/24/2013	A1190	Safety-Kleen of California, Inc	Newark	Storage of Organic Liquids
11/26/2013	A0030	Owens-Brockway Glass Container Inc	Oakland	Particulate Matter & Visible Emissions
10/11/2013	A0062	A B & I Foundry	Oakland	Non-compliance, Major Facility Review (Title V)
12/10/2013	W2874	Petermann Bus	Oakland	Failure to Meet Permit Conditions
12/10/2013	W2876	Sequoia Environmental	Oakland	Aeration of Contaminated Soil & Removal of Underground Storage Tanks
12/11/2013	W2883	Bart Gas & Food	Oakland	Failure to Meet Permit Conditions
12/12/2013	W2918	Raymond Davis/Dayna Long	Oakland	Particulate Matter & Visible Emissions
12/10/2013	W2875	San Leandro Gas & Car Wash	San Leandro	Gasoline Dispensing Facilities
<b>Contra Costa County</b>				
<b>Status</b>				<b>Regulation</b>
<b>Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Title</b>
12/4/2013	W2746	Anthony/Christina	Antioch	Particulate Matter & Visible Emissions
12/31/2013	W3261	Bernadette/Kraig Hansen	Antioch	Particulate Matter & Visible Emissions
12/31/2013	W3262	Erik Johnson	Antioch	Particulate Matter & Visible Emissions
11/21/2013	W2546	Brentwood Blvd 76 - Moneshpal S	Brentwood	Failure to Meet Permit Conditions
11/22/2013	W2556	Brentwood Golf Club	Brentwood	Naturally Occurring Asbestos (NOA)
11/6/2013	W2267	Oakhust C C	Clayton	Gasoline Dispensing Facilities
12/18/2013	W3053	Christie Fisher	Concord	Particulate Matter & Visible Emissions
12/5/2013	A1753	John Muir Health - Concord Campus	Concord	Failure to Meet Permit Conditions
11/21/2013	A4022	SFPP, L P	Concord	Storage of Organic Liquids
11/20/2013	C7621	Unocal #4374	Concord	Gasoline Dispensing Facilities
11/5/2013	B1911	C & H Sugar Company, Inc	Crockett	Particulate Matter & Visible Emissions
12/23/2013	W3185	Robert/Carol Coates	Danville	Particulate Matter & Visible Emissions
11/5/2013	B1956	Equilon Enterprises LLC	Martinez	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
10/11/2013	W1791	Golden Gate Petroleum	Martinez	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
10/3/2013	A7034	Plains Products Terminals LLC	Martinez	Non-compliance, Major Facility Review (Title V), Storage of Organic Liquids
12/18/2013	A0011	Shell Martinez Refinery	Martinez	Area Monitoring Data Examination, Non-compliance, Major Facility Review (Title V), Hydrogen Sulfide

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**  
**Continued**

<b>Contra Costa County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
11/5/2013	B2758	Tesoro Refining & Marketing Company LLC	Martinez	Continuous Emission Monitoring & Recordkeeping Procedures, Non-compliance, Major Facility Review (Title V), Equipment Leaks, Storage of Organic Liquids, Sulfur Dioxide
11/22/2013	W2555	Unocal Service Station #3937	Moraga	No Permit to Operate
12/31/2013	W3273	Todd/Lisa Taapken	Orinda	Particulate Matter & Visible Emissions
10/22/2013	A0227	Criterion Catalysts Company LP	Pittsburg	Non-compliance, Major Facility Review (Title V)
10/11/2013	A0010	Chevron Products Company	Richmond	Standards of Performance for New Stationary Sources, Wastewater (Oil -Water) Separators, Flare Monitoring at Petroleum Refineries, No Authority to Construct, No Permit to Operate, Storage of Organic Liquids , Non-compliance, Major Facility Review (Title V), Process Vessel Depressurization, Equipment Leaks. Organic Compounds: Misc Operations
11/6/2013	A2482	City of Richmond Water Pollution Control	Richmond	Failure to Meet Permit Conditions
11/21/2013	W2547	Cutting Mini Market (ARCO)	Richmond	Gasoline Dispensing Facilities
11/26/2013	A0023	General Chemical West LLC	Richmond	Failure to Meet Permit Conditions, Non-compliance, Major Facility Review (Title V)
12/5/2013	A1836	Parker Hannifin Corp, Veriflo Div	Richmond	Failure to Meet Permit Conditions
11/7/2013	A0745	Plains Products Terminals LLC	Richmond	Gasoline Bulk Terminals & Gasoline Delivery Vehicles, Storage of Organic Liquids
11/20/2013	B7419	Air Liquide Large Industries US LP	Rodeo	Continuous Emission Monitoring & Recordkeeping Procedures, Non-compliance, Major Facility Review (Title V)
10/11/2013	A0022	Phillips 66 Carbon Plant	Rodeo	Non-compliance, Major Facility Review (Title V)
11/21/2013	A0016	Phillips 66 Company - San Francisco Refinery	Rodeo	Standards of Performance for New Stationary Sources, Continuous Emission Monitoring & Recordkeeping Procedures, Non-compliance, Major Facility Review (Title V)
12/16/2013	W2958	Sally/Peter Wells	Walnut Creek	Particulate Matter & Visible Emissions
12/18/2013	W3038	Steven/Ruth Gonsalves	Walnut Creek	Particulate Matter & Visible Emissions
<b>Marin County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/19/2013	W3122	Michael/Melinda Wilkerson	Fairfax	Particulate Matter & Visible Emissions
12/31/2013	W3263	Recipient	Fairfax	Particulate Matter & Visible Emissions
12/12/2013	W2912	Recipient	Forest Knolls	Particulate Matter & Visible Emissions
12/19/2013	W3120	Recipient	Forest Knolls	Particulate Matter & Visible Emissions
12/19/2013	W3121	Recipient	Forest Knolls	Particulate Matter & Visible Emissions
12/4/2013	W2764	George Cruickshank	Lagunitas	Particulate Matter & Visible Emissions
12/4/2013	W2765	Conklin Family Trust, Robert Conklin	Novato	Particulate Matter & Visible Emissions
12/16/2013	W2954	Deborah/Michael Wood	Novato	Particulate Matter & Visible Emissions
12/16/2013	W2957	Karry/Keith Bryan	Novato	Particulate Matter & Visible Emissions
12/31/2013	W3272	Recipient	Novato	Particulate Matter & Visible Emissions
12/12/2013	W2908	Robert/Debra Mattos	Novato	Particulate Matter & Visible Emissions
12/16/2013	W2955	William/Elizabeth Skidmore	Novato	Particulate Matter & Visible Emissions
12/12/2013	W2911	Jennifer and Albert Voris	San Geronimo	Particulate Matter & Visible Emissions
12/19/2013	W3088	Recipient	San Rafael	Particulate Matter & Visible Emissions
12/19/2013	W3119	Recipient	Woodacre	Particulate Matter & Visible Emissions

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**  
**Continued**

<b>Napa County</b>				
<b>Status</b>				<b>Regulation</b>
<b>Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Title</b>
12/18/2013	W3069	Mary Margaret/Francis Carr	Saint Helena	Particulate Matter & Visible Emissions
<b>San Francisco County</b>				
<b>Status</b>				<b>Regulation</b>
<b>Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Title</b>
11/20/2013	H0930	CEP Investors VII	San Francisco	No Authority to Construct, No Permit to Operate
12/10/2013	W2713	The Gateway	San Francisco	NOx & CO from Industrial, Institutional, & Commercial Boilers, Steam Generators, & Process Heaters, No Authority to Construct, No Permit to Operate
<b>San Mateo County</b>				
<b>Status</b>				<b>Regulation</b>
<b>Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Title</b>
12/19/2013	W3125	Alain Ridard	Atherton	Particulate Matter & Visible Emissions
12/19/2013	W3126	Mary Ballin	Atherton	Particulate Matter & Visible Emissions
12/31/2013	W3265	Lea/Bob Lyberopoulos	Belmont	Particulate Matter & Visible Emissions
12/31/2013	W3283	Michael/Norma Dixon	Belmont	Particulate Matter & Visible Emissions
12/31/2013	W3279	Tracy/Nickola Milkovski	Belmont	Particulate Matter & Visible Emissions
11/5/2013	A4021	SFPP, LP	Brisbane	Non-compliance, Major Facility Review (Title V)
12/16/2013	W2962	Recipient	Daly City	Particulate Matter & Visible Emissions
12/23/2013	W3194	Elibeth Pereda	East Palo Alto	Particulate Matter & Visible Emissions
12/18/2013	W3041	James Boyle	Half Moon Bay	Particulate Matter & Visible Emissions
12/18/2013	W3044	Mathew Ballard	Half Moon Bay	Particulate Matter & Visible Emissions
12/18/2013	W3042	Recipient	Half Moon Bay	Particulate Matter & Visible Emissions
12/4/2013	W2750	Resident	Half Moon Bay	Particulate Matter & Visible Emissions
12/18/2013	W3043	Robert Edwards	Half Moon Bay	Particulate Matter & Visible Emissions
12/16/2013	W2994	Robert Steger/Kathleen Morrissey	Half Moon Bay	Particulate Matter & Visible Emissions
12/23/2013	W3195	Enrique/Maria Perez	Menlo Park	Particulate Matter & Visible Emissions
11/20/2013	B1668	Gas Recovery Systems, Inc	Menlo Park	Non-compliance, Major Facility Review (Title V)
12/19/2013	W3127	Harvey Blight	Menlo Park	Particulate Matter & Visible Emissions
12/31/2013	W3289	Jacqueline Walker/Edwin Chilberg	Menlo Park	Particulate Matter & Visible Emissions
12/17/2013	T0423	Makoni Construction	Menlo Park	Asbestos Demolition, Renovation & Mfg.
12/23/2013	W3181	Recipient	Menlo Park	Particulate Matter & Visible Emissions
12/31/2013	W3271	Recipient	Menlo Park	Particulate Matter & Visible Emissions
12/16/2013	W2982	Justin/Amie Dubois/Tishler	Montara	Particulate Matter & Visible Emissions
12/16/2013	W2987	Michael Benedict	Montara	Particulate Matter & Visible Emissions
12/16/2013	W2985	Recipient	Montara	Particulate Matter & Visible Emissions
12/16/2013	W2989	Recipient	Montara	Particulate Matter & Visible Emissions
12/19/2013	W3074	Recipient	Montara	Particulate Matter & Visible Emissions
12/19/2013	W3075	Recipient	Montara	Particulate Matter & Visible Emissions
12/19/2013	W3090	Resident	Montara	Particulate Matter & Visible Emissions
12/19/2013	W3112	David/Manuela Hipkins	Moss Beach	Particulate Matter & Visible Emissions
12/4/2013	W2751	Kevin Malone	Moss Beach	Particulate Matter & Visible Emissions
12/4/2013	W2753	Patricia Erickson	Moss Beach	Particulate Matter & Visible Emissions
12/19/2013	W3111	Recipient	Moss Beach	Particulate Matter & Visible Emissions
12/19/2013	W3116	Recipient	Moss Beach	Particulate Matter & Visible Emissions
12/19/2013	W3110	Resident	Moss Beach	Particulate Matter & Visible Emissions

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**  
**Continued**

<b>San Mateo County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/16/2013	W2981	Arlene/Andrew Mayne	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2967	Charles Goetchius/Clare Jackson	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2963	Christine/John Jacobson	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2978	Daniel/Karen Briesach	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2977	Mary Noeker	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2979	Matthew Oakes	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2995	Medford Rinaldi	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2968	Paul/Dagan Bruemmer	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2969	Recipient	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2965	Suzie Kennedy	Pacifica	Particulate Matter & Visible Emissions
12/16/2013	W2951	Thomas/Michelle Trayer	Pacifica	Particulate Matter & Visible Emissions
12/31/2013	W3284	Reid Living Trust	Palo Alto	Particulate Matter & Visible Emissions
12/23/2013	W3180	Jeff/Carrie Morris	Redwood City	Particulate Matter & Visible Emissions
12/23/2013	W3177	Recipient	San Bruno	Particulate Matter & Visible Emissions
12/4/2013	W2758	Jennifer/Cynthia Ferrer	San Carlos	Particulate Matter & Visible Emissions
12/31/2013	W3293	Karsten/Carol Iwers	San Carlos	Particulate Matter & Visible Emissions
12/31/2013	W3292	Richard Cartmell	San Carlos	Particulate Matter & Visible Emissions
12/19/2013	W3109	AhmadAl-Shamari/Outi Luostarinen	San Mateo	Particulate Matter & Visible Emissions
11/21/2013	B0327	Mills-Peninsula Health Services	San Mateo	NOx & CO from Industrial, Institutional, & Commercial Boilers, Steam Generators, & Process Heaters
11/21/2013	B0327	Mills-Peninsula Health Services	San Mateo	NOx & CO from Industrial, Institutional, & Commercial Boilers, Steam Generators, & Process Heaters
12/18/2013	W3048	William G Fournier	San Mateo	Particulate Matter & Visible Emissions
12/23/2013	W3175	Gary/Cynthia/Daivida Smith/Dean	South San Francisco	Particulate Matter & Visible Emissions
<b>Santa Clara County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/24/2013	W3200	Juan & Adriana Soto	Campbell	Open Burning
12/19/2013	W3076	Timothy/Ying Kaiser	Campbell	Particulate Matter & Visible Emissions
12/31/2013	W3295	Dennis/Ethel Flynn	Cupertino	Particulate Matter & Visible Emissions
11/5/2013	A0017	Lehigh Southwest Cement Company	Cupertino	Non-compliance, Major Facility Review (Title V)
12/31/2013	W3268	Katherine/Carlos Butler	Los Altos	Particulate Matter & Visible Emissions
12/19/2013	W3078	Cynthia Cabral	Los Gatos	Particulate Matter & Visible Emissions
12/19/2013	W3077	John Lipka	Los Gatos	Particulate Matter & Visible Emissions
12/31/2013	W3270	Sina/Elhamz Jafroodi	Los Gatos	Particulate Matter & Visible Emissions
12/12/2013	W2917	Terence/Jacqueline Theisen/Lefton	Los Gatos	Particulate Matter & Visible Emissions
11/5/2013	A2721	City of Palo Alto Landfill	Palo Alto	Solid Waste Disposal Sites
12/18/2013	W3045	Gerald/Sherry Kohs	Palo Alto	Particulate Matter & Visible Emissions
11/22/2013	J7512	SAP Labs, Incorporated	Palo Alto	No Authority to Construct, No Permit to Operate
12/31/2013	W3277	Giuseppe Caputo	San Jose	Particulate Matter & Visible Emissions
11/5/2013	A3294	Guadalupe Rubbish Disposal	San Jose	Solid Waste Disposal Sites
12/23/2013	W3182	Joseph/Derek Trust/Rasmussen	San Jose	Particulate Matter & Visible Emissions
12/19/2013	W3124	Lia Ghirmazion	San Jose	Particulate Matter & Visible Emissions
12/31/2013	W3274	Lorena/Joseph Martinek	San Jose	Particulate Matter & Visible Emissions
11/22/2013	B3289	Los Esteros Critical Energy Facility	San Jose	Continuous Emission Monitoring & Recordkeeping Procedures, Non-compliance, Major Facility Review (Title V)

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**  
**Continued**

<b>Santa Clara County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/12/2013	W2915	Mark/Anjali Bugna	San Jose	Particulate Matter & Visible Emissions
12/19/2013	W3107	Ronald B. Simons	San Jose	Particulate Matter & Visible Emissions
12/12/2013	W2906	Rosemarie/Cruz Alanis	San Jose	Particulate Matter & Visible Emissions
12/19/2013	W3106	Russell Schneider	San Jose	Particulate Matter & Visible Emissions
11/5/2013	A0778	San Jose-Santa Clara Regional	San Jose	Non-compliance, Major Facility Review (Title V)
12/18/2013	W3036	Dana Del Real	Santa Clara	Particulate Matter & Visible Emissions
12/31/2013	W3260	Maria Castellano	Santa Clara	Particulate Matter & Visible Emissions
12/31/2013	W3286	Recipient	Santa Clara	Particulate Matter & Visible Emissions
11/5/2013	B5530	City of Sunnyvale - Station 2	Sunnyvale	Open Burning
<b>Solano County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/19/2013	W3105	Elizabeth Lundburg	Benicia	Particulate Matter & Visible Emissions
12/30/2013	B2626	Valero Refining Company - California	Benicia	Non-compliance, Major Facility Review (Title V)
11/6/2013	W2266	JR's Gas & Market	Fairfield	Failure to Meet Permit Conditions
11/6/2013	W2257	W Texas Valero	Fairfield	Gasoline Dispensing Facilities
12/5/2013	W2775	W Texas LLC/chevron Foodmart	Fairfield	Gasoline Dispensing Facilities
12/12/2013	W2922	William Rodriguez, Jr	Fairfield	Particulate Matter & Visible Emissions
11/5/2013	E1454	City of Vallejo Water Division	Vallejo	No Authority to Construct, No Permit to Operate
12/18/2013	W3052	Emilio Flores	Vallejo	Particulate Matter & Visible Emissions
12/18/2013	W3051	Marco/Maria Alanis	Vallejo	Particulate Matter & Visible Emissions
12/19/2013	W3108	Patricia Brown	Vallejo	Particulate Matter & Visible Emissions
12/19/2013	W3089	Saroj/Monhish Pratap	Vallejo	Particulate Matter & Visible Emissions
<b>Sonoma County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/19/2013	W3095	Jeffery Campbell	Cotati	Particulate Matter & Visible Emissions
12/4/2013	W2760	Denise Drake	Petaluma	Particulate Matter & Visible Emissions
12/18/2013	W3039	Donya Olocco-Parham	Petaluma	Particulate Matter & Visible Emissions
11/22/2013	W2559	Gas Club LLC	Petaluma	Gasoline Dispensing Facilities
12/23/2013	W3184	Jane Allen	Petaluma	Particulate Matter & Visible Emissions
12/23/2013	W3183	Jeremy Kaltenbach	Petaluma	Particulate Matter & Visible Emissions
12/31/2013	W3294	Lawrence/Rhonda Toronto	Petaluma	Particulate Matter & Visible Emissions
12/19/2013	W3104	David/Joette Brazell	Rohnert Park	Particulate Matter & Visible Emissions
12/19/2013	W3096	Dean McCoy	Rohnert Park	Particulate Matter & Visible Emissions
12/19/2013	W3097	Makoto W Middleton	Rohnert Park	Particulate Matter & Visible Emissions
12/19/2013	W3103	Recipient	Rohnert Park	Particulate Matter & Visible Emissions
12/19/2013	W3118	Recipient	Rohnert Park	Particulate Matter & Visible Emissions
12/19/2013	W3117	Scott/Joan Ireton	Rohnert Park	Particulate Matter & Visible Emissions
12/23/2013	W3188	Austin/Crystal Browne	Santa Rosa	Particulate Matter & Visible Emissions
12/19/2013	W3091	Dannelle Sirriner/Richard Krieger	Santa Rosa	Particulate Matter & Visible Emissions
12/12/2013	W2920	Derek/Deborah Debruin	Santa Rosa	Particulate Matter & Visible Emissions
12/18/2013	W3054	Isaac Blackburn	Santa Rosa	Particulate Matter & Visible Emissions
12/23/2013	W3192	Michael Schulze	Santa Rosa	Particulate Matter & Visible Emissions
12/4/2013	W2761	Michael/Linda McClure	Santa Rosa	Particulate Matter & Visible Emissions
12/19/2013	W3094	Paul/Sharon Carnegie	Santa Rosa	Particulate Matter & Visible Emissions
12/18/2013	W3049	Recipient	Santa Rosa	Particulate Matter & Visible Emissions
12/18/2013	W3050	Recipient	Santa Rosa	Particulate Matter & Visible Emissions

**These facilities have received one or more Notices of Violations**  
**Report period: October 1, 2013 – December 31, 2013**  
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<b>Sonoma County</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
12/18/2013	W3062	Robert Jacobson	Santa Rosa	Particulate Matter & Visible Emissions
12/18/2013	W3056	Rogelio Leon-Garcia	Santa Rosa	Particulate Matter & Visible Emissions
12/4/2013	W2762	Teresa Aguilar	Santa Rosa	Particulate Matter & Visible Emissions
12/19/2013	W3093	Yadira Hernandez	Santa Rosa	Particulate Matter & Visible Emissions
12/19/2013	W3092	Bonnie/Kelly Wertz	Sebastopol	Particulate Matter & Visible Emissions
12/23/2013	W3190	Victoria/Henry Toutan	Sebastopol	Particulate Matter & Visible Emissions
12/12/2013	W2919	Mission Plaza Properties	Sonoma	Particulate Matter & Visible Emissions
12/16/2013	W2949	Nancy Vargas	Sonoma	Particulate Matter & Visible Emissions
12/18/2013	W3060	Carole/Eduardo Rombeiro	Windsor	Particulate Matter & Visible Emissions
12/18/2013	W3059	Jane Ferina	Windsor	Particulate Matter & Visible Emissions
12/18/2013	W3057	Patrick/Shelly Kelley	Windsor	Particulate Matter & Visible Emissions
<b>Out of Area Counties</b>				
<b>Status Date</b>	<b>Site #</b>	<b>Site Name</b>	<b>City</b>	<b>Regulation Title</b>
11/8/2013	U9324	P. W. Stephens Environmental, Inc.	Loomis	Asbestos Demolition, Renovation & Mfg.
10/17/2013	W1889	Kirby Offshore Marine, LLC	Seattle	Marine Vessel Loading Terminals
12/30/2013	N3114	Rino	Ukiah	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
11/8/2013	W2311	Gomez Landscape and Cleanup	Watsonville	Asbestos Demolition, Renovation & Mfg.
12/11/2013	N1032	KAG West, LLC	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles
12/30/2013	J0618	Ramos Oil Company	West Sacramento	Gasoline Bulk Terminals & Gasoline Delivery Vehicles

## Closed Notice of Violations with Penalties by County October 1, 2013 – December 31, 2013

<b>Alameda</b>				
Site Name	Site Occurrence #	City	Penalty Amount	# of Violations Closed
CEMEX Construction Materials Pacific, LLC	A2743	Oakland	\$1,000	1
Commercial Waste & Recycling LLC	B9860	Oakland	\$1,500	2
Engineer's Associates Inc	V9429	Hayward	\$800	2
Evergreen Oil, Inc	A1190	Newark	\$13,000	5
Fremont Gas N Wash	W0024	Fremont	\$1,500	1
Montclair Gas & Automotive	W1389	Oakland	\$4,000	1
New Raja Enterprises, Inc #253791/ 76 Sta	C0261	Hayward	\$4,000	1
Norton Lilly International	S7134	Oakland	\$1,000	1
Republic Services Vasco Road, LLC	A5095	Livermore	\$4,000	1
Richard's Automotive Service	W2420	San Leandro	\$1,000	1
<b>Total Violations Closed:</b>				<b>16</b>
<b>Contra Costa</b>				
Site Name	Site Occurrence #	City	Penalty Amount	# of Violations Closed
Anthony/Christina	W2746	Antioch	\$0	1
Bio-Rad Laboratories	A5462	Richmond	\$1,500	1
Bridgehead Marine Services	B1302	Antioch	\$400	1
Chevron Avon Terminal	A0091	Martinez	\$7,000	2
Chevron Research and Technology Co	A0423	Richmond	\$4,500	1
Christie Fisher	W3053	Concord	\$0	1
Clair / Wanda Clements	U3183	El Sobrante	\$1,000	2
Clayton Valero	W1826	Concord	\$500	1
Concord BMW	E1766	Concord	\$750	2
Concord Smog & Gas	V4831	Concord	\$3,000	2
Fuel Delivery Services	S2614	Crockett	\$500	1
Galvin Engineering	V8870	Clayton	\$500	1
Lafayette Valero	W1732	Lafayette	\$300	1



**Closed Notice of Violations with Penalties by County  
October 1, 2013 – December 31, 2013  
(Continued)**

<b>Contra Costa</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Martinez Car Wash	V2251	Martinez	\$1,000	1
New Age Ventures Inc	V5384	Martinez	\$2,100	1
Oakhurst C C	W2267	Clayton	\$750	1
Pacific Steel Casting Co-Plant #2	A0703	Berkeley	\$2,500	1
Plains Products Terminals LLC	A7034	Martinez	\$159,000	10
Prime Tank Lines	V9912	Richmond	\$750	1
Bom and Yunja Hong Seong	V7367	Forest Knolls	\$100	1
<b>Total Violations Closed:</b>				<b>33</b>
<b>Marin</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Clipper Yacht Company, LLC	V7309	Sausalito	\$1,500	2
Jennifer and Albert Voris	W2911	San Geronimo	\$0	1
Novato Sanitary District	A1275	Novato	\$11,000	3
<b>Total Violations Closed:</b>				<b>6</b>
<b>San Francisco</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Four Seasons Hotel San Francisco	B5560	San Francisco	\$1,500	2
San Francisco International Airport	A1784	San Francisco	\$21,000	2
The Gateway	W2713	San Francisco	\$45,000	3
<b>Total Violations Closed:</b>				<b>7</b>

**Closed Notice of Violations with Penalties by County  
October 1, 2013 – December 31, 2013  
(Continued)**

<b>San Mateo</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Charles Goetchius/Clare Jackson	W2967	Pacifica	\$0	1
Christine/John Jacobson	W2963	Pacifica	\$0	1
Jennifer/Cynthia Ferrer	W2758	San Carlos	\$0	1
Justin/Amie Dubois/Tishler	W2982	Montara	\$0	1
Kevin Malone	W2751	Moss Beach	\$0	1
Recipient	W2962	Daly City	\$0	1
Recipient	W2989	Montara	\$0	1
Resident	W2750	Half Moon Bay	\$0	1
The Energy House	V4187	San Carlos	\$2,000	1
Thomas/Michelle Trayer	W2951	Pacifica	\$0	1
<b>Total Violations Closed:</b>				<b>10</b>
<b>Santa Clara</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Cal Phase Construction, Inc.	V2294	San Jose	\$750	1
Capital-Snell 76	W0237	San Jose	\$500	1
Chevron Products Company	A0049	San Jose	\$7,000	1
City of Santa Clara	A0621	Santa Clara	\$6,000	3
Concrete Designs	B8567	Morgan Hill	\$500	1
Gerald/Sherry Kohs	W3045	Palo Alto	\$0	1
Joseph J. Albanese	B8176	Santa Clara	\$1,000	1
Lam Research Corporation	A2988	San Jose	\$1,000	1
Space Systems/Loral, LLC (Bldg 43)	E1329	Palo Alto	\$1,000	1
Terence/Jacqueline Theisen/Lefton	W2917	Los Gatos	\$0	1
USA Petroleum	W1163	San Jose	\$1,500	2
West Valley Community College	A8998	Saratoga	\$750	2
Wheaten Ventures LLC	B8725	San Jose	\$750	1
<b>Total Violations Closed:</b>				<b>17</b>

**Closed Notice of Violations with Penalties by County**

**October 1, 2013 – December 31, 2013  
(Continued)**

<b>Solano</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
Cal Petroleum Inc	W0844	Fairfield	\$250	1
David's Spirit	W0161	Fairfield	\$1,250	1
EelRiverFuels,LowerLakeBulkPlant	W0167	Benicia	\$750	1
Pacific Bell	A7519	Fairfield	\$1,500	1
Resident	W2921	Fairfield	\$0	1
Unlimited Collision Repair	B9355	Vallejo	\$500	1
Valero Benicia Asphalt Plant	A0901	Benicia	\$4,000	1
Valero Refining Company - California	B2626	Benicia	\$296,300	45
W Texas LLC/Chevron Foodmart	V9854	Fairfield	\$300	1
		<b>Total Violations Closed:</b>		<b>53</b>
<b>Sonoma</b>				
<b>Site Name</b>	<b>Site Occurrence #</b>	<b>City</b>	<b>Penalty Amount</b>	<b># of Violations Closed</b>
City of Santa Rosa Wastewater Treatment	A1403	Santa Rosa	\$500	1
Denise Drake	W2760	Petaluma	\$0	1
Jane Ferina	W3059	Windsor	\$0	1
Mission Plaza Properties	W2919	Sonoma	\$0	1
Patrick/Shelly Kelley	W3057	Windsor	\$0	1
Randall Wilson and Sons, Inc	E1694	Sonoma	\$750	2
		<b>Total Violations Closed:</b>		<b>7</b>

**LIST OF ACRONYMS**

AA	Annual Average
AAMP	Ambient Air Monitoring Program
AB118	Assembly Bill 118 – Alternative Fuels Grants Program
AB32	Assembly Bill 32 – Global Warming Solutions Act
Al	Aluminium
Al <sub>2</sub> O <sub>3</sub>	Alumina (Aluminium Oxide)
AlF <sub>3</sub>	Aluminium Fluoride
AIRS	Aeromatic Information Retrieval System
AIRMoN	Atmospheric Integrated Research Monitoring Network
ALAPCO	Association of Local Air Pollution Control Officials
Aluminium Plant	Carbon Plant, Reduction Plant, Casthouse, Anode Service Area, and related utilities
Air District	Bay Area Air Quality Management District
AMTAC	ARB Air Monitoring Technical Advisory Committee
AMTIC	Air Monitoring Technology Information Center
ANPR	Advanced Notice of Proposed Rulemaking
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
API	American Petroleum Institute
APTI	Air Pollution Technology Institute
ARB	California Air Resources Board
ARM	Area Recognized Method
AQI	Air Quality Index
AQIS	Air Quality Instrument Specialist
AQS	EPA's Air Quality (data) System
AQRS	Air Quality Research Subcommittee
AQTA	Air Quality Technical Assistant
ARM	Approved Regional Method
ASA	Anode Service Area
ASP	Anode Service Plant
ASTCM	Astrodynamics Common
ASTM	American Society for Testing and Materials
AWMA	Air and Waste Management Association
BAAQMD	Bay Area Air Quality Management District
BAM	Beta Attenuation Monitor
BAM	Beta-Attenuation Metre
BAT(NEEC)	Best Available Techniques (Not Entailing Excessive Cost)
BC	Black carbon
BC	Background Concentration
BCP	Best Current Practice
BGI	BGI, Incorporated
BPT	Best Practicable Technology
BRC	Background Reference Concentration
bgl	Below ground level
BOD	Biochemical Oxygen Demand
BPEO	Best Practicable Environmental Option

BREF note	Best Available Techniques Reference Document
btc	Below top of casing
BTEX	Benzene, Toluene, Ethylbenzene and Xylene
°C	Degrees Celsius
C	Carbon
CaO	Lime (calcium oxide)
CAA	(Federal) Clean Air Act
CAC	Correlating Acceptable Continuous (monitor)
CAIR	Clean Air Interstate Rule
CAP	Clean Air Plan
CARB	California Air Resources Board
CARE	Community Air Risk Evaluation
CASAC	Clean Air Science Advisory Committee
CAS	Chemical Abstracts Service (a chemical reference number)
CASTNET	Clean Air Status and Trends Network
CBSA	Core Based Statistical Area
CCC	Criteria Continuous Concentration
CCP	Carbon Crushing Plant
Cd	Cadmium
CD	Chart Datum
CDM	Clean Development Mechanism
CEM	Continuous Emissions Monitoring
CENR	Committee for Environment and Natural Resources
CEQA	California Environmental Quality Act
CEU	Continuing Education Unit
CFR	U.S. Code of Federal Regulations
CH <sub>4</sub>	Methane
Cl	Chloride(s)
CI	Confidence Interval
CMAQ	Community Model Air Quality (system)
CMC	Criteria Maximum Concentration
CMP	Carl Moyer Program
CN	Cyanide
CO	Carbon monoxide
CO <sub>2</sub>	Carbon Dioxide
CoC	Chain of custody
COD	Chemical Oxygen Demand
COH	Coefficient of Haze
Cr(VI)	Chromium (hexavalent)
CREL	Chronic Reference Exposure Level
CRPAQS	Central Valley (California) Regional Particulate Air Quality Study
CRRP	Community Risk Reduction Program
CSN	Chemical Speciation Network
CSR	Corporate Social Responsibility
CV	Coefficient of variation
CWMP	Construction Waste Management Plan
CY	Calendar Year
Cu	Copper
DAS	Data Acquisition System
dB(A)	'A' weighted decibel noise level

dB <sub>L<sub>Aeq</sub></sub>	‘A’ weighted energy-equivalent decibel noise level
DC	Direct Current
DEARS	Detroit Exposure and Aerosol Research Study
DHS	Department of Homeland Security
District	Bay Area Air Quality Management District
DIV	Dutch Intervention Values
DMC	Data Management Center
DMS	Data management system
DNPH	2, 4-dinitrophenyl hydrazine
DO	Dissolved Oxygen
DOE	Department of Energy
DOI	Department of Interior
DQA	Data Quality Assessment
DQI	Data Quality Indicators
DQO	Data Quality Objectives
DRI	Direct Reduction Iron
DTV	Dutch Target Values
DVM	Digital Voltmeter
EC	European Commission
EC/OC	Elemental carbon/organic carbon
EECS	Electrical Equipment Calibration Service (in Fremont, CA)
EI	Extrusion Ingots
EIA	Environmental Impact Assessment
EML	Environmental Measurements Laboratory
EMP	Environmental Management Plan
EPA	U.S. Environmental Protection Agency
EPC	Engineering, Procurement and Construction
EPS	Environmental Protection Standards
EQS	Environmental Quality Standard
ESAT	Environmental Services Assistance Team
ET	Enviro Technology
EU	European Union
F-	Fluoride(s)
FA	Foundry Alloy
FEM	Federal Equivalent Method
FLM	Federal Land Manager
FMP	Flare Minimization Plan
FRM	Federal Reference Method
FTP	Fume Treatment Plant
FY	Fiscal Year
g/s	Grams per second
GAO	General Accounting Office
GC	Gas Chromatograph
GC-MS	Gas Chromatography-Mass Spectrometry
GDP	Gross Domestic Product
GHG(s)	Greenhouse Gas(es)
GIS	Geographical Information System
GLM	Ground Level Monitoring
GMW	General Metal Works (PM <sub>10</sub> sampler manufacturer)
GPS	Global Positioning System

GWP	Global Warming Potential
H <sub>2</sub> S	Hydrogen sulfide
HAL 275	Norsk Hydro Reduction Technology
HAP	Hazardous Air Pollutants
HAZID	Hazard Identification
HC	Hydrocarbon
HCl	Hydrogen chloride
HEI	Health Effects Institute
HF	Hydrogen fluoride
HPLC	High Performance Liquid Chromatograph
HSE	Health, Safety and Environment
HTM	Heating Transfer Medium
Hydro	Norsk Hydro ASA
IACET	International Association for Continuing Education and Training
IADN	Interagency Deposition Network
I BOND	California Goods Movement Bond Program (Proposition 1B)
IC	Ion Chromatography
ICR	Information Collection Request
IEA	Initial Environmental Authorization
IFC	International Finance Corporation
ILSC	Indicative Levels of Serious Contamination
IMPROVE	Interagency Monitoring of Protected Visual Environments
IPP	Independent Power Producer
ISQG	Interim Sediment Quality Standard
ISR	Indirect Source Rule
ITEP	Institute of Tribal Environmental Professionals
ITT	Information Transfer Technology
JV	Joint Venture
K	Kelvin
K	Thousand
km	kilometer
kV	Kilovolt
kt/yr	Thousands of tons per year
kPa	Thousand Pascal
l	Litre
LC-50	Lethal Concentration of a chemical which kills 50% of a sample population
L <sub>eq</sub>	Unweighted energy-equivalent noise level
LCS	Laboratory Control Sample
LDAR	Leak Detection and Repair
LLD	Lower Limit of Detection
LNB	Low NO <sub>x</sub> Burner
LOD	Limit of Detection
LOQ	Limit of Quantitation
lpm	Liters per minute
l/s	Litres per second
L <sub>WA</sub>	'A' weighted sound power level
M	Million
m	Metre
m/s	Metres per second

m <sup>3</sup> /s	Cubic metres per second
MAC	Maximum Allowable Concentration
MANE-VU	Mid-Atlantic/Northeast Visibility Union
MDL	Method Detection Limit
MDN	Mercury Deposition Network
MEI	Ministry of Energy and Industry
MET/PE	Meteorology and Performance Evaluation
mg/kg	Milligrams per kilogram
mg/l	Milligrams per litre
mg/m <sup>3</sup>	Milligrams per cubic metre
mg/Nm <sup>3</sup>	Milligrams per normal cubic metre (i.e. expressed at 273K and 101.3 kPa); in the case of gas turbines, gas volumes in units on “Nm <sup>3</sup> ” are also expressed as dry gas, at 15% O <sub>2</sub> .
MHWTC	Mesaieed Hazardous Waste Treatment Centre
MIC	Mesaieed Industrial City
ml	Millilitre
MMAA	Ministry of Municipal Affairs and Agriculture
MMWDS	Mesaieed Municipal Waste Disposal Site
MPA	Maximum Permissible Addition
MPC	Maximum Permissible Concentration
MQA	Meteorology and Quality Assurance
MS	Matrix spikes
MSIF	Mobile Source Incentive Fund
MSm <sup>3</sup>	Million standard cubic metres
MW	Megawatts
MWe	Megawatts electrical (electrical output)
MWth	Megawatts thermal (thermal input)
N	Nitrogen
NAAQS	National Ambient Air Quality Standard
Na	Sodium
NAAMS	National Ambient Air Monitoring System
NAATS	National Ambient Air Toxics Sites
NACAA	National Association of Clean Air Agencies
NADP	National Atmospheric Deposition Program
NAMS	National Air Monitoring Station
Na <sub>3</sub> AlF <sub>6</sub>	Cryolite
NaCl	Sodium chloride (salt)
NAPAP	National Acid Precipitation Assessment Program
NARSTO	North American Research Strategy for Tropospheric Ozone
NAS	National Academy of Science
NASA	National Aeronautics and Space Agency
NATTS	National Ambient Toxic Tends Stations
NAU	Northern Arizona University
NCore	The National Core Monitoring Network
NDIR	non-dispersive infrared
NDUV	Non-dispersive ultraviolet
NEC	No Effect Concentration
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NGO	Non-Governmental Organizations
Ni	Nickel



NILU	Norwegian Institute for Air Research
NISO	North Isomax
NIST	National Institute for Standards and Technology
Nm <sup>3</sup>	Normal cubic metre (i.e. expressed at 237K and 101.3 kPa); in the case of gas turbines, gas volumes in units of “Nm <sup>3</sup> ” are also expressed as dry gas, at 15% O <sub>2</sub> .
Nm <sup>3</sup> /s	Normal cubic metre per second (i.e. expressed at 237K and 101.3 kPa); in the case of gas turbines, gas volumes in units of “Nm <sup>3</sup> ” are also expressed as dry gas, at 15% O <sub>2</sub> .
NMHC	Non-Methane Hydrocarbons
NMSC	National Monitoring Strategy (or Steering) Committee
NMVOC	Non-Methane Volatile Organic Compounds
N <sub>2</sub> O	Nitrous Oxide
NO <sub>y</sub>	Odd Nitrogen
NIOSH	National Institute for Occupational Safety and Health
NIST	National Institute of Standards and Technology
NO	Nitrogen monoxide/Nitric oxide
NO <sub>2</sub>	Nitrogen dioxide
NO <sub>x</sub>	Oxides of nitrogen
NOAA	National Oceanic and Atmospheric Administration
NMHC	Non-methane hydrocarbon
NMOC	Non-methane organic carbon
NO <sub>x</sub> /NO <sub>y</sub>	Nitrogen Oxides
NPAP	EPA National Performance Audit Program
NPEP	National Performance Evaluation Program
NPS	National Parks Service
NTN	National Trends Network
NTU	Nephelometric Turbidity Units
NVLAP	National Voluntary Laboratory Accreditation Program
O <sub>2</sub>	Oxygen
O <sub>3</sub>	Ozone
OAP	Office of Atmospheric Programs
OAQPS	Office of Air Quality Planning and Standards
OAR	Office of Air and Radiation
OC	Organic Carbon
OC/EC	Organic carbon/elemental carbon
ODAMN	Operations Data Action Monitoring Notification
OEHHA	Office of Environmental Health Hazard Assessment
OEI	Office of Environmental Information
ORD	Office of Research and Development
ORIA	Office of Radiation and Indoor Air
P	Phosphorous
P	Power
PAHs	Polycyclic Aromatic Hydrocarbons
PAMS	Photochemical Assessment Monitoring Stations
Pb	Lead
PBMS	Performance-Based Measurement System
PBT	Persistent Bioaccumulative Toxics
PCBs	Polychlorinated Byphenyls
PCC	Petrochemical Complex

PE	Performance Evaluation
PEP	Performance Evaluation Program
PEL	Probable Effect Level
PFC	Polyfluorocarbons
PM	Particulate matter
PM <sub>10</sub>	Particulate matter with mean aerodynamic diameter of 10 microns
PM <sub>2.5</sub>	Particulate matter with mean aerodynamic diameter of 2.5 microns
PM <sub>10-2.5</sub>	PM <sub>10</sub> minus PM <sub>2.5</sub>
PO	Purchase Order
POCP	Photochemical Ozone Creation Potential
POP	Persistent Organic pollutants
ppb	Parts per billion
PPAH	Pollution Prevention and Abatement Handbook
ppb (v)(w)	Parts per billion (volume) (weight)
ppm (v) (w)	Parts per million (volume) (weight)
ppt (v) (w)	Parts per thousand (volume) (weight)
PQAO	Primary Quality Assurance Organization
PSD	Prevention of significant deterioration
QA	Quality Assessment
QAFAC	Qatar Additives Company
QAFCO	Qatar Fertiliser Company
QASCO	Qatar Steel Company Ltd
Qatum	The Hydro/QP Aluminium and Power Plant Project
QAPP	Quality Assurance Project/Program Plan
QC	Quality Control
QEW	Qatar Electricity and Water Company
QMP	Quality Management Plan
QNHD	Qatar National Height Datum (QNHD is ~1.3 m above Chart Datum)
QP	Qatar Petroleum
RADM	Regional Acid Deposition Model
RCA	Reportable Compliance Activity
RCEP	Royal Commission on Environmental Pollution
REL	Reference Exposure Level
REM	Regional Equivalent Monitor
RO	EPA Regional Office
ROG	Reactive Organic Gases
ROM	Regional Oxidant Model
ROPME	Regional Organisation for Protection of the Marine Environment
RPO	Regional Planning Organization
RTD	Resistance Temperature Detector
RTP	Research Triangle Park (North Carolina)
RTI	Research Triangle Institute, a research/consulting company
RTO	Regenerative Thermal Oxidiser
S	Sulphur
S&T	Science and Technology
SAB	Science Advisory Board
SAMWG	Standing Air Monitoring Work Group
SAP	Socio-Economic Action Plan
SASP	Surface Air Sampling Program
SARC	Scientific and Applied Research Centre

SB 375	Sustainable Communities and Climate Protection Act of 2008
SB 1339	Senate Bill 1339 – Employer Commute Benefits Program
SCAQMD	South Coast Air Quality Management District
SCENR/SCE	Supreme Council for the Environment & Natural Reserves
SIP	State Implementation Plan
SISO	South Isomax
SLAMS	State or Local Air Monitoring Station
SLTs	State, Local, and Tribal air monitoring agencies
SO <sub>2</sub>	Sulfur dioxide
SOP	Standard operating procedure
SPL	Spent Potlining
SPM	Special Purpose Monitor
SRP	Standard Reference Photometer
SS	Supersite
SSEIA	Scoping Study for Environmental Impact Assessment Report
STAG	State and Tribal Air Grant
STAPPA	State and Territorial Air Pollution Program Administrators
STN	Speciation Trends Network
Strategy	The National Air Monitoring Strategy
SVOC	Semi-Volatile Organic Compound
SWS	Seawater Scrubber
t/d	Tonnes per day
t/h	Tonnes per hour
t/yr	Tonnes per year
TAMS	Tribal Air Monitoring Support (Center)
TAD	Technical Assistance Document
TAR	Tribal Authority Rule
TBD	To Be Determined
TECO	Thermo Electron Corporation, now Thermo Fisher Scientific
TEOM	Tapered Element Oscillation Monitor
TFCA	Transportation Fund for Clean Air
THC	Total hydrocarbons
TIP	Tribal Implementation Plan
TNMHC	Total non-methane hydrocarbons
TNMOC	Total non-methane Organic Compound
TOC	Total Organic Carbon
TOM	Total Organic Matter
Tpd	Tons per day
TPH	Total Petroleum Hydrocarbons
TPY	Tons Per Year
TSA	Technical systems audits
TSD	Technical Services Division
TSP	Total suspended particulates
TSS	Total Suspended Solids
T-REX	Traffic Related Exposure Study
TWA	Time Weighted Average
UAM	Urban Airshed Model
UFP	Ultrafine Particulate Matter
UN	United Nations
UNEP	UN Environmental Program

USB	Universal Serial Bus
US EPA	United States Environmental Protection Agency
UV	Ultraviolet
VDC	Vertical Direct Chill (Casting Machines)
VOC	Volatile Organic Compounds
WB	World Bank
WBT	Wet Bulb Temperature
WB PPAH	WB Pollution Prevention and Abatement Handbook
WHO	World Health Organization
WMP	Waste Management Plan
XML	Extensible Markup Language
$\Delta T$	Temperature differential
$\mu\text{g/l}$	Microgrammes per litre
$\mu\text{g/m}^3$	Micrograms (one millionth of a gram) per cubic metre
$\mu\text{m}$	Micrometers
$\mu\text{M/l}$	Micromoles per litre

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 5, 2014

Re: Notices of Violation Issued and Settlements in Excess of \$10,000 January 2014

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

In accordance with Resolution No. 2012-08, attached to this Memorandum is a listing of all Notices of Violation issued, and all settlements for amounts in excess of \$10,000 during the calendar month prior to this report.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The amounts of civil penalties collected are included in the Air District's general fund budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bungler

Attachment

**NOTICES OF VIOLATION ISSUED**

The following Notice(s) of Violation were issued in January 2014:

<b>Alameda</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Commercial Building	W3616	Castro Valley	A51790A	1/17/14	11-2-401.3	Failure to notify asbestos demolition
Gregory/Tiffany Young	W3417	Piedmont	A53479A	1/3/14	6-3-301	Wood smoke violation
Hasselgren Racing Engines	B2338	Berkeley	A51074A	1/16/14	2-1-301	Unpermitted cold cleaner
Hasselgren Racing Engines	B2338	Berkeley	A51074B	1/16/14	2-1-302	Unpermitted cold cleaner
Hasselgren Racing Engines	B2338	Berkeley	A51075A	1/16/14	8-16-303	8-16-303.5 Solvent VOC exceeds 50 g/l
James/Carol Fehr/Gerk	W3495	Oakland	A53516A	1/6/14	6-3-301	Wood smoke violation
Karen/Axel Rolf	W3592	Castro Valley	A53529A	1/10/14	6-3-301	Wood smoke violation
Kevin/Eunice Scholten	W3593	Castro Valley	A53530A	1/10/14	6-3-301	Wood smoke violation
Recipient	W3595	Castro Valley	A53531A	1/10/14	6-3-301	Wood smoke violation
Recipient	W3596	Castro Valley	A53532A	1/10/14	6-3-301	Wood smoke violation
Stanley/Josie Gibson	W3418	Piedmont	A53480A	1/3/14	6-3-301	Wood smoke violation

Tiffany Whitefill	W3590	San Leandro	A53528A	1/10/14	6-3-301	Wood smoke violation
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<b>Contra Costa</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Ameresco Keller Canyon LLC	B7667	Pittsburg	A52982A	1/21/14	2-6-307	Excess formaldehyde emissions
Ameresco Keller Canyon LLC	B7667	Pittsburg	A52983A	1/21/14	2-6-307	Excess formaldehyde emissions
Benjie/Shelly Wells	W3424	Walnut Creek	A53486A	1/3/14	6-3-301	Wood smoke violation
Bernd/Holly Hildebrand	W3413	Walnut Creek	A53478A	1/3/14	6-3-301	Wood smoke violation
Christopher Hicks	W3603	Concord	A53537A	1/14/14	6-3-301	Wood smoke violation
Contra Costa County	A2094	Martinez	A53160A	1/14/14	9-7-403	boiler, no source test
Eleanor Obrien	W3422	Walnut Creek	A53484A	1/3/14	6-3-301	Wood smoke violation
Fiammengo Trust	W3425	Walnut Creek	A53487A	1/3/14	6-3-301	Wood smoke violation
James/Teresa Bloom	W3600	Concord	A53535A	1/14/14	6-3-301	Wood smoke violation
John Peters/Felicity Fiorelli	W3751	Walnut Creek	A53553A	1/22/14	6-3-301	Wood smoke violation
K A Montgomery Living Trust	W3420	Walnut Creek	A53482A	1/3/14	6-3-301	Wood smoke violation

AGENDA: 6

Kelly/Terry Johnson	W3423	Walnut Creek	A53485A	1/3/14	6-3-301	Wood smoke violation
Kerry Chen	W3598	El Sobrante	A53533A	1/14/14	6-3-301	Wood smoke violation
Larry/Judy Youngs	W3497	Brentwood	A53517A	1/6/14	6-3-301	Wood smoke violation
Paul/Melissa Cerejo	W3419	Martinez	A53481A	1/3/14	6-3-301	Wood smoke violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A52967A	1/22/14	2-6-307	Deviation #3738, missed & late CO source test
Recipient	W3421	Pittsburg	A53483A	1/3/14	6-3-301	Wood smoke violation
Recipient	W3602	Concord	A53536A	1/14/14	6-3-301	Wood smoke violation
SFPP, L P	A4022	Concord	A53159A	1/13/14	6-1-301	VEE Ringleman 2
ST Shore Terminals LLC	A0581	Crockett	A53240A	1/30/14	2-6-307	(Excess ID-06L21) - Hydrocarbon > 10,000 ppm
ST Shore Terminals LLC	A0581	Crockett	A53241A	1/30/14	8-5-320.5	Gauge Pole Float Stuck & Product was above float
West Contra Costa County Landfill	A1840	Richmond	A52968A	1/27/14	2-6-307	S5 Engine Temperature below permit condition limit

<b>Marin</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Anna Smith	W3430	Novato	A53491A	1/3/14	6-3-301	Wood smoke violation



AGENDA: 6

Carla Brouillette	W3350	Novato	A53449A	1/2/14	6-3-301	Wood smoke violation
Gene Hansen	W3349	Novato	A53448A	1/2/14	6-3-301	Wood smoke violation
Glenn & Isabel Craft	V7494	San Geronimo	A53311A	1/21/14	6-3-301	Wood smoke violation
James Shihadeh	W3351	Novato	A53450A	1/2/14	6-3-301	Wood smoke violation
Karl/Alison Beckmann	W3352	Novato	A53451A	1/2/14	6-3-301	Wood smoke violation
Michael Dempsey	W3589	Mill Valley	A53527A	1/9/14	6-3-301	Wood smoke violation
Recipient	W3588	Forest Knolls	A53526A	1/9/14	6-3-301	Wood smoke violation
Recipient	W3599	Lagunitas	A53534A	1/14/14	6-3-301	Wood smoke violation
Recipient	W3738	Novato	A53541A	1/21/14	6-3-301	Wood smoke violation
Recipient	W3853	Forest Knolls	A53554A	1/28/14	6-3-301	Wood smoke violation
Recipient	W3854	Novato	A53555A	1/28/14	6-3-301	Wood smoke violation
Resident	W3865	Forest Knolls	A53312A	1/21/14	6-3-301	Wood smoke violation
Resident	W3865	Forest Knolls	A53388A	1/21/14	6-3-301	Wood smoke violation

**Napa**

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Carl Thomas	W3377	Napa	A53474A	1/2/14	6-3-301	Wood smoke violation
Carmen Ochoa	W3483	Napa	A53510A	1/6/14	6-3-301	Wood smoke violation
Claudette Shanks	W3749	Napa	A53551A	1/22/14	6-3-301	Wood smoke violation
Isabel/Efrain Ponce	W3743	Napa	A53547A	1/22/14	6-3-301	Wood smoke violation
Jeffrey Lewis	W3482	Napa	A53509A	1/6/14	6-3-301	Wood smoke violation
John/Hollene Shackford	W3374	Napa	A53473A	1/2/14	6-3-301	Wood smoke violation
Karen/Vincent Rubio	W3746	Napa	A53548A	1/22/14	6-3-301	Wood smoke violation
Kris Anderson	W3750	Napa	A53552A	1/22/14	6-3-301	Wood smoke violation
Paula/Robert Lundeen	W3480	Napa	A53507A	1/6/14	6-3-301	Wood smoke violation
Ramiro Herrera, LL	W3378	Napa	A53475A	1/2/14	6-3-301	Wood smoke violation
Recipient	W3485	Napa	A53511A	1/6/14	6-3-301	Wood smoke violation
Recipient	W3486	Napa	A53512A	1/6/14	6-3-301	Wood smoke violation
Samuel/Kathleen Chesbrough	W3492	Napa	A53513A	1/6/14	6-3-301	Wood smoke violation

<b>San Mateo</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Edward Moalem	W3427	San Mateo	A53489A	1/3/14	6-3-301	Wood smoke violation
Gerald Kelly/Susan Joye	W3503	San Bruno	A53523A	1/8/14	6-3-301	Wood smoke violation
Harvey Blight	W3127	Menlo Park	A53120A	1/21/14	6-3-301	Wood smoke violation
Jace/Carole Brehm	W3436	Half Moon Bay	A53497A	1/6/14	6-3-301	Wood smoke violation
Jennie/Shaucat Salahutdin	W3500	Hillsborough	A53521A	1/8/14	6-3-301	Wood smoke violation
Joanne Franklin	W3862	Half Moon Bay	A53559A	1/29/14	6-3-301	Wood smoke violation
Joseph/Maureen Grech	W3435	South San Francisco	A53496A	1/6/14	6-3-301	Wood smoke violation
Lisa/Rory Patrick McGowan	W3861	San Mateo	A53558A	1/28/14	6-3-301	Wood smoke violation
Recipient	W3426	Montara	A53488A	1/3/14	6-3-301	Wood smoke violation
Recipient	W3498	Montara	A53519A	1/8/14	6-3-301	Wood smoke violation
Recipient	W3504	El Granada	A53524A	1/8/14	6-3-301	Wood smoke violation
Recipient	W3856	San Carlos	A53557A	1/28/14	6-3-301	Wood smoke violation

AGENDA: 6

Renate Bingham	W3739	Montara	A53542A	1/21/14	6-3-301	Wood smoke violation
Scott/Yvonne Bassett	W3740	Emerald Hills	A53543A	1/21/14	6-3-301	Wood smoke violation
Shaw Living Trust	W3855	Menlo Park	A53556A	1/28/14	6-3-301	Wood smoke violation
Sims Metal Management	A5152	Redwood City	A53145A	1/17/14	1-301	Public nuisance fire December 17, 2013
Sunquest Properties Inc	A5691	Brisbane	A52142A	1/9/14	8-34-301	landfill violations
Sunquest Properties Inc	A5691	Brisbane	A52143A	1/9/14	8-34-501	landfill violations

<b>Santa Clara</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Cheryl/Wayne Jueal	W3499	San Jose	A53520A	1/8/14	6-3-301	Wood smoke violation
Harvey's Body Shop	A5357	Gilroy	A46599A	1/28/14	2-1-302	Expired permit to operate since 8/1/09
Maxim Integrated Products, Incorporated	B1696	San Jose	A52017A	1/30/14	2-1-307	RCA Excess Emission Permit Cond# 18523 Sub section 6
Michelle/Jeffrey Bettencourt	W3477	Morgan Hill	A53505A	1/6/14	6-3-301	Wood smoke violation
Paknahal & Mesbahi Motahareh	V6703	Cupertino	A53119A	1/21/14	6-3-301	Wood smoke violation
Recipient	W3431	San Jose	A53492A	1/3/14	6-3-301	Wood smoke violation

Recipient	W3432	Sunnyvale	A53493A	1/3/14	6-3-301	Wood smoke violation
Recipient	W3476	San Jose	A53504A	1/6/14	6-3-301	Wood smoke violation

<b>Solano</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Carl Larson	W3472	Vallejo	A53500A	1/6/14	6-3-301	Wood smoke violation
James Mccutcheon	W3433	Benicia	A53494A	1/3/14	6-3-301	Wood smoke violation
Jay/Eloise Wanlass	W3434	Benicia	A53495A	1/3/14	6-3-301	Wood smoke violation
Judith Harlander	W3478	Benicia	A53506A	1/9/14	6-3-301	Wood smoke violation
Michael/Luz White	W3481	Benicia	A53508A	1/6/14	6-3-301	Wood smoke violation
Peter Thor	W3379	Fairfield	A53476A	1/2/14	6-3-301	Wood smoke violation
Potrero Hills Landfill, Inc	A2039	Suisun City	A53403A	1/31/14	2-6-307	S.T.# OS-4825, excessive NOx, PM
Potrero Hills Landfill, Inc	A2039	Suisun City	A53404A	1/31/14	2-6-307	S.T.# OS-4826 excessive NOx
Recipient	W3473	Fairfield	A53501A	1/6/14	6-3-301	Wood smoke violation
Reta/Joseph Jones	W3380	Fairfield	A53477A	1/2/14	6-3-301	Wood smoke violation

AGENDA: 6

Rita/FB Russell JR	W3748	Vallejo	A53550A	1/22/14	6-3-301	Wood smoke violation
Rosanna/Peter Raven	W3747	Vallejo	A53549A	1/22/14	6-3-301	Wood smoke violation
Sequoia Cabinets	B9004	Fairfield	A53402A	1/17/14	2-1-302	P/O expired 6/1/2013
Susan Korcz	W3373	American Canyon	A53472A	1/2/14	6-3-301	Wood smoke violation
Valero Refining Company - California	B2626	Benicia	A52835A	1/7/14	12-11- 502.3.1	One missed flare gas sample
Valero Refining Company - California	B2626	Benicia	A52836A	1/21/14	8-5-328	Failure to degas tank before opening to atmosphere

<b>Sonoma</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Carlo/Mary Bottini	W3372	Santa Rosa	A53471A	1/2/14	6-3-301	Wood smoke violation
Dana Rodney	W3364	Santa Rosa	A53465A	1/2/14	6-3-301	Wood smoke violation
David Stafford	W3344	Santa Rosa	A53443A	1/2/14	6-3-301	Wood smoke violation
David/Ellen Lenchner	W3370	Santa Rosa	A53470A	1/2/14	6-3-301	Wood smoke violation
Gary Nelson	W3337	Santa Rosa	A53439A	1/2/14	6-3-301	Wood smoke violation
Geoffrey Harlan	W3429	Santa Rosa	A53490A	1/3/14	6-3-301	Wood smoke violation

AGENDA: 6

Gerda Parker	W3474	Sebastopol	A53502A	1/6/14	6-3-301	Wood smoke violation
Glenda Jones	W3359	Santa Rosa	A53461A	1/2/14	6-3-301	Wood smoke violation
Heather/Christopher Topham	W3333	Graton	A53436A	1/2/14	6-3-301	Wood smoke violation
Jaime/Mario Tantarelli	W3335	Santa Rosa	A53438A	1/2/14	6-3-301	Wood smoke violation
Jeremy/Suezzann Depp	W3368	Santa Rosa	A53469A	1/2/14	6-3-301	Wood smoke violation
John/Jeri Hill	W3346	Petaluma	A53445A	1/2/14	6-3-301	Wood smoke violation
Jose/Lorena Gonzalez	W3341	Santa Rosa	A53441A	1/2/14	6-3-301	Wood smoke violation
Kathy Hong	W3363	Santa Rosa	A53464A	1/2/14	6-3-301	Wood smoke violation
Keith Richardson	W3345	Santa Rosa	A53444A	1/2/14	6-3-301	Wood smoke violation
Larry Paul Chiappellone	W3502	Sonoma	A53522A	1/8/14	6-3-301	Wood smoke violation
Lisa Labagh	W3343	Santa Rosa	A53442A	1/2/14	6-3-301	Wood smoke violation
Mack Wallbed Systems	A5736	Petaluma	A52515A	1/21/14	8-32-501.2	Record keeping
Margaret/Dustin Destrueel	W3358	Windsor	A53460A	1/2/14	6-3-301	Wood smoke violation
Mary/George Maranda/Bolduc	W3365	Windsor	A53466A	1/2/14	6-3-301	Wood smoke violation

AGENDA: 6

Michael Newman/Phyllis Evans	W3494	Sonoma	A53515A	1/6/14	6-3-301	Wood smoke violation
Recipient	W3334	Graton	A53437A	1/2/14	6-3-301	Wood smoke violation
Recipient	W3331	Windsor	A53435A	1/2/14	6-3-301	Wood smoke violation
Recipient	W3366	Windsor	A53467A	1/2/14	6-3-301	Wood smoke violation
Recipient	W3475	Sebastopol	A53503A	1/6/14	6-3-301	Wood smoke violation
Recipient	W3493	Sonoma	A53514A	1/6/14	6-3-301	Wood smoke violation
Recipient	W3742	Kenwood	A53544A	1/21/14	6-3-301	Wood smoke violation
Resident	W3362	Santa Rosa	A53463A	1/2/14	6-3-301	Wood smoke violation
Robert/Janet Wittry	W3338	Windsor	A53440A	1/2/14	6-3-301	Wood smoke violation
Ronald/Joyce Campbell	W3505	Petaluma	A53525A	1/9/14	6-3-301	Wood smoke violation
Ryan/Juliette	W3361	Santa Rosa	A53462A	1/2/14	6-3-301	Wood smoke violation
Scott Stanfield	W3367	Santa Rosa	A53468A	1/2/14	6-3-301	Wood smoke violation
Shannon/Ray Richtik	W3347	Petaluma	A53446A	1/2/14	6-3-301	Wood smoke violation
SRM Alliance Hospital Services	B1308	Petaluma	A52513A	1/7/14	2-1-302	Expired permit



<b>District Wide</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Peter Rajkovich	W3678	Hollister	A51093A	1/21/14	5-301.3	Orchard attrition/pruning open burn outside of the permissible burn season

**SETTLEMENTS FOR \$10,000 OR MORE REACHED**

There were 2 settlement(s) for \$10,000 or more completed in January 2014.

- 1) On January 9, 2014, the District reached a settlement with Napa Vallejo Waste Management Authority for \$11,200, regarding the allegations contained in the following 2 Notices of Violation:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A50439A	2/7/12	11/30/11	8-34-301.1	Gas collection system not operating
A50439B	2/7/12	11/30/11	1-523.3	Gas collection system not operating / not reported w/in 96 hrs
A50440A	3/16/12	12/6/11	8-34-301.1	Gas collection system not operating / not reported w/in 96 hrs
A50440B	3/16/12	12/6/11	1-523.3	Gas collection system not operating / not reported w/in 96 hrs

- 2) On January 28, 2014, the District reached a settlement with Los Medanos Energy Center, LLC for \$10,000, regarding the allegations contained in the following 1 Notice of Violation:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A52270A	5/16/13	1/12/13	2-6-307	NOx excess during shutdown S-3/4, NOx >20lbs/sd

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 28, 2014

Re: Set Public Hearing for March 19, 2014 to Consider Proposed Regulation 14,  
Rule 1: Bay Area Commuter Benefits Program; and Approval of a California  
Environmental Quality Act (CEQA) Negative Declaration

RECOMMENDED ACTION:

Set a Public Hearing for March 19, 2014 to consider adoption of proposed Regulation 14: Mobile Source Emissions Reduction Measures, Rule 1: Bay Area Commuter Benefits Program; and approval of a California Environmental Quality Act (CEQA) Negative Declaration.

BACKGROUND

Senate Bill 1339, signed into law in fall 2012, authorizes the Bay Area Air Quality Management District (District) and the Metropolitan Transportation Commission (MTC) to adopt and implement a regional commuter benefits ordinance on a pilot basis through the end of year 2016. The bill is modeled on local commuter benefit ordinances that have already been adopted by several Bay Area cities in recent years, including the cities of Berkeley, Richmond, and San Francisco. In response to Senate Bill 1339, District staff is proposing adoption of Regulation 14, Rule 1: Bay Area Commuter Benefits Program (Program).

DISCUSSION

The proposed rule will serve as the foundation for the Commuter Benefits Program. The Program seeks to expand the number of employers who make existing federal commuter tax benefits available to their employees. These tax benefits can provide significant savings by reducing payroll and income taxes for both employers and employees. The Program would require employers with 50 or more full-time employees in the Bay Area to select one of four commuter benefit options to offer their employees:

- **Option 1: Pre-Tax Option:** The employer allows employees to exclude their transit or vanpool costs from taxable income, to the maximum amount allowed by federal law.
- **Option 2: Employer-Provided Subsidy:** The employer provides a subsidy to cover the employee's monthly transit or vanpool cost, to a maximum of \$75 per month.
- **Option 3: Employer-Provided Transportation:** The employer provides free or low-cost commuter transportation service for its employees, such as bus or vanpool service from an employee's home community to the worksite, or shuttle service from a transit station(s) to the worksite.

- **Option 4: Alternative Commuter Benefit:** The District and MTC may approve an alternative commuter benefit proposed by the employer that would be as effective in reducing single-occupant vehicle trips as any of the three options described above. To facilitate this option, staff will define several “pre-approved” alternative options.

By promoting the use of alternative commute modes, the Program will decrease drive-alone commute trips to Bay Area worksites, thus reducing emissions of greenhouse gases (GHGs) and criteria air pollutants. In addition, the Program will decrease traffic congestion during peak commute periods, provide financial savings to employers and employees, and improve employee productivity. The Program will help to implement the Transportation Control Measures in the *Bay Area 2010 Clean Air Plan* and the climate protection resolution adopted by the District Board of Directors in November 2013, and to achieve GHG reduction goals in *Plan Bay Area*.

The Program will be implemented as a collaboration between the District and MTC. Staff of the two agencies have been working together to develop the proposed rule, as well as the administrative structure to support and implement the Program. The agencies will focus on explaining the positive environmental and financial outcomes of the Program as the most effective means to promote employer compliance with the Program. Employer assistance will be provided through MTC’s 511 Regional Rideshare Program.

#### RULE DEVELOPMENT PROCESS

In developing the proposed Program, District staff met with many business groups and other stakeholders, including Chambers of Commerce and economic development associations, as well as Congestion Management Agencies and Transportation Management Associations in cities and counties throughout the region. Staff issued a draft rule and Workshop Report in late August 2013 and held public workshops to solicit comment in all nine Bay Area counties in October 2013. Staff revised the draft Program as appropriate to respond to public comments.

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

On January 21, 2014, staff issued a Notice of Public Hearing and posted the proposed rule (Regulation 14, Rule 1); the CEQA initial study and Negative Declaration; a socioeconomic analysis; and a staff report for public review and comment on the District website at: [www.baaqmd.gov/pln/ruledev/regulatory\\_public\\_hearings.htm](http://www.baaqmd.gov/pln/ruledev/regulatory_public_hearings.htm).

BUDGET CONSIDERATIONS/FINANCIAL IMPACTS:

District resources to develop the Program are included in the Fiscal Year End (FYE) 2014 budget. Funding to administer the Program on an on-going basis will be considered in developing the FYE 2015 budget and subsequent budget cycles.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Burch  
Reviewed by: Henry Hilken

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 6, 2014

Re: Notice of Proposed Amendments to the Air District's Administrative Code,  
Operating Policies and Procedures for the Board of Directors Division I:  
Section 8, Hearing Board, Section 8.6, Limits on Term of Office

RECOMMENDED ACTION:

The Board will consider proposed amendments to the District's Administrative Code, Division I: Operating Policies and Procedures of the Board of Directors, Section 8, Hearing Board, Section 8.6, Limits on Term of Office.

BACKGROUND

The California Health and Safety Code requires that the District maintain a five member Hearing Board to hear requests for variances, requests from the District for orders of abatement, and appeals of permits. The District's Administrative Code currently provides that members of the District's Hearing Board with twelve (12) consecutive years of service shall not be reappointed to the Hearing Board. This provision further provides that a person may once again be appointed after an absence of three years from the Hearing Board.

Last year, two members of the Hearing Board, who had long served as the Chair and Vice Chair of the Hearing Board reached these term limits and in April 2014, two additional members, who are currently serving as Chair and Vice-Chair of the Hearing Board will reach the term limits. This has created a situation in which a substantial amount of institutional knowledge and continuity will be lost in this vital quasi-judicial function. In order to ensure that the knowledge of these members is not lost and to provide continuity to the Hearing Board, staff is recommending that the Hearing Board term limit provision in the District's Administrative Code be amended to provide for maximum terms of fifteen (15) years.

DISCUSSION

Administrative Code Section 14.1, Amendments Mechanism, requires the noticing of proposed amendments at a preceding meeting of the Board of Directors before adoption can take place.

The proposed amendments to the Administrative Code are attached for your review and consideration.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bunger  
Reviewed by: Rex Sanders

**8.6 LIMITS ON TERM OF OFFICE. (Revised ~~3/16/94~~\_\_\_\_\_)**

Effective with appointments for terms on the Hearing Board commencing on ~~May 1, 1994~~ April 1, 2014, and thereafter, members with ~~twelve~~ fifteen (15) consecutive years of membership on the Hearing Board shall not be re-appointed to the Hearing Board, without exception. A member not re-appointed because of having served ~~twelve~~ fifteen (15) consecutive years on the Hearing Board shall again be eligible for appointment after an absence of three years from the Hearing Board.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 16, 2014

Re: Consideration to Authorize Purchase Order in Excess of \$70,000 for Development of  
an Engineering Permit Training Program

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RECOMMENDED ACTION:

Authorize the Executive Officer/APCO to issue a purchase order in the amount of \$62,200 to Emerson Human Capital. This will bring the total expenditure to Emerson Human Capital to \$132,000.

DISCUSSION

Emerson Human Capital began working with staff to develop a Permit Processing Training Program. The initial contract was executed in September 2013. The goal of the training is to improve the consistency and efficiency of the permits processed by the District. The training will also be available to the regulated community to better understand the recent Regulation 2 amendments that were approved by the Board in December 2012. The original contract included a needs assessment and training module development. As a result of the needs assessment, the Scope of Work expanded to include "Train the Trainer" training to improve staff proficiency with facilitating training sessions. The Purchase Order will cover this amendment.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None. Funds for this Purchase Order are allocated from currently budgeted programs in the current year's budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jim Karas  
Reviewed by: Jeff McKay



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: February 11, 2014

Re: Consideration of Establishing a New Job Classification of Communications Officer

RECOMMENDATION:

Approve establishing a new job classification of Communications Officer with an annual salary range from \$141,222 to \$171,656 (Salary Range 156M).

BACKGROUND AND DISCUSSION

There has been a significant increase in media surrounding Air District programs, especially during the Spare the Air seasons. The Communications Officer will serve as the lead spokesperson for the Air District. The Communications Officer will also be responsible for providing leadership and overseeing the Air District's media relations programs and campaigns.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

There is no financial impact beyond that already contemplated in the Fiscal Year Ending (FYE) 2014 budget. This recommendation will not increase full time equivalent (FTE) count in the FYE 2014 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Steven Chin  
Reviewed by: Jack M. Colbourn

Attachment

## COMMUNICATIONS OFFICER

### DEFINITION

Under executive direction, plans, organizes and directs the media relations and public information programs and activities of the Bay Area Air Quality Management District; serves as District's lead spokesperson; provides expert professional assistance to District management and staff in media relations, public information, and related matters; performs related work as assigned.

### DISTINGUISHING CHARACTERISTICS

This single position class directs all activities of the Communications Office which includes media relations, public information activities, and public awareness campaigns. The incumbent is accountable for accomplishing goals and objectives related to the above activities and for furthering District goals and objectives within general policy guidelines. This class is distinguished from Deputy Air Pollution Control Officer in that the latter has managerial responsibility for the Communication Office and other programs and divisions of the District.

### EXAMPLES OF DUTIES (Illustrative Only)

Develops and directs the implementation of goals, objectives, policies, procedures and work standards for the Communications Office.

Directs the preparation and administration of the Communications Office budget.

Plans, organizes, administers, reviews and evaluates the activities of professional, technical and support staff.

Communicates District policies, rules and regulations to staff and is responsible for staff productivity and discipline.

Selects personnel and provides for their training and professional development.

Serves as District's lead spokesperson.

Coordinates and directs Communications Office staff and activities such as preparing and disseminating pamphlets, news sheets and other informational materials about the District's programs and activities.

Coordinates news releases for the media and responding to questions and concerns about the District's activities.

Develops and administers public awareness campaigns, and supporting District activities.

Provides technical and managerial direction, training and support to District staff and others regarding media relations and public information for the District.

Manages contracts with outside consultants and other agencies involving media relations and public awareness campaigns.

Represents the District at meetings with the public, industry and other agencies.

Develops and presents programmatic and policy issues and recommendations to the District Board and executive management.

**QUALIFICATIONS**

**Knowledge of:**

Administrative principles and practices, including goal setting, program and budget development and implementation and employee supervision.

Applicable District, state and federal laws, rules and regulations.

Principles and practices of public administration.

Principles and practices of effective media and public relations.

Organization and functions of local, state and federal government.

Principles, practices and techniques of journalism, expository writing and editing.

**Skill in:**

Planning, organizing, assigning, directing, reviewing and evaluating the work of assigned staff.

Selecting and motivating staff and providing for their training and professional development.

Interpreting, explaining and applying District, state and federal laws, rules and regulations.

Analyzing complex media and administrative problems, evaluating alternative solutions, and adopting effective courses of action.

Representing the District effectively in contacts with the public, industry, the media and other agencies.

Establishing and maintaining effective working relationships with those contacted in the course of the work.

Preparing clear and concise reports, correspondence and other written materials.

Exercising sound independent judgment within policy guidelines.

**Other Requirements:**

Must possess a valid California driver's license.

**Education and Experience:**

A typical way to gain the knowledge and skills is:

Equivalent to graduation from a four year college or university with major coursework in communications, journalism, writing, political science or a closely related field and five years of media relations and communications experience, preferably with a public agency, including three years of lead or supervisory experience.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: February 3, 2014

Re: Report of the Budget and Finance Committee Meeting of January 22, 2014

PROPOSED RECOMMENDED ACTION

The Budget and Finance Committee (Committee) has no recommendations of approval by the Board of Directors.

BACKGROUND

The Committee met on Wednesday, January 22, 2014. The Committee received and considered the following reports:

- A) Air District Financial Audit Report - Fiscal Year Ending (FYE) 2013;
- B) Second Quarter Financial Report – FYE 2014; and
- C) Air District Financial Overview.

Attached are the staff reports that were presented in the Committee packet.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. Funding for the Auditors' report is included in the FYE 2013 Budget.
- B) None.
- C) None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher

Reviewed by: Rex Sanders

Attachments

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 10, 2014

Re: Air District Financial Audit Report - Fiscal Year Ending 2013

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Pursuant to the Section II.2.1 of the Administrative Code, the Air District is required to have an annual independent financial audit. The Independent Auditors, Gilbert Associates, Inc. completed the Financial Audit Report of the Air District's Financial Statements for the Fiscal Year Ending 2013. The Independent Auditors also completed the Financial Audit Report of the OMB Circular A-133 and Transportation Fund for Clean Air Compliance Reports for the Fiscal Year Ending 2013.

DISCUSSION

The Air District's independent auditors completed their audit of the Air District's financial records and activities for the year ended June 30, 2013 and issued an "unqualified opinion" or clean opinion on the financial statements. Attached are the audit reports being presented along with a brief summary:

**1. *Basic Financial Statements***

The statements are prepared in conformity with generally accepted accounting principles generally accepted. The purpose of the statements is to convey financial information to external customers/users. The statements report the Air District's annual operations and demonstrate financial compliance with legal requirements. The report on the basic financial statements is unqualified with no reportable conditions, no instances of non-compliance, and no financial statement findings noted.

**2. *OMB Circular A-133 and Transportation Fund for Clean Air Compliance Report***

This report addresses the auditors' consideration of the Air District's internal control over financial reporting, and results of auditor's tests of Air Districts compliance with provisions of laws, regulations, contract and grant agreements, and other areas in accordance with *Government Auditing Standards*. The report also addressed compliance

with applicable Health and Safety Codes for allocation of Transportation Funds for Clean Air. As noted on page 9 of the Schedule of Audit Findings and Questioned Costs, there were no federal compliance findings or financial statement findings.

A member of the independent audit firm, Gilbert Associates, Inc. will be at the meeting to present audited reports to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funding for the Auditors' report is included in the FYE 2013 Budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay

- Attachments: 1) Financial Statements with Independent Auditor's Report for the Year Ended June 30, 2013
- 2) OMB Circular A-133 and Transportation Fund for Clean Air Compliance Report for Year Ended June 30, 2013

**BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S  
REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2013**



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

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Gilbert Associates, Inc.  
CPAs and Advisors

*Relax. We got this.*

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bay Area Air Quality Management District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or in error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bay Area Air Quality Management District, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As described in Note 1, the District adopted the provisions of Governmental Accounting Standards Board (GASB) GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplementary Information section, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Transportation Fund for Clean Air (TFCA) Program, Mobile Source Incentive Program, Carl Moyer Program, & Other Programs – Schedule of Expenditures (Schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**December 19, 2013**

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

This discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the accompanying basic financial statements.

### A. Financial Highlights

The assets of the District exceeded its liabilities at the close of fiscal year 2012-13 by \$150,323,589 (net position). Of this amount, \$13,095,694 could be used to finance the District's daily operations without legal or legislative constraints (unrestricted assets); \$114,558,909 was restricted to specific uses (restricted assets); and \$22,668,986 was invested in capital assets. Net position increased by \$9,628,135 from fiscal year 2011-12.

The District's governmental funds reported a fund balance of \$137,067,212. The entire fund balance of the Special Revenue Fund in the amount of \$108,846,853 is reserved for air quality grants and projects. The General Fund balance consists of \$15,524,251 representing the assigned fund balance, \$5,059,722 unassigned, and the remaining balance of \$7,636,386 restricted, committed or nonspendable. Table 1 presents the General Fund detail of fund balances as of June 30, 2013, and June 30, 2012.

**Table 1. General Fund Balances as of June 30, 2013, and 2012**

Category	General Fund June 30, 2013	General Fund June 30, 2012	Increase/ (Decrease)
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid Expenses	\$ 580,217	\$ 50,736	\$ 529,481
<b>Restricted:</b>			
Air Quality Grants and Projects	3,020,616	5,059,478	(2,038,862)
Post-Employment Benefits	2,691,440	3,342,918	(651,478)
<b>Committed:</b>			
Self-Funded Worker's Compensation	1,344,113	1,000,000	344,113
<b>Assigned:</b>			
Building and Facilities	5,478,276	4,075,756	1,402,520
PERS Funding	2,016,169	1,500,000	516,169
Post-Employment Benefits	2,688,226	2,000,000	688,226
Radio Replacement	100,808	75,000	25,808
Capital Equipment	1,639,573	1,219,818	419,755
Air Quality Grants and Projects	3,601,199	2,907,891	693,308
<b>Unassigned:</b>	5,059,722	3,548,009	1,511,713
<b>Total Fund Balance</b>	<b>\$ 28,220,359</b>	<b>\$ 24,779,606</b>	<b>\$ 3,440,753</b>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

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### **B. Overview of the Financial Statements**

This discussion and analysis is designed to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes required and other supplementary information in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

The focus of government-wide financial statements is on the overall financial position and activities of the District.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business. They provide information about the activities of the District as a whole and present a longer-term perspective of the District's finances. Government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position reports all assets held and all liabilities owed by the District on a full accrual basis. The difference between the assets held and the liabilities owed is reported as *Net Position*. The net position total is comparable to total stockholder's equity presented on the balance sheet of a private enterprise. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position as of June 30, 2013 is presented on page 12.

The Statement of Activities reports the net cost of the District's activities by category and is also prepared on a full accrual basis. Under the full accrual basis of accounting, revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of the related cash flows. The focus of the Statement of Activities is on the cost of various work programs performed by the District. The statement begins with a column that identifies the total cost of these programs followed by columns that summarize the District's program revenues by major category. The difference between expenses and revenues represents the net cost or benefit of the District's work programs. General revenues are then added to the net cost/benefit to calculate the change in net position. The Statement of Activities is presented on page 13.

All of the District's activities are governmental in nature and no business-type activities are reported in these statements.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

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### B. Overview of the Financial Statements, Continued

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bay Area Air Quality Management District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For governmental activities, these statements tell how these services were financed in the short-term and what is left over for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's major funds. The District maintains two governmental funds; the General Fund and the Special Revenue Fund.

#### Governmental Funds

Governmental fund financial statements consist of the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. Both are prepared using the modified accrual basis of accounting.

Balance Sheets prepared under the modified accrual basis of accounting have a short-term emphasis and, for the most part, measure and account for cash and other assets that can be easily converted to cash. Specifically, cash and receivables that are deemed collectible within a very short period of time are reported on the balance sheet. Capital assets such as land and buildings are not reported in governmental fund financial statements. Fund liabilities include amounts that will be paid within a very short period of time after the end of the fiscal year. Long-term liabilities such as outstanding bonds are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The unassigned portion of fund balance represents the amount available to finance future activities. The District's governmental funds balance sheets can be found on page 14.

The Statement of Revenues, Expenditures and Changes in Fund Balance include only revenues and expenditures that were collected in cash or paid with cash during the fiscal year or very shortly after the end of the fiscal year. The governmental funds Statements of Revenue, Expenditures and Changes in Fund Balance can be found on page 16.

Since a different basis of accounting is used to prepare these statements, reconciliation is required to facilitate the comparison between the government-wide statements and the fund financial statements. The reconciliation of the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position is on page 15. The reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities can be found on page 17.

#### Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 to 34.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

### B. Overview of the Financial Statements, Continued

#### Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning other post-employment benefit (OPEB) liabilities, governmental funds budget comparison schedules, TFCA and Carl Moyer program expenditures, and the California Public Employees Retirement System (PERS) Schedule of Funding Progress on pages 35 to 38.

### C. Government-Wide Financial Analysis

The government-wide financial analyses focus on net position and changes in net position of the District's governmental activities. Table 2 below shows a condensed Statement of Net Position as of June 30, 2013 compared to the fiscal year ended June 30, 2012.

**Table 2. Statement of Net Position as of June 30, 2013 and June 30, 2012**

	Governmental Activities June 30, 2013	Governmental Activities June 30, 2012	Increase/ (Decrease)
Current & Other Assets	\$ 177,187,601	\$ 183,074,088	\$ (5,886,487)
Capital Assets	22,668,986	21,821,780	847,206
<b>Total Assets</b>	<b>199,856,587</b>	<b>204,895,868</b>	<b>(5,039,281)</b>
Current Liabilities	41,933,163	56,475,805	(14,542,642)
Noncurrent Liabilities	7,599,835	7,724,609	(124,774)
<b>Total Liabilities</b>	<b>49,532,998</b>	<b>64,200,414</b>	<b>(14,667,416)</b>
Net Position:			
Invested in Capital Assets	22,668,986	21,821,780	847,206
Restricted	114,558,909	112,098,264	2,460,645
Unrestricted net position	13,095,694	6,775,410	6,320,284
<b>Total Net Position</b>	<b>\$ 150,323,589</b>	<b>\$ 140,695,454</b>	<b>\$ 9,628,135</b>

As noted earlier, total net position may serve over time as a useful indicator of the District's financial position. At June 30, 2013 the District's assets exceeded its liabilities by \$150,323,589, an increase of \$9,628,135 over the previous fiscal year. This increase is mainly due to a reduction in unearned revenues (current liabilities) from prior year now being recognized as revenue to offset California Goods Movement Program expenditures incurred in the current fiscal year.

Restricted assets are to be used for specific programs and purposes according to legal terms and conditions. The remaining portion of the District's net position is unrestricted and may be used to meet the District's obligations in carrying out its day-to-day operations.



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

### C. Government-Wide Financial Analysis, Continued

Table 3 below provides changes in net position for the fiscal year ending June 30, 2013 compared with the fiscal year ended June 30, 2012.

**Table 3. Statement of Activities for Fiscal Years 2012-13 and 2011-12**

	Governmental Activities FY 2012-13	Governmental Activities FY 2011-12	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
<b>Revenues:</b>				
TFCA/MSIF DMV Fees	\$ 34,443,523	\$ 36,445,874	\$ (2,002,351)	-5%
Carl Moyer	7,704,566	5,057,518	2,647,048	52%
California Goods Movement Revenue	27,793,503	15,927,132	11,866,371	75%
Permit Fees	25,697,402	24,657,585	1,039,817	4%
Title V Permit Fees	3,627,490	3,675,922	(48,432)	-1%
State Subvention	1,712,022	1,717,061	(5,039)	0%
Spare the Air Grant (CMAQ)	652,373	529,125	123,248	23%
Federal Grants (EPA)	2,687,345	2,677,588	9,757	0%
Federal Grants (Homeland Security)	1,224,148	1,066,469	157,679	15%
Penalties & Variance Fees	1,670,702	2,271,025	(600,323)	-26%
Hearing Board Fees	17,400	31,331	(13,931)	-44%
AB 2588 Income	635,408	570,853	64,555	11%
Asbestos Fees	2,465,047	2,187,704	277,343	13%
Interest Revenue	262,802	275,688	(12,886)	-5%
Other Grants	2,992,513	1,180,906	1,811,607	153%
AB434 Others	872,415	691,177	181,238	26%
Miscellaneous Revenue	66,606	16,844	49,762	295%
Special Environmental Projects	26,570	43,410	(16,840)	-39%
County Apportionments	23,733,376	21,180,149	2,553,227	12%
<b>Total Revenues</b>	<b>138,285,211</b>	<b>120,203,361</b>	<b>18,081,850</b>	<b>15%</b>
<b>Expenses:</b>				
General Government	59,253,688	57,230,285	2,023,403	4%
TFCA/MSIF, CMP, & Other programs	39,293,807	30,180,968	9,112,839	30%
California Goods Movement Program	28,172,525	16,283,233	11,889,292	73%
Capital Outlay	2,580,592	3,448,530	(867,938)	-25%
<b>Total Expenses</b>	<b>129,300,612</b>	<b>107,143,016</b>	<b>22,157,596</b>	<b>21%</b>
<b>Change in Net Position before</b>				
Extraordinary Item	8,984,599	13,060,345	(4,075,746)	-31%
Recovery of Lehman Brothers loss	643,536	439,158	204,378	47%
<b>Change in Net Position</b>	<b>9,628,135</b>	<b>13,499,503</b>	<b>(3,871,368)</b>	<b>-29%</b>
Net Position, beginning of year	140,695,454	127,195,951	13,499,503	11%
Net Position, end of year	<b>\$ 150,323,589</b>	<b>\$ 140,695,454</b>	<b>\$ 9,628,135</b>	<b>7%</b>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

### C. Government-Wide Financial Analysis, Continued

#### Governmental Activities

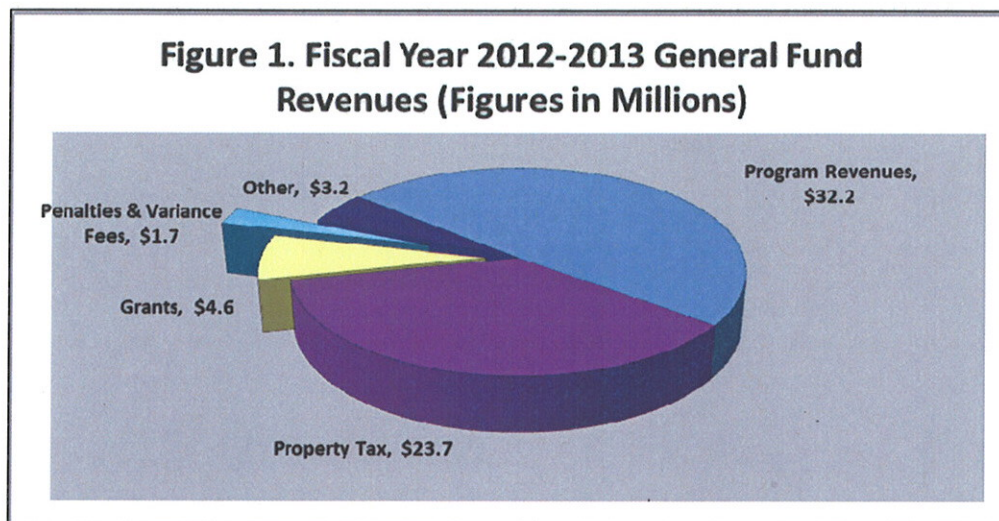
The objective of the Statement of Activities is to report the full cost of providing government services during the fiscal year. The format also permits the reader to ascertain the extent to which each function is either self-financing or draws funds from the general funds of the government.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year 2012-2013. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

Governmental functions of the District are predominately supported by fees, property taxes, subvention, grants, and penalties and settlements. The penalties and settlements are one-time revenues which are over and above the regular revenues directly related to the programs. The primary governmental activities of the District are: to advance clean air technology, ensure compliance with clean air rules, develop programs to achieve clean air, develop rules to achieve clean air, monitor air quality, permit review and Special Revenue Fund activities.

### D. General Fund Financial Analysis

Figure 1 below provides a pie chart of the District's General Fund revenues for fiscal year 2012-2013. The General Fund received total revenue of \$65,392,824 in fiscal year 2012-13, an increase of \$3,404,340 over fiscal year 2011-12. This increase is comprised of increased revenues of \$2.5 million in property tax and \$1.1 million in permit fees. The increase in property tax resulted from one-time Prop 1A loan repayments from the State of California, distribution of excess housing funds resulting from dissolution of all California redevelopment agencies, and increased property values. In addition, the District increased permit fees by an average of 6.4%, resulting in increased revenues over prior year. Program Revenues include: Permit, AB2588, Title V, and Asbestos fees. Program revenues were the largest General Fund revenue source in fiscal 2012-13 (\$32.2 million), followed by Property Tax (\$23.7 million), Grants (\$4.6 million), Penalties (\$1.7 million), and Other revenues (\$3.2 million).



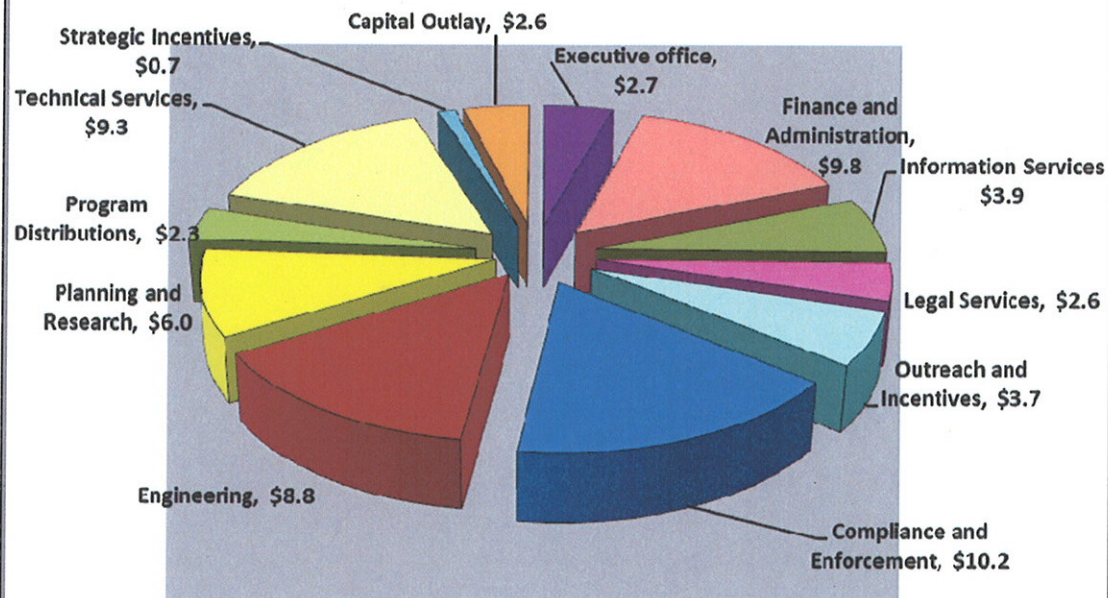
# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

### D. General Fund Financial Analysis, Continued

Figure 2 below provides a graph of General Fund expenditures for fiscal year 2012-13. General Fund expenditures totaled \$62,610,044 which is an increase of \$2,486,255 over fiscal year 2011-12. This increase resulted in a combined increase of \$4.1 million in program distributions for special environmental projects and operating increases in the Executive Office, Finance & Administration, Outreach & Incentives and Technical Services; offset by a \$1.7 million decrease in expenditure in Compliance & Enforcement and Capital Outlay. General Fund expenditures represent the District's general government operating costs categorized into the following operating divisions: Compliance and Enforcement (\$10.2 million), Engineering (\$8.8 million), Finance & Administrative Services (\$9.8 million), Information Services (\$3.9 million), Technical Services (\$9.3 million), Executive (\$2.7 million), Planning (\$6.0 million), Outreach & Incentives (\$3.7 million), Strategic Incentives (\$0.7 million) and Legal Services (\$2.6 million). Program Distribution (\$2.3 million) is not an operating division, but rather a category capturing expenditure used for special projects. The District also incurred \$2.6 million of Capital Outlay in fiscal year 2012-13 to acquire capital equipment and construction cost of the Production System. General Fund revenues exceeded expenditures by \$2,782,780 in fiscal year 2012-13.

**Figure 2. Fiscal Year 2012-13 General Fund Expenditures (Figures in Millions)**



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

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### **D. General Fund Financial Analysis, Continued**

The General Fund is the operating fund of the District and at the end of the fiscal year, the total fund balance of the General Fund was \$28.2 million. The assigned fund balance was \$15.5 million, committed \$1.3 million, restricted \$5.7 million, and non-spendable \$0.05 million. One measure of the General Fund's liquidity is the comparison of both assigned fund and total fund balances to total expenditures. The assigned fund balance represents 24.8% of the total General Fund expenditures, while the total fund balance represents 45.1% of the total fund expenditures.

The FY 2012-13 adopted budget as compared to the actual expenditures reflects an increase in appropriations of \$2.7 million. The changes to the budget were the result of Governing Board actions, and carryover of unspent funds from FY 2011-12.

### **E. Capital Assets**

As of June 30, 2013 the District's investment in capital assets was \$22.7 million net of accumulated depreciation. Capital assets include land, buildings, laboratory equipment, air monitoring stations, computers, office furniture and District fleet vehicles.

### **F. Economic Factors and Next Year's Budget**

The District receives approximately 36% of its General Fund revenue from property taxes levied in nine Bay Area counties and 48% from permit fees charged to local businesses. Consequently, District revenues are impacted by changes in the state and local economy. The District takes a fiscally conservative approach to its budget and it strives to balance its budget within available current revenues. In an effort to recover a greater share of the costs of maintaining air quality, the District increased its permitting fees by approximately 6.4% in FY 2012-13. The District will continue to focus on long term financial planning to ensure the vitality and effectiveness of its programs.

### **G. Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Stephanie Osaze, Finance Manager, at 939 Ellis Street, San Francisco, CA 94109.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2013

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 17,869,838
Restricted cash and cash equivalents	143,606,116
Receivables	10,650,105
Due from other governments	4,362,485
Prepays, deposits, and other current assets	<u>699,057</u>
Capital assets:	
Non-depreciable	11,656,745
Depreciable, net	<u>11,012,241</u>
Total capital assets	<u>22,668,986</u>
 Total assets	 <u>199,856,587</u>
<b>LIABILITIES</b>	
Accounts payable	2,209,778
Accrued payroll	1,455,392
Other current liabilities	243,279
Unearned revenue	35,324,714
Long-term liabilities:	
Due within one year	2,700,000
Due in more than one year	<u>7,599,835</u>
 Total liabilities	 <u>49,532,998</u>
<b>NET POSITION</b>	
Net investment in capital assets	22,668,986
Restricted for air quality grants and projects	111,867,469
Restricted for post-employment benefits	2,691,440
Unrestricted net position	<u>13,095,694</u>
 Total net position	 <u>\$ 150,323,589</u>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Primary government	\$ 61,834,280	\$ 34,633,678	\$ 6,950,368	\$ (20,250,234)
California Goods Movement program	<u>28,172,525</u>		<u>27,793,503</u>	<u>(379,022)</u>
TFCA/MSIF, CMP, & other programs:				
TFCA/MSIF & other program distribution	31,589,241		37,140,312	5,551,071
Carl Moyer Program	<u>7,704,566</u>		<u>7,704,566</u>	
Total TFCA/MSIF, CMP, & other programs	<u>39,293,807</u>		<u>44,844,878</u>	<u>5,551,071</u>
Total governmental activities	<u>\$ 129,300,612</u>	<u>\$ 34,633,678</u>	<u>\$ 79,588,749</u>	<u>(15,078,185)</u>
General revenues:				
County apportionment				23,733,376
Investment income not restricted for a specific program				262,802
Other				<u>66,606</u>
Total general revenues				<u>24,062,784</u>
Change in net position before extraordinary item				8,984,599
Extraordinary item:				
Recovery of Lehman Brothers loss				<u>643,536</u>
Change in net position				9,628,135
Net position-beginning of year				<u>140,695,454</u>
Net position-end of year				<u>\$ 150,323,589</u>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,869,838		\$ 17,869,838
Restricted cash and cash equivalents	2,691,440	\$ 140,914,676	143,606,116
Receivables	4,319,388	6,330,717	10,650,105
Due from other governments	2,247,943	2,114,542	4,362,485
Due from other funds	4,505,766		4,505,766
Prepays, deposits, and other assets	699,057		699,057
Total assets	\$ 32,333,432	\$ 149,359,935	\$ 181,693,367
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,092,336	\$ 1,117,442	\$ 2,209,778
Accrued payroll	1,455,392		1,455,392
Due to other funds		4,505,766	4,505,766
Other liabilities	243,279		243,279
Unearned revenue	434,840	34,889,874	35,324,714
Unavailable revenue	887,226		887,226
Total liabilities	4,113,073	40,513,082	44,626,155
Fund balances:			
Nonspendable:			
Prepaid items	580,217		580,217
Restricted:			
Air quality grants and projects	3,020,616	108,846,853	111,867,469
Postemployment benefits	2,691,440		2,691,440
Committed:			
Self-funded workers' compensation	1,344,113		1,344,113
Assigned:			
PERS funding	2,016,169		2,016,169
Postemployment benefits	2,688,226		2,688,226
Building and facilities	5,478,276		5,478,276
Radio replacement	100,808		100,808
Capital equipment	1,639,573		1,639,573
Air quality grants and projects	3,601,199		3,601,199
Unassigned	5,059,722		5,059,722
Total fund balances	28,220,359	108,846,853	137,067,212
Total liabilities and fund balances	\$ 32,333,432	\$ 149,359,935	\$ 181,693,367

See accompanying notes to financial statements.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## RECONCILIATION OF THE FUND BALANCES - TOTAL GOVERNMENTAL FUNDS WITH THE STATEMENT OF NET POSITION JUNE 30, 2013

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Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

Total fund balances - total governmental funds	\$ 137,067,212
Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds.	22,668,986
Other long-term assets (receivables) are not available to pay for current-period expenditures and therefore, are reported as unavailable revenue in the funds.	887,226
The liabilities below are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(4,339,195)
OPEB obligation	<u>(5,960,640)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 150,323,589</u></b>



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
TFCA / MSIF DMV fees		\$ 34,443,523	\$ 34,443,523
Carl Moyer Program		7,704,566	7,704,566
Permit fees	\$ 25,443,396		25,443,396
Title V permit fees	3,627,490		3,627,490
Asbestos fees	2,465,047		2,465,047
Penalties and variance fees	1,670,702		1,670,702
Hearing board fees	17,400		17,400
State subvention	1,712,022		1,712,022
AB 434/923 others		872,415	872,415
AB 2588 income	635,408		635,408
Special environmental projects	26,570		26,570
Federal grants	4,563,866	2,445,302	7,009,168
Portable equipment registration program (PERP)	493,659		493,659
Interest	262,802		262,802
County apportionment	23,733,376		23,733,376
California Goods Movement revenue		27,172,575	27,172,575
Other grants	674,480		674,480
Miscellaneous	66,606		66,606
Total revenues	65,392,824	72,638,381	138,031,205
<b>EXPENDITURES</b>			
General government:			
Program distribution	2,265,669		2,265,669
Executive office	2,692,205		2,692,205
Finance and administration	9,829,855		9,829,855
Information systems	3,908,909		3,908,909
Legal services	2,638,640		2,638,640
Outreach and incentives	3,704,929		3,704,929
Compliance and enforcement	10,203,004		10,203,004
Engineering	8,825,817		8,825,817
Planning and research	5,977,851		5,977,851
Technical services	9,321,831		9,321,831
Strategic incentives division	660,742		660,742
TFCA/MSIF, Carl Moyer, & other programs:			
Program distribution		31,930,260	31,930,260
Smoking vehicle		715,624	715,624
Intermittent control		1,064,509	1,064,509
TFCA administration		973,189	973,189
Mobile source incentive		568,734	568,734
Regional bikeshare		2,512,668	2,512,668
CarSharing incentive		16,260	16,260
Regional electric vehicle deployment		1,003,937	1,003,937
Enhanced mobile source inspection		513,959	513,959
California Goods Movement Program & other programs:			
Grant administration		965,567	965,567
Truck Program/LESBP		27,208,252	27,208,252
Capital outlay	2,580,592		2,580,592
Total expenditures	62,610,044	67,472,959	130,083,003
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,782,780</b>	<b>5,165,422</b>	<b>7,948,202</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	505,454		505,454
Transfers (out)		(505,454)	(505,454)
Total other financing source (uses)	505,454	(505,454)	
<b>EXTRAORDINARY ITEM</b>			
Recovery of Lehman Brothers loss	152,519	491,017	643,536
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,440,753</b>	<b>5,150,985</b>	<b>8,591,738</b>
<b>BEGINNING FUND BALANCES</b>	<b>24,779,606</b>	<b>103,695,868</b>	<b>128,475,474</b>
<b>ENDING FUND BALANCES</b>	<b>\$ 28,220,359</b>	<b>\$ 108,846,853</b>	<b>\$ 137,067,212</b>

See accompanying notes to financial statements.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## RECONCILIATION OF THE NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS**      \$    8,591,738

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capitalized expenditures are added back to fund balance	2,580,592
Depreciation expense is deducted from fund balance	(1,715,066)
Loss on disposal of capital assets is deducted from fund balance	(18,320)

Certain receivables recognized in the government-wide statements in previous years have been deemed uncollectible and must be written off to expense. Receivables written off were for:

Permit and other miscellaneous fees	(58,239)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	254,006
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The amounts below included in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	(120,205)
OPEB obligation	<u>113,629</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**      \$    9,628,135

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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### 1. REPORTING ENTITY AND SIGNIFIGANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Bay Area Air Quality Management District (District) was created by the California legislature in 1955. The District's structure, operating procedures and authority are established by Division 26 of the California Health and Safety Code.

The District's jurisdiction is limited principally to policing non-vehicular sources of air pollution within the Bay Area, primarily industry pollution and burning. Any company wishing to build or modify a facility in the Bay Area must first obtain a permit from the District to ensure that the facility complies with all applicable rules.

The District also acts as the program administrator for Transportation Fund for Clean Air (TFCA) funds and Mobile Source Incentive funds (MSIF) derived from Assembly Bill 434 and Assembly Bill 923, respectively. TFCA and MSIF funding comes from a \$4 and \$2 surcharge, respectively, on motor vehicles registered within the District's boundaries. TFCA funding may only be used to fund eligible projects that reduce motor vehicle emissions and support the implementation of the transportation and mobile source control measures in the 1994 Clean Air Plan. All projects must fall within the categories listed in State Law (Health and Safety Code Section 44241).

The Health and Safety Code requires the District to pass-through no less than 40% (forty percent) of the TFCA revenues raised within a particular county to that county's eligible, designated Program Manager. The remaining 60% (sixty percent) is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the District's Board adopted evaluation and scoring criteria. The District may receive reimbursement from TFCA funds, not to exceed 5% (five percent) of total funds, for administration of the program. TFCA activities are accounted for in the District's Special Revenue Fund.

The District includes seven counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara; and portions of two other counties: Southwestern Solano and Southern Sonoma. The District is governed by a 22 (twenty-two) member Board of Directors that includes representatives from all of the above counties.

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

#### B. Basis of Presentation

**Government-wide Statements** – The Statement of Net Position and the Statement of Activities display information about the primary government (District). Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When both restricted and unrestricted resources are available for use, it is the District's policy to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed, assigned, and then unassigned fund balances.

**Fund Financial Statements** – The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column.

### C. Funds Presented

The District's major governmental funds are required to be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures equal to 10% (ten percent) of the total. The District reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** – This Fund is used by the District to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

### D. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 (ninety) days after year end, with the exception of revenues related to CMAQ Spare the Air, which are included in revenue if received within seven months after year end. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place.

Imposed non-exchange transaction revenues result from assessments imposed on non-governmental entities, including individuals (other than assessments imposed on exchange transactions), and the revenues are recognized in the period when use of the resources is required or first permitted. District-imposed non-exchange transactions are the TFCA/MSIF DMV fees, Permit fees, Title V Permit fees, Asbestos fees, Penalties and Variance fees, and Settlements.

Government-mandated non-exchange transactions result from one level of government providing resources to another level of government and requiring the recipient to use the resources for a specific purpose. Voluntary non-exchange transactions result from agreements entered into voluntarily by the parties thereto. Both types of non-exchange transaction revenues are treated in the same manner. Revenues are recognized when all applicable eligibility requirements are met. District transactions of both types include the Carl Moyer program, Lower Emission School Bus program, State Subvention, EPA federal grants, DHS federal grants, CMAQ Spare the Air grants, other grants, California Goods Movement program, Shore Power program, and various agreements with the nine Counties served by the District.

Those revenues susceptible to accrual are taxes, intergovernmental revenues, interest, charges for services, fines and penalties, and license and permit revenues.

Under the modified accrual basis, revenue from exchange and non-exchange transactions must meet both the "measurable" and "available" criteria to be recognized in the current period. On governmental fund financial statements, receivables that will not be collected within the availability period have been offset with unavailable revenue. Unearned revenue arises when assets are received before the revenue recognition criteria have been satisfied. Grants received before eligibility requirements have been satisfied are recorded as unearned revenue in the governmental fund financial statements (see Note 6).

### **E. Current Year GASB Implementation**

For the year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 (GASB 65), *Items Previously Reported as Assets and Liabilities*. The objective of GASB 63 is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the District's net position. The objective of GASB 65 is to reclassify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of the two GASB statements resulted in certain changes in presentation but did not have a material impact on the District's financial statements.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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### F. Compensated Absences

The District's policies provide compensation to employees for certain absences, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on any special event beyond the control of the District and its employees is accrued as employees earn those benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in a period in which such services are rendered or in which such events take place.

The District's liability for compensated absences is recorded in the Statement of Net Position. District employees are allowed to accrue no more than four hundred and sixty hours of vacation as of the end of the calendar year. In the event of termination, the employees are reimbursed for all accumulated vacation at the time of separation from the District.

There are no restrictions regarding the accumulation of sick leave. On termination, employees are not paid for accumulated sick leave, but the accumulated sick leave is counted as service credit by the CalPERS pension plan administered by the State of California.

### G. Use of Management Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### H. Receivables

During the course of normal operations, the District carries various receivable balances for taxes, interest, and permitting operations. The District considers receivables to be fully collectible; accordingly no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations when that determination is made. During the year ending June 30, 2013, management deemed \$58,239 of outstanding receivables to be uncollectible.

### I. Capital Assets

The District's assets are capitalized at historical cost or estimated historical cost. District policy has set the capitalization threshold for reporting general capital assets at \$5,000. Donated capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings, grounds & improvements	15-20 Years
Equipment	5-15 Years

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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### J. Net Position / Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

The governmental fund statements utilize a fund balance presentation. Fund balances are categorized as restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance – This category presents the portion of fund balance that cannot be spent because it is either not in a spendable form or it is legally or contractually required to be maintained intact.

Restricted Fund Balance – This category presents the portion of the fund balance that is for specific purposes stipulated by constitution, external resource providers, or enabling legislation.

Committed Fund Balance – This category presents the portion of the fund balance that can be used only for the specific purposes determined by a formal action (Resolution) of the District's highest level of decision making authority. For the District, this level of authority lies with the Board of Directors.

Assigned Fund Balance – This category presents the portion of the fund balance that is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. For the District, balances can be assigned by management or through the budget process.

Unassigned Fund Balance – This category presents the portion of the fund balance that does not fall into restricted, committed, or assigned and are spendable.

### K. Future GASB Statement Implementation

In June of 2012, the GASB issued GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with required implementation for the District during the year ended June 30, 2015. GASB 68 is an amendment of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The primary objective of GASB 68 is to improve accounting and financial reporting

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It will require employers to report a net pension liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 is required to be implemented retroactively and will require a restatement of beginning net position.

### 2. CASH AND INVESTMENTS

#### Cash and Investments

The District pools cash from all sources and funds so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

Cash and investments as of June 30, 2013, are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 17,869,838
Restricted cash and cash equivalents	<u>143,606,116</u>
Total cash and cash equivalents	<u>\$ 161,475,954</u>

Cash and cash equivalents as of June 30, 2013, consist of the following:

Cash and investments in San Mateo	
Pooled Fund Investment Program	\$ 158,784,514
Cash and investments with fiscal agent	<u>2,691,440</u>
Total cash and cash equivalents	<u>\$ 161,475,954</u>

#### Cash in County Treasury

The District is a voluntary participant in the San Mateo County Investment Fund (County Pool) that is regulated by California Government Code under the oversight of the Treasury of the County of San Mateo (the Treasury). The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

The District earns interest on a proportionate basis with all other investors. Interest is credited directly to the District's account on a quarterly basis. The pooled fund is collateralized at 102% by San Mateo County, but not specifically identified to any one depositor or in the District's name.



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The District reports its investment in the County Pool at the fair value amount provided by the County. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

### Investments Authorized by the District's Investment Policy

The table below identifies the investment types authorized for the District by the California Government Code Section 53601 or the Treasury investment policy, which was adopted by the District, whichever is more restrictive. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Government Agency / Sponsored			
Enterprise Securities	7 years	100%	40%
U.S. Treasury Obligations	7 years	100%	100%
Asset-Backed Securities	5 years	20%	5%
Banker's Acceptances	180 days	15%	5%
Commercial Paper	270 days	40%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Collateralized Certificates of Deposit	1 year	15%	5%
Repurchase Agreements	92 days	100%	100%
Mutual Funds	N/A	10%	5%
Corporate Bonds, Medium-Term Notes, & Covered Bonds	5 years	30%	5%
Local Agency Investment Funds (LAIF)	N/A	Up to state limit	None

### Derivative Investments

The District did not directly enter into any derivative investments, and the County Pool was not holding derivative investments at June 30, 2013.

### Disclosures Related to Interest Rate Risk and Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the District's investment policy limit the District's investments in banker's acceptances, commercial paper, negotiable certificates of deposit, collateralized certificates of deposit, and repurchase agreements to the rating of A1 or better by Standard & Poor's, or P-1 or better by Moody's Investors Service. Corporate securities and U.S. government securities are required to have a rating of AA or better by Standard & Poor's, or A or better for Moody's Investors Service. Asset-backed securities are required to have a rating of AAA or higher by both Standard & Poor's and Moody's Investors Service.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates.

The District's cash and investments were categorized as follows at June 30, 2013:

	Ratings		Maturities	Fair Value
	Moody's	S&P		
AIG fixed annuity	Not Rated	Not Rated	Current	\$ 2,691,440
Investments in San Mateo Pooled Fund Investment Program	Aa1/P-1	AA/A-1	1.97 years	158,784,514
Total cash and investments				\$ 161,475,954

### 3. RECEIVABLES

At June 30, 2013, the District had the following accounts receivable:

<b>General Fund:</b>			
Permit and other fees	\$	2,521,091	
County apportionments		1,086,813	
Portable Equipment Registration Program		493,659	
Interest		31,264	
Other		186,561	
Total General Fund			\$ 4,319,388
<b>Special Revenue Fund:</b>			
TFCA DMV fees		4,079,484	
MSIF DMV fees		2,033,978	
Interest		217,255	
Total Special Revenue Fund			6,330,717
<b>Total Accounts Receivable</b>			<b>\$ 10,650,105</b>

### 4. INTERFUND TRANSACTIONS

Current interfund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. At June 30, 2013, the General Fund was owed \$4,505,766 by the Special Revenue Fund.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

With Board approval, resources are transferred from one fund to another. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Interfund transfers for the year ended June 30, 2013 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General Fund	Special Revenue Fund	\$ 505,454

### 5. CAPITAL ASSETS

The District's capital assets were comprised of the following at June 30, 2013:

	<u>Balance at 7/1/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at 6/30/2013</u>
Non-depreciable assets:					
Land	\$ 214,608				\$ 214,608
Construction in progress	10,041,968	\$ 1,715,737		\$ (315,568)	11,442,137
Total non-depreciable assets	10,256,576	1,715,737		(315,568)	11,656,745
Depreciable assets:					
Building and grounds	9,679,502				9,679,502
Leasehold improvements	2,847,646				2,847,646
Computers and network equipment	8,166,012	32,778		315,568	8,514,358
Motorized equipment	1,183,098	26,532	\$ (163,892)		1,045,738
Lab and monitoring equipment	7,496,528	280,244	(174,038)		7,602,734
Furniture and other equipment	2,053,260	525,301			2,578,561
Total depreciable assets	31,426,046	864,855	(337,930)	315,568	32,268,539
Accumulated depreciation:					
Building and grounds	6,865,167	307,446			7,172,613
Leasehold improvements	2,685,344	2,391			2,687,735
Computers and network equipment	2,288,112	568,259			2,856,371
Motorized equipment	1,107,342	16,239	(155,697)		967,884
Lab and monitoring equipment	5,640,639	582,934	(163,913)		6,059,660
Furniture and other equipment	1,274,238	237,797			1,512,035
Total accumulated depreciation	19,860,842	1,715,066	(319,610)		21,256,298
Total depreciable assets, net	11,565,204	(850,211)	(18,320)	315,568	11,012,241
Total capital assets, net	\$ 21,821,780	\$ 865,526	\$ (18,320)	\$	\$ 22,668,986

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Depreciation expense by function for capital assets for the year ended June 30, 2013, is as follows:

Primary Government:		
Executive office	\$	42,081
Administrative services		118,086
Legal services		40,442
Public information and outreach		22,097
Compliance enforcement		187,877
Engineering		147,969
Planning		128,025
Technical services		668,796
Information services		256,128
Strategic Incentives Division		<u>103,565</u>
Total depreciation expense	\$	<u>1,715,066</u>

### 6. UNEARNED / UNAVAILABLE REVENUE

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position and governmental funds offset cash received before the earning process is complete with a corresponding liability as unearned revenue.

Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period. Receivables not collected within the District's period of availability and therefore not considered available to liquidate liabilities of the current period are offset by a corresponding liability as unavailable revenue in the governmental fund financial statements.

At June 30, 2013, components of unearned and unavailable revenues reported were as follows:

	<b>Unearned Revenue</b>	<b>Unavailable Revenue</b>	<b>Total</b>
<b>General Fund:</b>			
Permits and licenses		\$ 887,226	\$ 887,226
Carl Moyer Program Administration	\$ 418,458		418,458
Air Quality Improvement Program	<u>16,382</u>		<u>16,382</u>
Subtotal General Fund	<u>434,840</u>	<u>887,226</u>	<u>1,322,066</u>
<b>Special Revenue Fund:</b>			
CARB/GMB - Lower Emission School			
Bus Program	575,474		575,474
GMB – On-Road Projects	12,530,056		12,530,056
BART	149,717		149,717
Shore Power Projects	19,470,702		19,470,702
Carl Moyer Program	<u>2,163,925</u>		<u>2,163,925</u>
Subtotal Special Revenue Fund	<u>34,889,874</u>		<u>34,889,874</u>
Total unearned and unavailable revenue	<u>\$ 35,324,714</u>	<u>\$ 887,226</u>	<u>\$ 36,211,940</u>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 7. LONG-TERM LIABILITIES

A schedule of changes in general long-term debt for the year ended June 30, 2013, is shown below:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>	<u>Non</u> <u>Current</u>
<b>Governmental Activities</b>						
Compensated Absences	\$ 4,218,990	\$ 2,813,274	\$ (2,693,069)	\$ 4,339,195	\$ 2,700,000	\$ 1,639,195
OPEB	<u>6,074,269</u>	<u>5,080,000</u>	<u>(5,193,629)</u>	<u>5,960,640</u>		<u>5,960,640</u>
Total	<u>\$ 10,293,259</u>	<u>\$ 7,893,274</u>	<u>\$ (7,886,698)</u>	<u>\$ 10,299,835</u>	<u>\$ 2,700,000</u>	<u>\$ 7,599,835</u>

The long-term portion of compensated absences is liquidated by the General Fund and the long-term portion of OPEB is liquidated by both the General Fund and the Special Revenue Fund.

### 8. LEASES

Commitments under non-cancelable operating lease agreements for air-monitoring stations, vehicles, and office equipment provide for minimum annual rental payments as follows:

<u>Year ended June 30,</u>	
2014	785,729
2015	586,952
2016	451,635
2017	417,070
2018	246,044
2019-2020	<u>16,720</u>
	<u>\$ 2,504,150</u>

Air-monitoring station leases are renewable with minor escalations.

Rental expense for lease agreements for the year ended June 30, 2013, was \$1,204,760.

In April 2012, the District executed a 30 year lease agreement with the Bay Area Headquarters Authority for new District offices at 375 Beale Street, in San Francisco, California. The offices will replace the District's current facility at 939 Ellis Street. Upon occupancy the District will be responsible for a base rent of \$158,334 per month plus a share of common area expenses. Occupancy is expected during the calendar year 2015. Additionally, the lease agreement allows for the District to purchase these offices under a condominium ownership structure during the first 10 years of the lease. See additional information in Note 15.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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### 9. COUNTY APPORTIONMENT REVENUE

As a result of the passage of Proposition 13 in fiscal year 1979, the District no longer has the power to calculate property tax revenues due for each county. Instead, the District now receives remittances from the counties, which are calculated in accordance with Assembly Bill Number 8. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the District in the fiscal year they are assessed, provided that they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes to personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables in the fiscal year of levy, provided that they are collected within the fiscal year or within ninety days after year end.

County apportionment revenue recognized as of June 30, 2013, is as follows:

Alameda	\$ 4,443,778
Contra Costa	2,811,038
Marin	1,117,185
Napa	786,973
Santa Clara	6,246,542
San Francisco	3,225,816
San Mateo	3,235,270
Solano	647,488
Sonoma	<u>1,219,286</u>
Total county apportionment revenue	<u>\$ 23,733,376</u>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 10. PENSION PLAN

All District employees are eligible to participate in a pension plan offered by the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined-benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability retirement benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. The District's employees participate in the CalPERS Miscellaneous Employee "2% at 55" Plan (Plan). Benefit provisions under the Plan are established by State statute and District resolution. Benefits are based on years of credited service, equal to one year of full-time employment. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS, and the District must contribute the amounts specified by CalPERS. The District also contributes 2.5% of employees' contributions to CalPERS for employees hired prior to January 1, 2013. The Plan's provisions and benefits in effect at June 30, 2013, are summarized as follows:

Benefit vesting schedule	5 years of service
Benefit payments	Monthly for life
Retirement age	55
Monthly benefits, as % of annual salary	1.426% - 2.0%
Required employee contribution rates:	
Classic active members	7.0%
New active members hired on or after January 1, 2013, subject to the California Public Employees' Pension Reform Act (PEPRA)	6.25%
Required employer contribution rates:	
Classic active members	11.9%
New active members hired on or after January 1, 2013, subject to PEPRA	11.457%

CalPERS determines contribution requirements using a modification of the Entry Age Normal Cost Method. Under this method, the District's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the District must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The District uses the actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. This results in no net pension obligations or unpaid contributions. The required contributions and related rates for the past three years ended June 30 were as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2011	\$ 5,069,670	100%	\$ 0
6/30/2012	\$ 5,038,023	100%	\$ 0
6/30/2013	\$ 4,463,725	100%	\$ 0

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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Funded Status and Funding Progress – The funded status of the plan as of the most recent valuation date of June 30, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 220,115,239
Actuarial value of plan assets	<u>193,484,731</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>26,630,508</u>
Funded ratio (actuarial value of plan assets/AAL)	87.9%
Covered payroll (active plan members)	\$ 31,579,609
UAAL as a percentage of payroll	84.3%

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.5% is assumed, including inflation at 2.75% and an annual production growth of 0.25%. Annual salary increases are assumed to vary by duration of service and range from 3.30% to 14.20%. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over 20 (twenty) years. Investment gains and losses are accumulated as they are realized and amortized over a rolling 30 (thirty) year period. The schedule of funding progress included in the required supplemental information presents information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits

Audited annual financial statements and ten year trend information are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

### 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description – The District sponsors a single-employer defined benefit healthcare plan administered by CalPERS. The District provides medical, dental, vision, and life insurance benefits to eligible retirees. Benefit provisions are established in accordance with the Employee Association Memorandum of Understanding (MOU) for represented employees and as adopted by Board Resolution for all other employees who retire from the District on or after attaining age 50 with at least 5 (five) years of service.

The District established an irrevocable trust to prefund the other postemployment benefit annual required contribution by participating in the California Employers' Retiree Benefit Trust (CERBT) program during the fiscal year ended June 30, 2009. The funds in the CERBT are held in trust and administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan. The District's Other Postemployment Benefits (OPEB) financial statements will be included in the CalPERS Comprehensive Annual Financial Report (CAFR). Copies of the CalPERS' CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.



# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Funding Policy – The District funds on a pay-as-you-go basis with additional discretionary funding payments as approved by the Board. The District paid health care and life insurance benefit contributions based on when insurance premium payments were made, which were \$1,693,629 for the year ended June 30, 2013. The additional discretionary funding payment approved by the Board for the year ended June 30, 2013, was \$3,500,000. During the year ended June 30, 2013, one hundred seventy-five (175) retirees participated in the health insurance plan, one hundred fifty (150) retirees participated in the dental plan, one hundred thirty-two (132) retirees participated in the vision plan, and one hundred forty-seven (147) retirees participated in the life insurance plan.

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

The CERBT fund, which is an IRC Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other postemployment benefits for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other postemployment benefits in accordance with the terms of the District’s OPEB plan.

Annual OPEB Cost and Net OPEB Obligation – The ARC was determined as part of the June 30, 2011, actuarial valuation. The ARC rate was 16.3% of annual covered payroll. For the year ended June 30, 2013, the District’s annual other postemployment benefit cost (expense) is \$5,080,000. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation to the plan:

Annual required contribution	\$ 5,214,000
Interest on net OPEB obligation	226,000
Amortization of net OPEB obligation	<u>(360,000)</u>
Annual OPEB cost (expense)	5,080,000
Contributions made	<u>(5,193,629)</u>
Decrease in net OPEB obligation	(113,629)
Net OPEB obligation-beginning of year	<u>6,074,269</u>
 Net OPEB obligation-end of year	 <u>\$ 5,960,640</u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2013, and the two preceding years was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$ 4,837,000	71.1%	\$ 3,697,240
6/30/12	\$ 4,982,000	52.3%	\$ 6,074,269
6/30/13	\$ 5,080,000	102.2%	\$ 5,960,640

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Funded Status and Funding Progress – The funded status of the plan as of the most recent actuary valuation date, June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 53,436,000
Actuarial value of plan assets	<u>12,450,000</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>40,986,000</u>
Funded ratio (actuarial value of plan assets/AAL)	23.3%
Covered payroll (active plan members)	\$ 31,896,000
UAAL as a percentage of payroll	128.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress included in the required supplemental information presents information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011, actuarial valuation, the Entry Age Normal (EAN) cost method was used. The actuarial assumptions included a 7.01% investment rate of return (net of administrative expenses), an annual medical cost trend rate of 5% - 9%, dental and vision trend rate of 3%, Medicare Part B trend rate of \$115.40, and an inflation assumption of 3%. The EAN cost method spreads plan costs for each participant from the entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level amount over the participant's working lifetime. The actuarial value of plan assets was \$12,450,000. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of pay method over 20 (twenty) years with 15 (fifteen) years remaining as of June 30, 2013.

## 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District manages and finances these risks by purchasing commercial insurance and has a \$1,000 to \$10,000 deductible for general and special property liability with limits of \$10 million and \$350 million, respectively. The District has a \$400,000 deductible for workers' compensation with a \$1 million limit. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the District's commercial insurance coverages in any of the past three years.

As of June 30, 2013, the District had no material claims outstanding for general liability or for workers' compensation cases.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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### 13. COMMITMENTS AND CONTINGENCIES

The District is subject to litigation arising in the normal course of business. In the opinion of the District's Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

The District receives Federal and State grant funds. The amounts, if any, of the District's grant expenditures which may be disallowed upon audit by the granting agencies cannot be determined at this time, although the District expects any such amounts to be immaterial.

### 14. EXTRAORDINARY ITEM

On September 15, 2008, Lehman Brothers Holdings Inc. (Lehman Brothers) declared bankruptcy. This bankruptcy had a direct, negative impact on the County Pool's investments in an amount of approximately \$155 million as of September 30, 2008. After extensive consultation with the County's financial advisors and legal counsel, the County Treasurer decided to retain the Lehman securities, but mark their value down to zero and carry the securities as nonperforming assets. For the quarter ended September 30, 2008, the County charged all pool participants' accounts a one-time expense based on their average daily cash balances to reflect the reduction in value. The District's portion of this charge resulted in a loss on investments of \$1,720,955 in the fiscal year ending June 30, 2009.

In March of 2012, Lehman Brothers exited bankruptcy and made an initial payment to creditors on April 17, 2012. The County Pool received \$9,332,132 in this initial distribution, and the District's share of this recovery was \$439,158, included in revenue in the fiscal year ending June 30, 2012. The County Pool received \$5,935,930 in the second distribution from the Lehman Brothers settlement, on October 2, 2012, and \$7,739,246 on April 4, 2013. The District's share of these two recovery amounts was \$279,337 and \$364,199, respectively, and these amounts were included in revenue for the fiscal year ending June 30, 2013.

### 15. SUBSEQUENT EVENT

On November 7, 2013, the District issued \$30,000,000 through a private placement of taxable Certificates of Participation (Certificates) with Bay Area Headquarters Authority (BAHA) to finance its ownership interest of 75,000 square feet of office space at 375 Beale Street. The Certificates will be held by a Trustee in an escrow account until acquisition of the premises by the District, expected sometime in 2015. The escrow account will pay interest due during the escrow period using proceeds of the Certificates. Upon acquisition date the escrow period ends and the District will begin to make base rental payments until the payment principal date. Principal will amortize for 30 years from the acquisition date and expects to mature no later than November 1, 2045. The District may prepay the Certificates, all or in part, without penalty. The District agreed to contribute at least \$8.5 million from sale of its 939 Ellis Street office building payable at acquisition date at 375 Beale Street which will go towards its debt obligation.

The District and BAHA has also entered into a financing lease/sublease arrangement whereby at the date of acquisition the District will lease its office space to BAHA and BAHA will then sublease office space back to the District to secure payment on the Certificates.

**REQUIRED SUPPLEMENTARY INFORMATION**

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## SCHEDULES OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2013

### PENSION PLAN

Actuarial Valuation Date	Actuarial Asset Value (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2010	\$174,434,353	\$195,962,333	\$21,527,980	89.0%	\$31,962,067	67.4%
6/30/2011	184,503,500	208,697,558	24,194,058	88.4%	31,492,142	76.8%
6/30/2012	193,484,731	220,115,239	26,630,508	87.9%	31,579,609	84.3%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Actuarial Valuation Date	Actuarial Asset Value (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$ 3,474,247	\$ 48,377,000	\$44,902,753	7.2%	\$31,823,042	141.1%
1/1/2010	7,354,000	46,760,000	39,406,000	15.7%	31,826,000	123.8%
6/30/2011	12,450,000	53,436,000	40,986,000	23.3%	31,896,000	128.5%

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Permit fees	\$ 23,748,000	\$ 23,748,000	\$ 25,443,396	\$ 1,695,396
Title V permit fees	3,714,000	3,714,000	3,627,490	(86,510)
Asbestos fees	1,800,000	1,800,000	2,465,047	665,047
Penalties and variance fees	1,700,000	1,700,000	1,670,702	(29,298)
Hearing board fees	20,000	20,000	17,400	(2,600)
State subvention	1,718,169	1,718,169	1,712,022	(6,147)
AB 2588 income	700,000	700,000	635,408	(64,592)
Special environmental projects	94,345	4,074,002	1,995,431	(2,078,571)
Federal grant -EPA	2,193,177	2,937,722	2,687,345	(250,377)
Federal grant - DHS	1,379,896	1,379,896	1,224,148	(155,748)
CMAQ Spare the Air	700,000	700,000	652,373	(47,627)
Other grants	387,174	637,984	744,480	106,496
Portable equipment registration program (PERP)	350,000	350,000	493,659	143,659
Interest	204,238	204,238	262,802	58,564
County apportionment	21,165,869	21,165,869	23,733,376	2,567,507
Miscellaneous	125,000	125,000	66,606	(58,394)
Total revenues	<u>59,999,868</u>	<u>64,974,880</u>	<u>67,431,685</u>	<u>2,456,805</u>
<b>EXPENDITURES</b>				
Executive office	2,602,781	2,655,152	2,692,205	(37,053)
Finance and administration	9,268,387	9,495,446	9,829,855	(334,409)
Information systems	4,295,026	4,619,840	3,908,909	710,931
Legal services	2,452,427	2,584,459	2,638,640	(54,181)
Outreach and incentives	3,948,837	4,949,756	3,704,929	1,244,827
Compliance and enforcement	11,583,321	11,815,145	10,203,004	1,612,141
Engineering	8,600,835	9,013,179	8,825,817	187,362
Planning and research	6,320,565	7,006,449	5,977,851	1,028,598
Technical services	8,640,820	10,161,771	9,321,831	839,940
Program distribution		4,230,467	2,265,669	1,964,798
Strategic incentives division	657,935	672,648	660,742	11,906
Total current expenditures	<u>58,370,934</u>	<u>67,204,312</u>	<u>60,029,452</u>	<u>7,174,860</u>
Capital outlay	1,580,677	1,934,922	2,580,592	(645,670)
Total expenditures	<u>59,951,611</u>	<u>69,139,234</u>	<u>62,610,044</u>	<u>6,529,190</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>48,257</u>	<u>(4,164,354)</u>	<u>4,821,641</u>	<u>8,985,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			505,454	(505,454)
Transfers out	(48,257)	(48,257)		48,257
Total other financing sources	<u>(48,257)</u>	<u>(48,257)</u>	<u>505,454</u>	<u>(457,197)</u>
<b>EXTRAORDINARY ITEM</b>				
Recovery on Lehman Brothers Loss			152,519	152,519
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$</u>	<u>\$ (4,212,611)</u>	<u>5,479,614</u>	<u>\$ 8,681,317</u>
<b>BEGINNING BUDGETARY FUND BALANCE</b>			<u>19,719,528</u>	
<b>ENDING BUDGETARY FUND BALANCE</b>			<u>\$ 25,199,142</u>	

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
TFCA/MSIF DMV fee	\$ 42,420,312	\$ 53,139,058	\$ 29,282,538	\$(23,856,520)
Carl Moyer Program	7,942,794	8,531,142	7,704,566	(826,576)
AB 434/923 others	330,634	330,634	872,415	541,781
CA Goods Movement revenue & other programs	<u>15,948,019</u>	<u>39,635,831</u>	<u>29,627,877</u>	<u>(10,007,954)</u>
Total revenues	<u>66,641,759</u>	<u>101,636,665</u>	<u>67,487,396</u>	<u>(34,149,269)</u>
<b>EXPENDITURES</b>				
TFCA/MSIF, Carl Moyer, & other programs:				
Program distribution	41,328,380	45,569,988	31,930,260	13,639,728
Smoking vehicle	488,344	309,066	715,624	(406,558)
Intermittent control	1,056,398	1,305,262	1,064,509	240,753
TFCA administration	1,250,535	1,382,035	973,189	408,846
Mobile source incentive	624,330	637,387	568,734	68,653
Regional BikeShare	3,254,972	6,428,128	2,512,668	3,915,460
CarSharing Incentive Program	388,516	388,752	16,260	372,492
Regional Electric Vehicle Deployment	1,995,961	4,673,912	1,003,937	3,669,975
Enhanced mobile source inspection		1,000,000	513,959	486,041
California Goods Movement Program & other programs:				
Grant administration	434,951	456,579	965,567	(508,988)
Truck Program/LESBP	<u>15,867,629</u>	<u>39,533,813</u>	<u>27,208,252</u>	<u>12,325,561</u>
Total expenditures	<u>66,690,016</u>	<u>101,684,922</u>	<u>67,472,959</u>	<u>34,211,963</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(48,257)</u>	<u>(48,257)</u>	<u>14,437</u>	<u>62,694</u>
<b>OTHER FINANCING USES</b>				
Transfers in	48,257	48,257		(48,257)
Transfers out			<u>(505,454)</u>	<u>(505,454)</u>
Total other financing uses	<u>48,257</u>	<u>48,257</u>	<u>(505,454)</u>	<u>(553,711)</u>
<b>EXTRAORDINARY ITEM</b>				
Recovery on Lehman Brothers Loss			<u>491,017</u>	<u>491,017</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$</u>	<u>\$</u>	<u></u>	<u>\$</u>
<b>BEGINNING BUDGETARY FUND BALANCE</b>			<u></u>	
<b>ENDING BUDGETARY FUND BALANCE</b>			<u>\$</u>	

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

### Budgetary Principles

Through the budget process, the Board of Directors sets the direction of the District. The annual budget assures the most efficient and effective use of the District's economic resources, and establishes the priority of objectives that are to be accomplished during the fiscal year.

The annual budget covers the period from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees, and other public agencies. In addition, it establishes the foundation of effective financial planning by providing resource allocation, performance measures and controls that permit the evaluation and adjustment of the District's performance.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a) The Board of Directors adopts an annual budget by resolution prior to July 1 of each fiscal year. The annual budget indicates appropriations by fund and by program. The Board of Directors may also adopt supplemental appropriations during the year. At the fund level, expenditures may not legally exceed appropriations. The Air Pollution Control Officer (APCO) is authorized to transfer budgeted amounts between divisions and programs within any fund.
- b) Budgets are adopted on a basis that is consistent with Generally Accepted Accounting Principles (GAAP) with the exception of recognition of certain revenues, as discussed below. Annual appropriated budgets are adopted for the General and Special Revenue funds.
- c) Supplementary budgetary revenue and expenditure appropriations were adopted by the Board of Directors during the fiscal year. These supplemental appropriations have been included in the Budgeted Amounts - Final column of the Budgetary Comparison Schedules.

### Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances

The District's budgetary basis is consistent with Generally Accepted Accounting Principles (GAAP), with the exception of certain revenues that are recognized when earned in the GAAP-basis financial statements, but deferred until expended on the budgetary basis. Revenues in the Budget and Actual schedules have been presented on the budgetary basis to provide a more meaningful comparison of actual results with the budget. The following is a reconciliation between revenues on the budgetary basis and the GAAP basis reflected in the statement of revenues, expenditures, and changes in fund balance.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Revenues – Budgetary Basis	\$ 67,431,685	\$ 67,487,396
Revenue recognition adjustments	<u>(2,038,861)</u>	<u>5,150,985</u>
Revenues – GAAP Basis	<u>\$ 65,392,824</u>	<u>\$ 72,638,381</u>



**SUPPLEMENTARY INFORMATION**

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

### TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM, MOBILE SOURCE INCENTIVE PROGRAM, CARL MOYER PROGRAM, & OTHER PROGRAMS

#### SCHEDULE OF EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2013

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<u>Programs</u>	<u>Salaries and Benefits</u>	<u>Services and Supplies</u>	<u>Program Distribution</u>	<u>Total</u>
Program distribution			\$ 31,930,260	\$ 31,930,260
Smoking vehicle	\$ 705,618	\$ 10,006		715,624
Intermittent control	402,187	662,322		1,064,509
TFCA administration	791,633	181,556		973,189
Regional BikeShare	166,910	2,345,758		2,512,668
CarSharing Incentive Program	16,260			16,260
Regional Electric Vehicle Deployment	184,280	819,657		1,003,937
Enhanced mobile source inspect	513,959			513,959
Mobile source incentive	558,897	9,837		568,734
Total expenditures	<u>\$ 3,339,744</u>	<u>\$ 4,029,136</u>	<u>\$ 31,930,260</u>	<u>\$ 39,299,140</u>

**BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT**

**OMB CIRCULAR A-133 AND  
TRANSPORTATION FUND FOR CLEAN AIR  
COMPLIANCE REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2013**

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

FOR THE YEAR ENDED JUNE 30, 2013

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# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Pass-Through / Grant Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Environmental Protection Agency:</b>			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	PM98977301-8	66.034	\$ 213,375
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	PM98977301-A	66.034	46,241
National Air Toxics Trend Study	XA00T63001-0	66.034	101,637
Lead NAAQS Airport Study	XA00T76401	66.034	64,116
NO2 Near Roadway	XA00T83001	66.034	96,238
Subtotal CFDA 66.034			<u>521,607</u>
National Clean Diesel Program-Truck Replacement	DE00T77901	66.039	583,169
National Clean Diesel Program-Truck Replacement	DE00T96101	66.039	37,759
Subtotal CFDA 66.039			<u>620,928</u>
Air Pollution Control Program Support	A00905613	66.001	2,088,659
Exchange Network EPA	OS-83466001-0	66.608	77,081
Total U.S. Environmental Protection Agency			<u>3,308,275</u>
<b>U.S. Department of Homeland Security:</b>			
Homeland Security Biowatch Program	2006-ST-91-2	97.091	1,224,148
Total U.S. Department of Homeland Security			<u>1,224,148</u>
<b>U.S. Department of Energy:</b>			
Conservation Research and Development	DE-EE005588	81.086	244,977
Total U.S. Department of Energy			<u>244,977</u>
<b>U.S. Department of Transportation:</b>			
Passed through California Department of Transportation:			
Highway Planning and Construction	CML-6297(003)	20.205	652,373
Highway Planning and Construction	CML-6297(006)	20.205	1,579,397
Highway Planning and Construction Cluster / Total U.S. Department of Transportation			<u>2,231,770</u>
Total Expenditures of Federal Awards			<u>\$ 7,009,170</u>

See accompanying notes to schedule of expenditures of federal awards.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

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### 1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Bay Area Air Quality Management District (the District). The District's reporting entity is defined in Note 1 of the District's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – Funds received under the various grant programs have been recorded within the general fund and the special revenue fund of the District. The accompanying SEFA is presented using the modified accrual basis of accounting for expenditures that are accounted for in the general fund and the special revenue fund, which are both governmental funds, as described in Note 1 of the District's basic financial statements.

**Relationship to Financial Statements** – Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the District's basic financial statements.

**Catalog of Federal Domestic Assistance (CFDA)** – The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant or contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

### 3. PASS-THROUGH ENTITIES' IDENTIFYING NUMBERS

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

### 4. PASS-THROUGH AWARDS

Federal assistance provided to subrecipients is treated as expenditures when it is paid to the subrecipient and is summarized as follows:

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Air Pollution Control Program Support	66.001	\$ 625,000
National Clean Diesel Program-Truck Replacement	66.039	469,893



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS AND THE  
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM**

**Independent Auditor's Report**

**To the Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Bay Area Air Quality Management District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Fund for Clean Air (TFCA) funds allocated to and received by the District were expended in conformance with applicable statutes, rules, and regulations of the Health and Safety Code Sections 44220 through 44225 and 44229 through 44242. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

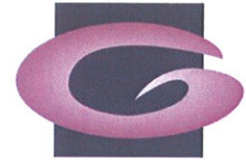
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**GILBERT ASSOCIATES, INC.  
Sacramento, California**

**December 19, 2013**





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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

**Independent Auditor's Report**

**To the Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California**

**Report on Compliance for Each Major Federal Program**

We have audited the Bay Area Air Quality Management District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

*Opinion on Each Major Federal Program*

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

**To the Board of Directors  
Bay Area Air Quality Management District  
Page 2**

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.  
Sacramento, California**

**December 19, 2013**

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            Yes   ✓   No

Significant deficiencies identified?            Yes   ✓   None Reported

Noncompliance material to financial statements noted?            Yes   ✓   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?            Yes   ✓   No

Significant deficiencies identified?            Yes   ✓   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?            Yes   ✓   No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.001	Air Pollution Control Program Support
66.039	National Clean Diesel Program – Truck Replacement
97.091	Homeland Security Biowatch Program

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee?   ✓   Yes            No

# **BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## **SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013**

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### **SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings reported.

### **SECTION III - FEDERAL COMPLIANCE**

There were no federal compliance findings reported.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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There were no findings in the prior year.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 10, 2014

Re: Second Quarter Financial Report – Fiscal Year Ending 2014

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the second quarter of the 2013-14 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUE  
Comparison of Budget to Actual Revenue

County receipts	\$ 7,659,288	(35%) of budgeted revenue.
Permit Fee receipts	\$ 19,912,936	(73%) of budgeted revenue.
Title V Permit Fees	\$ 3,008,853	(82%) of budgeted revenue.
Asbestos Fees	\$ 1,390,714	(73%) of budgeted revenue.
Toxic Inventory Fees	\$ 315,913	(53%) of budgeted revenue.
Penalties and Settlements	\$ 1,416,776	(83%) of budgeted revenue.
Miscellaneous Revenue	\$ 49,989	(42%) of budgeted revenue.
Interest Revenue	\$ 462,829	(167%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES  
Comparison of Budget to Actual Expenditures

• Personnel - Salaries	\$ 14,900,781	(49%) of budgeted expenditures.
• Personnel - Fringe Benefits	\$ 5,901,250	(43%) of budgeted expenditures.
• Operational Services and Supplies	\$ 6,140,579	(33%) of budgeted expenditures.
• Capital Outlay	\$ 1,358,045	(26%) of budgeted expenditures.

<b>Cash and Investments in County Treasury:</b>	
( Based on the Dec 2013 Account Balance)	
General Fund	\$26,035,423
TFCA	\$66,650,208
MSIF	\$43,742,263
Carl Moyer	\$4,272,201
CA Goods Movement	\$33,638,829
	<u>\$174,338,924</u>

<b><u>FUND BALANCES</u></b>			
	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2014</b>
	<b>Audited</b>	<b>Audited</b>	<b>Budget</b>
Building and Facilities	4,075,756	5,478,276	5,234,766
PERS Funding	1,500,000	2,016,169	1,926,550
Radio Replacement	75,000	100,808	
Capital Equipment	1,219,818	1,639,573	1,566,694
Worker's Compensation	1,000,000	1,344,113	
Post Employment Benefits	2,000,000	2,688,226	2,568,734
Economic Uncertainties	130,660	175,622	1,548,301
<b>TOTAL SPECIAL RESERVES</b>	<b>\$ 10,001,234</b>	<b>\$ 13,442,787</b>	<b>\$ 12,845,044</b>
<b>UNDESIGNATED</b>	<b>3,441,554</b>	<b>5,059,722</b>	<b>-</b>
<b>TOTAL FUND BALANCES</b>	<b>\$ 13,442,788</b>	<b>\$ 18,502,509</b>	<b>\$ 12,845,044</b>



## VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to provide the Board a listing of all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. Prior Air District practice does not bring payments for recurring routine business costs such as utilities, licenses, office supplies and the like, before the Board, except as part of the Air District budget. The current practice now is to list such payments over \$70,000 in a quarterly financial report. The purpose is to increase the information flow to the Board and to maintain committee efficiency. As a related practice, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively now total in excess of \$70,000.

Below is a list of vendors including payments made during the first half of the current fiscal year that exceeds \$70,000 and meets the reporting criteria noted above.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (as of Dec 31, 2013)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	629,427	Various Insurance Policies
2	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	3,033,314	Health Insurance Plan
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	4,129,270	Retirement Benefits & 457 Supplemental Plan
4	CITY OF OAKLAND	70,835	Broadway Shuttle Advertisement Sponsor
5	COMPUCOM SYSTEMS, INC.	117,002	Microsoft license agreement
6	CSAC EXCESS INSURANCE AUTHORITY	370,905	Life Insurance Plan
7	CUBIC TRANSPORTATIONS SYSTEMS	154,846	Clipper Transit Subsidy
8	EMPLOYEE BENEFIT SPECIALISTS	149,324	Medical & Dependent Care Flexible Spending Plan
9	ENTERPRISE FLEET SERVICES	247,414	Fleet Leasing and Maintenance services
10	HARTFORD LIFE INS. CO.	215,758	Life Insurance Plan
11	PACIFIC GAS & ELECTRIC COMPANY	206,055	Utilities
12	PREFERRED BENEFIT INSURANCE AD	382,272	Dental Insurance Plan
13	RENNE SLOAN HOLTZMAN & SAKAI	132,409	Human Resources Consulting Services
14	U.S. BANK CORP.	78,881	District Credit Cards for various purchases
15	VERIZON WIRELESS	90,983	Cell phone services
16	WRIGHT EXPRESS FLEET SERVICES	79,444	Fuel for Fleet

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 15, 2014

Re: Air District Financial Overview

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Staff will review the status of the current fiscal year. The review will include a discussion of the strategies employed during the Fiscal Year End (FYE) 2014 budget cycle. Implications for the coming FYE 2015 budget process will also be reviewed.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: February 3, 2014

Re: Report of the Mobile Source Committee Meeting of January 23, 2014

RECOMMENDED ACTION

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

- A) Projects with Proposed Grant Awards over \$100,000:
1. Approve Carl Moyer Program (CMP) projects with proposed grant awards over \$100,000; and
  2. Authorize the Executive Officer/APCO to enter into agreements for the recommended CMP projects.
- B) Participation in Year 16 of the CMP:
1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board relating to the Air District's receipt of CMP funds for fiscal year 2013-2014 (Program Year 16); and
  2. Allocate \$5 million in Mobile Source Incentive Funding (MSIF) to provide the required match funding and additional monies for projects eligible for funding under the CMP.
- C) None. Informational item, receive and file.

BACKGROUND

The Committee met on Thursday, January 23, 2014. The Committee received the following reports and recommendations:

- A) Projects with Proposed Grant Awards over \$100,000;
- B) Participation in Year 16 of the CMP; and

C) Overview of Transportation Fund for Clean Air (TFCA) Policies.

Attached are the staff reports that were presented in the Committee packet.

Committee Chairperson Scott Haggerty will provide an oral report of the Committee 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 and MSIF grant programs the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for all programs are provided by each funding source.
- C) None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Rex Sanders

Attachments

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 7, 2014

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

**RECOMMENDATIONS:**

Recommend 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. 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. 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.

On February 4, 2013, the Board of Directors authorized Air District participation in Year 15 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 Regional Fund 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 15 projects on July 23, 2013. The Air District has approximately \$15 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 January 7, 2014, the Air District had received 71 project applications. Of the applications that have been evaluated between November 18, 2013 and January 7, 2014, five (5) eligible projects have proposed individual grant awards over \$100,000. These projects will replace twenty (20) off-road diesel-powered tractors, two (2) off-road diesel-powered loaders, and three (3) diesel-powered airport ground support baggage tows. These projects will reduce over 5.5 tons of NOx, ROG and PM per year. Staff recommends allocating \$1,286,674 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 January 7, 2014, 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 25% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 3 summarizes the cumulative allocation of CMP, MSIF, and VIP funding since the Year 11 funding cycle. Since Year 11, more than \$61 million has been awarded to 538 projects.

### **TFCA:**

No TFCA applications requesting individual grant awards over \$100,000 received as of January 7, 2014 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 Carl Moyer Program/Mobile Source Incentive Fund projects with grant awards greater than \$100,000 (evaluated between 11/18/13 and 1/7/14)
- Attachment 2: Summary of all CMP Year 15/MSIF and VIP approved and eligible projects (as of 1/7/14)
- Attachment 3: Summary of program distribution by county and equipment category for CMP Years 11-15



## AGENDA 4 - ATTACHMENT 1

BAAQMD Carl Moyer Program/ Mobile Source Incentive Fund projects  
with grant awards greater than \$100k (Evaluated between 11/18/13 and 1/7/14)

Project #	Applicant name	Equipment category	Project type	Proposed contract award	Emission Reductions (Tons per year)			County
					NOx	ROG	PM	
15MOY55	Sonoma Soil Builders, LLC	Ag/ off-road	Replacement of one (1) diesel-powered loader.	\$ 202,986.00	0.797	0.096	0.034	Sonoma
15MOY5	McClelland's Dairy	Ag/ off-road	Replacement of one (1) diesel-powered tractor.	\$ 220,279.00	0.786	0.078	0.031	Sonoma
15MOY18	Southwest Airlines Co.	Off-road	Replacement of 3 three (3) airport ground support baggage tows	\$ 121,088.00	0.441	0.040	0.013	Santa Clara
15MOY58	Jackson Family Wines, Inc.	Ag/ off-road	Replacement of nineteen (19) diesel-powered tractors.	\$ 610,091.00	1.761	0.389	0.124	Sonoma
15MOY65	Robert McClelland Dairy	Ag/ off-road	Replacement of one (1) diesel-powered loader.	\$ 132,230.00	0.788	0.100	0.034	Sonoma
				<b>\$ 1,286,674.00</b>	<b>4.573</b>	<b>0.703</b>	<b>0.235</b>	

## AGENDA 4 - ATTACHMENT 2

*Summary of all CMP, MSIF and VIP approved/ eligible projects (As of 1/7/14)*

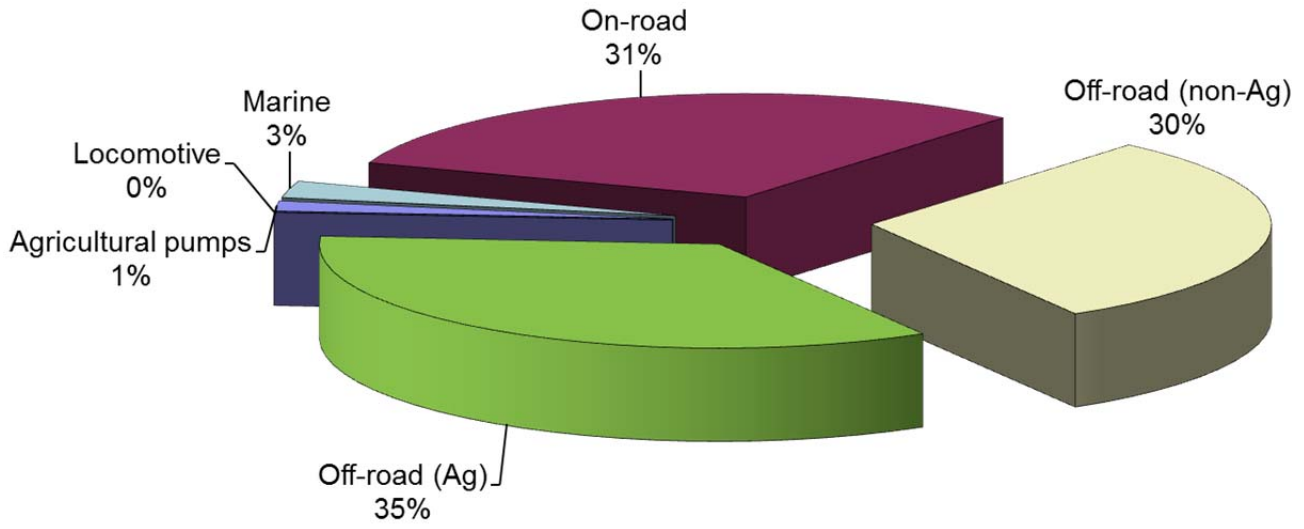
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
14MOY43	Agriculture	Irrigation pump engine replacement	1	\$ 45,548.00	Huneus Vintners, LLC	0.135	0.023	0.008	APCO	Napa
14MOY45	Marine	Engine replacement	1	\$ 90,311.00	Jim Rando - Misty Dawn (Commercial fisherman)	0.589	0.013	0.021	APCO	Santa Clara
14MOY46	Ag/ off-road	Loader replacement	1	\$ 43,160.00	Gregory Lyons (Lyons Farms)	0.187	0.034	0.015	APCO	Solano
14MOY50	Ag/ off-road	Tractor replacement	1	\$ 180,570.00	Fred Corda Farming & Ranching	0.742	0.048	0.017	10/16/2013	Marin
14MOY44	Off-road	Forklift replacement	3	\$ 106,010.00	Economy Lumber Company of Oakland, Inc.	0.481	0.086	0.036	10/16/2013	Alameda
15MOY4	Off-road	Backhoe replacement	2	\$ 71,020.00	Doyle's Work Company, Inc. (Excavation & Trenching)	0.225	0.055	0.028	APCO	Santa Clara
15MOY20	Off-road	Tractor and Loader replacement	5	\$ 2,290,140.00	Steven's Creek Quarry, Inc.	11.747	1.388	0.526	10/16/2013	Santa Clara
15MOY32	Ag/ off-road	Loader replacement	1	\$ 147,220.00	Gerald & Kristy Spaletta (Dairy)	0.613	0.107	0.038	11/6/2013	Sonoma
15MOY14	Ag/ off-road	Tractor replacement	2	\$ 66,928.00	Wolfskill Family Trust of 1990 (Vineyard Maintenance)	0.230	0.046	0.016	APCO	Solano
15MOY15	Ag/ off-road	Tractor replacement	1	\$ 30,952.00	Nichelini Vineyards, LLC	0.101	0.017	0.005	APCO	Napa
15MOY31	Ag/ off-road	Tractor replacement	1	\$ 111,490.00	Andrew Poncia dba Poncia Fertilizer Spreading	0.629	0.090	0.032	11/6/2013	Sonoma
15MOY33	Ag/ off-road	Tractor replacement	1	\$ 96,092.00	Daniel Evans (Farmer)	0.514	0.064	0.022	APCO	Marin
15MOY37	Off-road	Loader replacement	1	\$ 99,810.00	W.R. Forde Associates	0.582	0.076	0.026	APCO	Contra Costa
15MOY29	Ag/ off-road	Tractor replacement	1	\$ 159,821.00	Drew Dairy	1.075	0.123	0.043	11/6/2013	Sonoma
15MOY36	Ag/ off-road	Loader replacement	1	\$ 147,521.00	Jack Dei Dairy	0.557	0.097	0.035	11/6/2013	Sonoma
15MOY40	Off-road	Loader replacement	3	\$ 237,960.00	Napa Recycling & Waste Services LLC	1.778	0.024	0.050	11/6/2013	Napa
15MOY41	Ag/ off-road	Loader replacement	1	\$ 131,410.00	Neil McIsaac & Son	0.328	0.059	0.021	11/6/2013	Sonoma
15MOY1	Off-road	Loader replacement	2	\$ 99,970.00	Sanco Pipelines, Inc.	0.597	0.071	0.026	APCO	Santa Clara
15MOY22	Ag/ off-road	Tractor replacement	2	\$ 34,315.00	Oakview Vineyards, LLC	0.061	0.021	0.006	APCO	Napa
15MOY19	Ag/ off-road	Tractor replacement	1	\$ 30,952.00	Nord Vineyards, LLC	0.054	0.016	0.006	APCO	Napa
15MOY16	Ag/ off-road	Tractor replacement	3	\$ 70,895.00	TrioC Vineyards, LLC	0.218	0.042	0.014	APCO	Napa
15MOY12	Ag/ off-road	Tractor replacement	3	\$ 93,031.00	D'Ambrosio Brothers Investment Company (Vineyard)	0.247	0.063	0.023	APCO	Napa
14MOY47	Marine	Engine replacement	2	\$ 175,418.00	Roger Thomas, Vessel: "Salty Lady" (Charter fishing)	2.757	-0.039	0.110	12/18/2013	San Francisco
15MOY39	Ag/ off-road	Tractor replacement	1	\$ 136,188.00	Gregory Lyons (Lyons Farms)	0.547	0.072	0.025	12/18/2013	Contra Costa
15MOY43	Ag/ off-road	Tractor replacement	1	\$ 186,720.00	Morrison Chopping	1.306	0.136	0.047	12/18/2013	Sonoma
15MOY44	Ag/ off-road	Tractor replacement	1	\$ 120,910.00	DeBernardi Dairy, Inc.	0.581	0.072	0.028	12/18/2013	Sonoma
15MOY46	Ag/ off-road	Loader replacement	1	\$ 147,222.00	Roy King Dairy	1.002	0.122	0.041	12/18/2013	Sonoma
15MOY52	Ag/ off-road	Loader replacement	1	\$ 174,777.00	Mertens Dairy	0.880	0.111	0.043	12/18/2013	Sonoma

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
15MOY49	Agriculture	Irrigation pump engine replacement	3	\$ 114,442.00	C Mondavi and Sons, Inc.	0.333	0.055	0.020	12/18/2013	Napa
15MOY45	Ag/ off-road	Tractor replacement	1	\$ 97,355.00	Simoni & Massoni Farms	0.586	0.100	0.036	APCO	Contra Costa
15MOY35	Off-road	Excavator engine replacement and retrofit	1	\$ 74,785.00	Ferma Corporation	0.541	0.040	0.015	APCO	Alameda
15MOY34	Ag/ off-road	Tractor replacement	1	\$ 28,740.00	R. Rossi Co. (Farm)	0.144	0.024	0.009	APCO	San Mateo
15MOY47	Ag/ off-road	Tractor replacement	1	\$ 46,296.00	Ken Mazzetta (Mazzetta Dairy)	0.343	0.065	0.030	APCO	Sonoma
15MOY25	Ag/ off-road	Tractor replacement	1	\$ 28,592.00	J & M Ranch	0.236	0.041	0.015	APCO	Solano
15MOY7	Ag/ off-road	Tractor replacement	2	\$ 61,904.00	Green Island Vineyards, LLC	0.278	0.071	0.030	APCO	Napa
15MOY55	Ag/ off-road	Loader replacement	1	\$ 202,986.00	Sonoma Soil Builders, LLC	0.797	0.096	0.034	TBD	Sonoma
15MOY5	Ag/ off-road	Tractor replacement	1	\$ 220,279.00	McClelland's Dairy	0.786	0.078	0.031	TBD	Sonoma
15MOY18	Off-road	Airport ground support equipment	3	\$ 121,088.00	Southwest Airlines Co.	0.441	0.040	0.013	TBD	Santa Clara
15MOY58	Ag/ off-road	Tractor replacement	19	\$ 610,091.00	Jackson FamilyWines, Inc.	1.761	0.389	0.124	TBD	Sonoma
15MOY65	Ag/ off-road	Loader replacement	1	\$ 132,230.00	Robert McClelland Dairy	0.788	0.100	0.034	TBD	Sonoma
VIP139	VIP	Truck Replacement	1	\$ 30,000.00	Donald Lee Holmes	0.608	0.009	0.000	APCO	San Benito
VIP140	VIP	Truck Replacement	1	\$ 30,000.00	Nikolas Carasis	0.606	0.020	0.000	APCO	Contra Costa
VIP142	VIP	Truck Replacement	1	\$ 45,000.00	Forward Intermodal Systems, Inc.	0.905	0.013	0.000	APCO	San Francisco
VIP143	VIP	Truck Replacement	1	\$ 30,000.00	Galante Brothers	0.606	0.020	0.000	APCO	Santa Clara
VIP144	VIP	Truck Replacement	1	\$ 45,000.00	Zeiber Trucking Service, Inc.	0.905	0.013	0.000	APCO	San Joaquin
VIP145	VIP	Truck Replacement	1	\$ 45,000.00	San Miguel Transportation, Inc.	0.905	0.013	0.000	APCO	Sonoma
VIP146	VIP	Truck Replacement	1	\$ 40,000.00	Jaspal Singh	0.802	0.027	0.000	APCO	Alameda
VIP147	VIP	Truck Replacement	1	\$ 45,000.00	Jose E. Mejia	0.905	0.013	0.000	APCO	Santa Clara
VIP148	VIP	Truck Replacement	1	\$ 35,000.00	Raphelle Gabriel	0.702	0.010	0.000	APCO	San Mateo
VIP149	VIP	Truck Replacement	1	\$ 45,000.00	Tuan Q. Luu	0.905	0.013	0.000	APCO	Santa Clara
VIP150	VIP	Truck Replacement	1	\$ 25,000.00	Gurdeep Singh DBA Arjan Transport	0.513	0.008	0.000	APCO	Solano
VIP151	VIP	Truck Replacement	1	\$ 45,000.00	Eugene R. Oliverio	0.905	0.013	0.000	APCO	Santa Clara
VIP152	VIP	Truck Replacement	1	\$ 35,000.00	Devinder Singh Nagra	0.702	0.010	0.000	APCO	Santa Clara
VIP153	VIP	Truck Replacement	1	\$ 40,000.00	Dong V. Le	0.811	0.012	0.000	APCO	Alameda
VIP154	VIP	Truck Replacement	1	\$ 35,000.00	Harjinder Singh Shergill	0.700	0.013	0.000	APCO	Sacramento
VIP155	VIP	Truck Replacement	1	\$ 45,000.00	Brian Scott Price	0.905	0.013	0.000	APCO	Salinas
VIP156	VIP	Truck Replacement	1	\$ 45,000.00	Dennis C. Leavitt Jr.	0.905	0.013	0.000	APCO	Alameda
VIP157	VIP	Truck Replacement	1	\$ 30,000.00	Calstone Co.	0.603	0.013	0.000	APCO	Santa Clara
VIP158	VIP	Truck Replacement	1	\$ 35,000.00	Manuel Gambao DBA MG Trucking	0.706	0.011	0.000	APCO	Riverside
VIP159	VIP	Truck Replacement	1	\$ 35,000.00	Lestor Jackson	0.706	0.011	0.000	APCO	Alameda

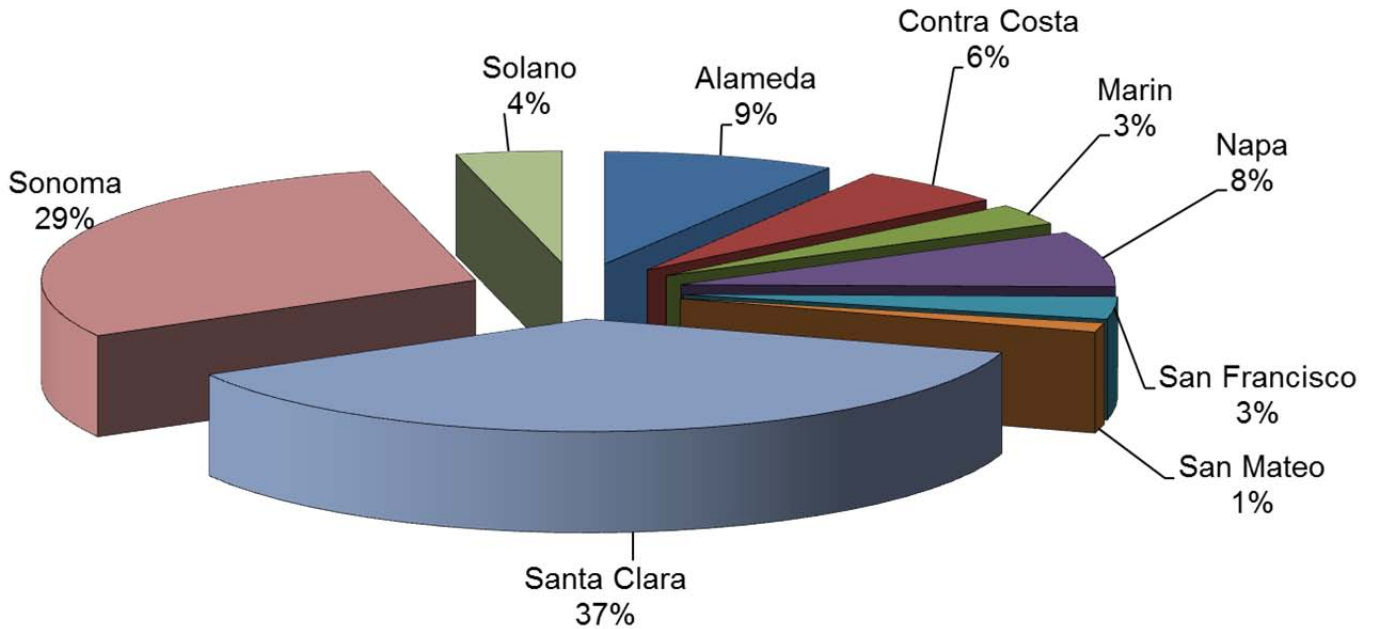
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
VIP160	VIP	Truck Replacement	1	\$ 45,000.00	Sanh Nguyen	0.905	0.013	0.000	APCO	Alameda
VIP161	VIP	Truck Replacement	1	\$ 35,000.00	Ruben Tinoco Rivera	0.706	0.011	0.000	APCO	Salinas
VIP162	VIP	Truck Replacement	1	\$ 25,000.00	Emilio Venegas	0.513	0.008	0.000	APCO	San Joaquin
VIP163	VIP	Truck Replacement	1	\$ 20,000.00	EXLS / Ultra Labs, Inc.	0.405	0.006	0.000	APCO	Alameda
VIP164	VIP	Truck Replacement	1	\$ 45,000.00	Ernesto Q. Tejada	0.905	0.013	0.000	APCO	Santa Clara
VIP165	VIP	Truck Replacement	1	\$ 20,000.00	Harkewal Singh Bhuller	0.402	0.006	0.000	APCO	Alameda
VIP166	VIP	Truck Replacement	1	\$ 45,000.00	M/M Feed	0.814	0.018	0.000	APCO	Mendocino
VIP167	VIP	Truck Replacement	1	\$ 35,000.00	Joseph Michael Velardi	0.702	0.010	0.000	APCO	Contra Costa
VIP168	VIP	Truck Replacement	1	\$ 40,000.00	Matthew P. Crowley	0.814	0.018	0.000	APCO	Monterey
VIP169	VIP	Truck Replacement	1	\$ 45,000.00	Matthew J. Domler	0.905	0.013	0.000	APCO	Solano
VIP170	VIP	Truck Replacement	1	\$ 15,000.00	Michael J. Haye	0.309	0.007	0.000	APCO	San Mateo
VIP171	VIP	Truck Replacement	1	\$ 35,000.00	Hydra Reload Inc. / Kellogg Distribution	0.702	0.010	0.000	APCO	Sacramento
VIP172	VIP	Truck Replacement	1	\$ 35,000.00	Kellogg Distribution Inc.	0.702	0.010	0.000	APCO	Sacramento
VIP173	VIP	Truck Replacement	1	\$ 45,000.00	Elliott Louis Nurse	0.905	0.013	0.000	APCO	Monterey
VIP174	VIP	Truck Replacement	1	\$ 30,000.00	Gary Lee Schultz	0.606	0.020	0.000	APCO	Santa Clara
VIP175	VIP	Truck Replacement	1	\$ 45,000.00	Abdul Naik	0.905	0.013	0.000	APCO	Alameda
VIP176	VIP	Truck Replacement	1	\$ 45,000.00	Rene Alphonse LaChance	0.905	0.013	0.000	APCO	Tehama
VIP177	VIP	Truck Replacement	1	\$ 35,000.00	Luis R. Gomez	0.692	0.025	0.000	APCO	Solano
VIP178	VIP	Truck Replacement	1	\$ 45,000.00	Carl Joseph Johnson DBA Viking Transport	0.905	0.013	0.000	APCO	Santa Cruz
VIP179	VIP	Truck Replacement	1	\$ 45,000.00	Tim Amaro	0.900	0.030	0.000	APCO	Santa Clara
VIP181	VIP	Truck Replacement	1	\$ 10,000.00	Saraoni Food Service	0.143	0.002	0.003	APCO	Contra Costa
VIP182	VIP	Truck Replacement	1	\$ 35,000.00	Jaime Rameriz	0.702	0.01	0.000	APCO	Santa Clara
VIP183	VIP	Truck Replacement	1	\$ 45,000.00	Pleasanton Trucking, Inc.	0.905	0.013	0.000	APCO	Contra Costa
VIP184	VIP	Truck Replacement	1	\$ 15,000.00	Michael L. Nelson	0.311	0.011	0.000	APCO	Solano
VIP185	VIP	Truck Replacement	1	\$ 35,000.00	Manuel Curiel	0.700	0.013	0.000	APCO	Yuba
VIP186	VIP	Truck Replacement	1	\$ 35,000.00	Kamaljit Singh Nanra	0.702	0.010	0.000	APCO	Alameda
VIP187	VIP	Truck Replacement	1	\$ 40,000.00	Menne Ranch Hay, Inc.	0.811	0.012	0.000	APCO	Siskiyou
VIP188	VIP	Truck Replacement	1	\$ 45,000.00	Phillip Jon Medina DBA PM Trans	0.905	0.013	0.000	APCO	Santa Clara
VIP189	VIP	Truck Replacement	1	\$ 35,000.00	Rakesh Singh	0.700	0.013	0.000	APCO	Sacramento
VIP190	VIP	Truck Replacement	1	\$ 35,000.00	Jorge A. Ramirez	0.700	0.013	0.000	APCO	Yolo
VIP191	VIP	Truck Replacement	1	\$ 20,000.00	Fernando Almaraz/ Isaura Medrano	0.277	0.003	0.007	APCO	Alameda
VIP192	VIP	Truck Replacement	1	\$ 45,000.00	J/F Transport, LLC	0.905	0.013	0.000	APCO	Yolo
VIP193	VIP	Truck Replacement	1	\$ 40,000.00	Patricia Priestley Sanchez	0.811	0.012	0.000	APCO	Santa Clara
VIP195	VIP	Truck Replacement	1	\$ 35,000.00	J/H Trucking	0.702	0.010	0.000	APCO	Yolo
VIP196	VIP	Truck Replacement	1	\$ 10,000.00	Phillip Bettney Trucking, Inc.	0.203	0.003	0.000	APCO	San Francisco

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
VIP197	VIP	Truck Replacement	1	\$ 20,000.00	Juan Jose Macias	0.405	0.006	0.000	APCO	Santa Clara
VIP198	VIP	Truck Replacement	1	\$ 45,000.00	Jesus Garcia	0.898	0.020	0.000	APCO	Santa Clara
VIP199	VIP	Truck Replacement	1	\$ 45,000.00	Dhirendra Singh	0.905	0.013	0.000	APCO	Alameda
VIP200	VIP	Truck Replacement	1	\$ 45,000.00	Balwinder Singh	0.898	0.020	0.000	APCO	Santa Clara
VIP201	VIP	Truck Replacement	1	\$ 40,000.00	ACP Concrete Pumping, Inc.	0.811	0.012	0.000	APCO	San Benito
VIP202	VIP	Truck Replacement	1	\$ 45,000.00	PumpIt, Inc.	0.905	0.013	0.000	APCO	Sonoma
VIP203	VIP	Truck Replacement	1	\$ 35,000.00	Road Runner Mobile Truck Repair, Inc.	0.476	0.005	0.012	APCO	Solano
VIP204	VIP	Truck Replacement	1	\$ 30,000.00	Road Runner Mobile Truck Repair, Inc.	0.610	0.007	0.000	APCO	Solano
VIP205	VIP	Truck Replacement	1	\$ 10,000.00	Robert Guck / Raymond Guck	0.200	0.004	0.000	APCO	Napa
VIP206	VIP	Truck Replacement	1	\$ 35,000.00	Javier DeLaTorre or Jose DeLaTorre DBA DeLaTorre Landscaping	0.702	0.010	0.000	APCO	Yolo
VIP207	VIP	Truck Replacement	1	\$ 45,000.00	Joseph Jensen	0.905	0.013	0.000	APCO	Sonoma
VIP208	VIP	Truck Replacement	1	\$ 45,000.00	Harjit Singh	0.905	0.013	0.000	APCO	Placer
VIP209	VIP	Truck Replacement	1	\$ 45,000.00	Nicolas Gonzalez Vargas	0.905	0.013	0.000	APCO	Sacramento
VIP211	VIP	Truck Replacement	1	\$ 35,000.00	Gurdip Singh	0.702	0.010	0.000	APCO	Contra Costa
VIP212	VIP	Truck Replacement	1	\$ 10,000.00	Bonhams / Butterfields	0.135	0.002	0.004	APCO	San Francisco
VIP213	VIP	Truck Replacement	1	\$ 40,000.00	Tarsem Singh Barsa	0.811	0.012	0.000	APCO	Santa Clara
VIP214	VIP	Truck Replacement	1	\$ 35,000.00	Jasbir S. Sindra	0.706	0.011	0.000	APCO	Santa Clara
VIP215	VIP	Truck Replacement	1	\$ 30,000.00	Julio Cesar Perez	0.600	0.011	0.000	APCO	Alameda
VIP216	VIP	Truck Replacement	1	\$ 30,000.00	Bonhams / Butterfields	0.610	0.007	0.000	APCO	Alameda
VIP217	VIP	Truck Replacement	1	\$ 45,000.00	Terry Mallery DBA Lassen Rents	0.905	0.013	0.000	APCO	Lassen
VIP218	VIP	Truck Replacement	1	\$ 20,000.00	Tou Bar Equipment, Inc.	0.409	0.014	0.000	APCO	San Mateo
VIP219	VIP	Truck Replacement	1	\$ 45,000.00	Victor Munoz Jr.	0.900	0.030	0.000	APCO	Santa Clara
VIP220	VIP	Truck Replacement	1	\$ 25,000.00	David John Grob	0.500	0.014	0.000	APCO	Contra Costa
VIP221	VIP	Truck Replacement	1	\$ 30,000.00	Bruce Campbell Sand / Gravel, Inc.	0.608	0.009	0.000	APCO	Orange
VIP222	VIP	Truck Replacement	1	\$ 35,000.00	Dhirendra Kumar Shukla	0.700	0.013	0.000	APCO	Sacramento
VIP223	VIP	Truck Replacement	1	\$ 30,000.00	Frankie Rodriguez	0.600	0.011	0.000	APCO	Alameda
VIP224	VIP	Truck Replacement	1	\$ 35,000.00	Jasbir Singh Dhillon	0.692	0.025	0.000	APCO	Alameda
VIP225	VIP	Truck Replacement	1	\$ 20,000.00	Columbus Manufacturing, Inc.	0.405	0.006	0.000	APCO	Alameda
VIP226	VIP	Truck Replacement	1	\$ 40,000.00	Harvinder S. Gill	0.804	0.013	0.000	APCO	Alameda
VIP227	VIP	Truck Replacement	1	\$ 35,000.00	Reden Roasa	0.702	0.010	0.000	APCO	Alameda
VIP228	VIP	Truck Replacement	1	\$ 35,000.00	Juan Carlos Cortes	0.706	0.011	0.000	APCO	Solano
VIP229	VIP	Truck Replacement	1	\$ 35,000.00	Gurmeet Singh	0.700	0.013	0.000	APCO	San Joaquin
VIP230	VIP	Truck Replacement	1	\$ 15,000.00	MK Pipelines, Inc.	0.311	0.011	0.000	APCO	San Francisco
VIP231	VIP	Truck Replacement	1	\$ 20,000.00	Bauer Transportation Systems, Inc.	0.405	0.006	0.000	APCO	San Mateo
VIP232	VIP	Truck Replacement	1	\$ 40,000.00	Philip August Rancatore	0.802	0.027	0.000	APCO	San Francisco
<b>130 Projects</b>			<b>170</b>	<b>\$ 10,205,149.00</b>		<b>97.719</b>	<b>5.240</b>	<b>1.723</b>		

**Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 1/7/14**

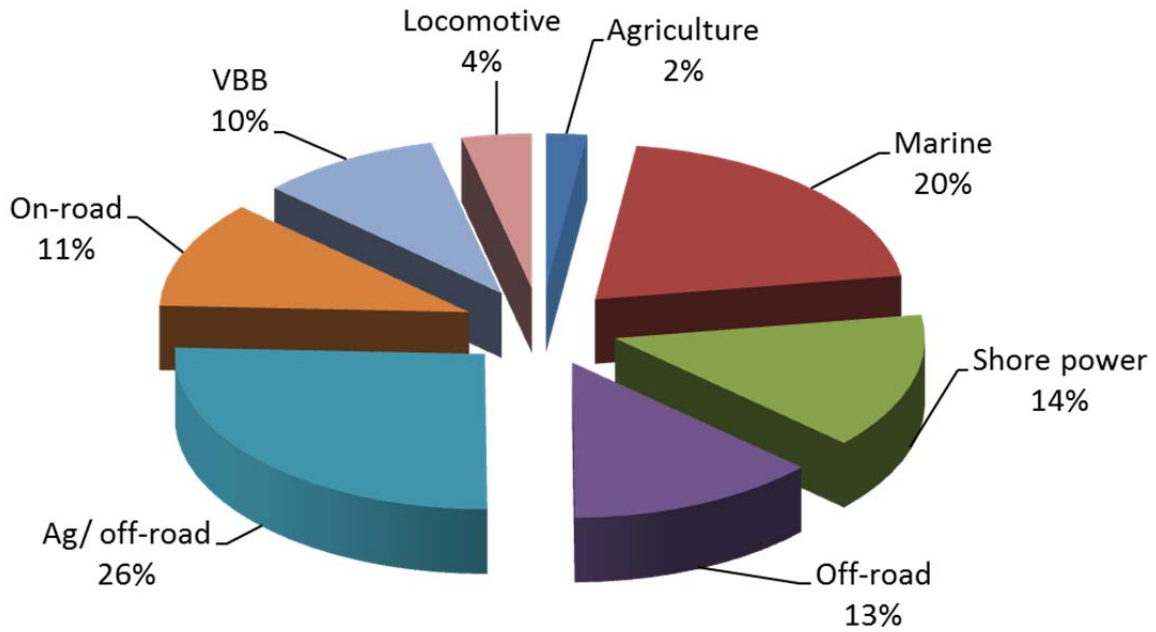


**Figure 2: CMP/ MSIF Funding Distribution by County as of 1/7/14**

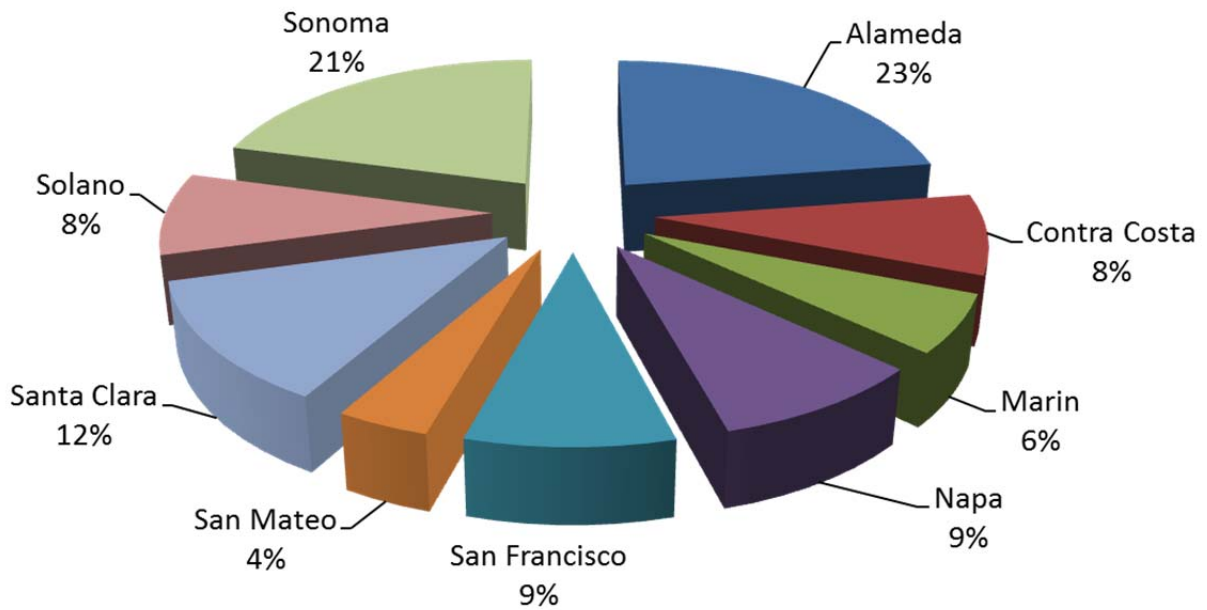


# AGENDA 4 - ATTACHMENT 3

**Figure 3:** CMP, MSIF, and VIP funding for Years 11-15 by equipment category



**Figure 4:** CMP, MSIF, and VIP funding for Years 11-15 by county



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 7, 2014

Re: Participation in Year 16 of the Carl Moyer Program

RECOMMENDATIONS:

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 2013-2014 (Program Year 16).
2. Allocate \$5 million in Mobile Source Incentive Funding to provide the required match funding and additional monies for projects eligible for funding under the Carl Moyer Program.

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 (FY) 1998/ 1999. Through the CMP the Air District 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.



## DISCUSSION

The Air District has submitted an application to ARB requesting \$10,175,382 in funding for the implementation of the CMP Year 16 CMP funding cycle (FY 2013/ 2014). 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 a commitment of \$1,526,310 in matching funds for Year 16. Staff is therefore requesting the Board meet this required match, and expand the program for additional eligible emissions reductions projects by allocating \$5 million in MSIF funds to the CMP Year 16 funding cycle.

Staff plans to begin accepting CMP Year 16 applications during the summer of 2014. 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.

The ARB requires air districts use the 2011 CMP Guidelines, and subsequent updates, to award Year 16 CMP funds. The guidelines require all projects achieve a cost-effectiveness of \$17,460 or less per ton of reduced emissions in order to be eligible to receive funding. Year 16 funding must be obligated to eligible projects by June 30, 2015, expended by June 30, 2016. In accordance with AB 1390, 50% of all CMP funding allocated by the Air District must be awarded to projects in impacted communities. The process that will be used for identifying and prioritizing CMP Year 16 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 communities that will be determined based on new analysis provided by the Community Air Risk Evaluation (CARE) program.

## BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP and MSIF grant programs the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for all 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 to accept Carl Moyer Program Year 16 funds from ARB

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION No. 2014 -**

**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 \$10,175,382 in Carl Moyer Program funds to implement the Carl Moyer Program for the fiscal year (FY) 2013-2014 (Year 16) cycle;

WHEREAS, the District proposed to commit up to \$1,526,310 in matching funds as part of the FY 2013-2014, (Year 16) 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 16, 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 \$10,175,382, with the District-required match of up to \$1,526,310.

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 2013-2014, 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 \_\_\_\_\_, 2014, by the following vote of the Board:

AYES:

NOES:

ABSENT:

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Nate Miley  
Chairperson of the Board of Directors

ATTEST:

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Eric Mar  
Secretary of the Board of Directors

## **BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

### Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 8, 2014

Re: Overview of Transportation Fund for Clean Air (TFCA) Policies

### RECOMMENDED ACTION:

None. Receive and file an information update on the TFCA Policies.

### BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within its nine-county jurisdiction to fund projects that reduce on-road motor vehicle emissions. The Air District allocates these funds to eligible projects through the Transportation Fund for Clean Air (TFCA) program. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent (60%) of the TFCA funds received are awarded directly by the Air District to eligible Air District programs (e.g., Smoking Vehicle, Enhanced Enforcement, and Spare the Air) through the Regional Fund portion of the program. The remaining forty percent (40%) of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed through the County Program Manager Fund for emission reduction projects. Each year the Air District Board of Directors is required to adopt policies governing the use of these funds that maximize emissions reductions and public health benefits.

### DISCUSSION

The policies adopted by the Air District Board of Directors include evaluation criteria that govern project selection and expenditure of funds for both the TFCA Regional Fund and County Program Manager programs. Since the inception of the program, the policies have consistently included both general policies that apply to all project types (e.g., definitions for applicant eligibility, minimum grant amount, minimum cost-effectiveness threshold, and a requirement that funds must be expended within two years) and specific policies that establish minimum standards for each eligible project type (e.g., requirements unique to alternative fuel vehicle projects, shuttle services, arterial management projects).

Over the past 20 years several external factors have driven the re-examination of key policy parameters and the project evaluation methodology to ensure TFCA funds continue to be allocated in the most effective manner. Some of these factors include: the incorporation of recommendations resulting from audits of Air District programs; changes to the state and federal emission standards for on-road engines that went into effect in 2004, 2007, and 2010; regulations adopted by ARB; the downturn of the economy, which placed significant strain on local government agencies and their ability to administer project funding; and, the availability of new sources of funding (i.e., I-Bond Goods Movement Program funding, U.S. EPA DERA funding, Carl Moyer Program, and the Mobile Source Incentive Fund) for diesel emission reduction projects that have allowed the Air District to focus TFCA funds on non-diesel related project categories that significantly reduce criteria pollutants and greenhouse gases. Some of these non-diesel based project categories include trip/vehicle miles traveled reduction (bicycle parking and lanes, shuttles and ridesharing) and alternative fuel vehicle projects.

Additionally, in 2004 the Air District initiated the Community Air Risk Evaluation (CARE) program and at the Board's direction prioritized grant funding for projects in highly impacted Bay Area communities. The inclusion of impacted community consideration is another example of a factor that contributed to the modification of TFCA policies for project evaluation.

As part of this item staff will present an informational report to the Committee on the TFCA program that will include a summary of present and historical TFCA policies and an overview of the changes to program cost-effectiveness thresholds and evaluation methodologies over time.

**BUDGET CONSIDERATION / FINANCIAL IMPACT:**

None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Karen Schkolnick  
Reviewed by: Anthony Fournier/ Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Nate Miley and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: January 31, 2014

Re: Overview of Air District's Rules and Regulations

RECOMMENDED ACTION:

None; receive and file.

DISCUSSION

Staff will provide an overview of the Air District's Rules and Regulations.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bungler  
Reviewed by: Rex Sanders