

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, CA 94109  
(415) 749-5073

Board of Directors Regular Meeting  
Wednesday, February 18, 2015

## **APPROVED MINUTES**

*Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx>.*

### **1. CALL TO ORDER**

Chairperson Carole Groom called the meeting to order at 9:47 a.m.

**Opening Comments:** None.

#### **Roll Call:**

Present: Chairperson Carole Groom; Vice-Chairperson Eric Mar; Secretary Liz Kniss; and Directors John Avalos, Teresa Barrett, Tom Bates, David J. Canepa, Cindy Chavez, Margaret Fujioka, John Gioia, Scott Haggerty, David Hudson, Roger Kim (on behalf of Edwin Lee), Nate Miley, Karen Mitchoff, Jan Pepper, Katie Rice, Mark Ross and Brad Wagenknecht.

Absent: Directors Rod Sinks, Jim Spering and Shirlee Zane.

**Pledge of Allegiance:** Chairperson Groom led the Pledge of Allegiance.

### **2. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Mark Roest, 350 Bay Area, addressed the Board of Directors (Board) regarding greenhouse gas (GHG) emissions suggesting the need to phase out combustion for heat and power in all sectors and the reduction of GHG emissions through rulemaking and permitting.

Jed Holtzman, 350 Bay Area, addressed the Board regarding the rules limiting GHG emissions while emission levels continue to rise and to request that rules limiting GHG emissions be the top priority of the climate protection program this year, specifically, rules that decarbonize the Bay Area and which require the inclusion of GHG emissions in the permitting process.

NOTED PRESENT: Director Bates was noted present at 9:52 a.m.

Larry Chaset, 350.org, addressed the Board requesting action this year to decarbonize the Bay Area, limit GHG emissions from refineries, include GHG emissions limits in permits, and use of regulations and permits to move toward 100% renewable energy in the Bay Area.

Claire Broom, 350 Bay Area, addressed the Board and displayed a PowerPoint presentation and expressed discouragement with the GHG emissions trend displayed from 1990 – 2050; and requested that GHG reduction targets be integrated with rulemaking and permitting.

NOTED PRESENT: Director Miley was noted present at 9:59 a.m. and Director Mar was noted present at 10:00 a.m.

Greg Karras, Communities for a Better Environment (CBE), addressed the Board regarding the request by the Richmond City Council to the Chevron Richmond refinery to cease operations rather than employ temporary staff in response to a strike by organized labor; to report that refinery staff have joined with the community voices calling for GHG and pollutants reductions; and to suggest the current version of proposed rule 12-16 is inadequate.

Janet Johnson, Sunflower Alliance, addressed the Board to suggest that climate change is the humanitarian crisis of our time and to request reconsideration of the Kinder Morgan permit in light of the toxic emissions described by others.

Sylvia Hopkins, CBE, addressed the Board regarding the proximity of her residence to the Richmond rail yard and recent sightings of black tanker cars, reports of uncovered petroleum coke cars and reports of leaking tanker cars stating that these have created a constant state of anxiety for those living in the community and requesting the Board resist this trend.

Ratha Lai, Sierra Club San Francisco Bay Chapter, addressed the Board to request the Board consider the issues of GHG reductions and changing crude oil stocks; noted the recent explosion in West Virginia of a railcar purportedly bound for the Tesoro Martinez refinery and noted that the resulting particulate matter would be an Air District issue even if the cars themselves are not; and urged for crude oil to remain in the ground.

Margaret Pearce, 350 San Francisco, addressed the Board regarding her recent involvement in the environmental movement as an effort to help preserve this world for her grandchildren only to discover the need to be immediate and to request aggressive action from the Board relative to rulemaking and permitting.

Megan Zapanta, Asian Pacific Environmental Network, addressed the Board to suggest the recent railcar explosion in West Virginia as heightening the existing anxiety and concern regarding crude-by-rail through Bay Area communities and the Kinder Morgan permit specifically.

Nick Despota addressed the Board to suggest the urgent and immediate need for action in the face of climate change; to suggest there is not one Air District regulation relative to GHGs; to request a limit on or end of fossil fuel use for energy; to note that a prior rulemaking said that GHG reductions would be a co-benefit but those reductions are so far unrealized; and to request that the Board demand from staff proposed rules with strict reductions provisions in the following year.

### **3. COMMENDATION / PROCLAMATIONS / AWARDS**

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), Jean Roggenkamp, Deputy APCO (DAPCO), Director Haggerty and Chairperson Groom, in turn, each recognized former Advisory Council Member John Holtzclaw, Ph.D., for his twenty-four years of dedicated service to the Air District.

### **CONSENT CALENDAR (ITEMS 4 – 12)**

- 4. Minutes of the Board Special Meeting and Retreat of January 21, 2015 and Amend the Approved Minutes of the Board Meeting of December 17, 2014;**
- 5. Board Communications Received from January 21, 2015 through February 17, 2015;**
- 6. Air District Personnel on Out-of-State Business Travel;**
- 7. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of January 2015;**
- 8. Quarterly Report of Executive Office and Division Activities;**
- 9. Notice of Proposed Amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 6:, Board of Directors, Committees, Section 6.2:, Standing Committees;**
- 10. Update on the Air District Advisory Council;**
- 11. Increase in Cylogy, Inc. Contract by \$70,000 for Website Content Migration and Custom Integrations; and**
- 12. Selection of Translation Service for Air District Website.**

Public Comments: No requests received.

#### Board Action:

Director Wagenknecht made a motion, seconded by Director Ross, to approve Consent Calendar Items 4 through 12, inclusive.

#### Board Comments:

The Board and staff discussed the trends revealed in the staff report for agenda item 7, Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of January 2015.

#### Board Action (continued):

The motion carried by the following vote of the Board:

AYES:	Avalos, Barrett, Bates, Canepa, Chavez, Fujioka, Gioia, Groom, Haggerty, Hudson, Kim, Kniss, Mar, Miley, Mitchoff, Pepper, Rice, Ross and Wagenknecht.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Sinks, Spring and Zane.

## COMMITTEE REPORTS

### **13. Report of the Mobile Source Committee (MSC) Meeting of January 22, 2015**

Committee Chairperson Haggerty

The MSC met on Thursday, January 22, 2015, and approved the minutes of November 13 and December 18, 2014.

The MSC reviewed and discussed *Projects and Contracts with Proposed Awards Over \$100,000* and recommends the Board:

1. Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 for four marine engines and an electronic bicycle locker project; and
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended projects.

The MSC then reviewed the staff presentation *Participation in Year 17 of the CMP*, including funding source information, Year 17 funding, program implementation, and multi-district funds. The Committee recommends the Board:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) relating to the Air District's receipt of CMP funds and Multi-District funds for fiscal year 2014-2015 (Program Year 17); 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.

The MSC then reviewed and discussed the staff presentation *Selection of an Auditor for District's Financial and Grants Program Audits*, including background; scope of work; selection process; request for proposals, evaluation criteria, and scoring results. The Committee recommends the Board:

1. Approve the selection of Gilbert Associates, Inc., to conduct the District's 2014-15 Financial Audit, the 2013-14 TFCA Audit for Projects and Programs, and conduct a review of Carbon Offset Project;
2. Authorize the Executive Officer/APCO to execute a contract with Gilbert Associates, Inc., for audit services in an amount not to exceed \$217,022; and
3. Authorize the Executive Officer/APCO to extend the contract with Gilbert Associates, Inc., in an amount not to exceed \$217,022 annually for up to an additional two years under the terms of the current request for proposals.

The MSC then reviewed and discussed the staff presentation *Air District Grant Programs Overview*, including background information; 2014 grant allocations in total, by fund and by county; 2014 CMP

Years 15 and 16 allocations by project type; 2014 TFCA allocations by program; MSIF and Goods Movement Program overviews; 2014 emissions reductions and highlights; total grant allocations since 2007; 2015 revenue projection; projected allocations for TFCA in 2015; and upcoming activities.

The next meeting of the Committee is on Thursday, February 26, 2015, at 9:30 a.m.

Board Comments: None.

Public Comments: No requests received.

Board Action:

Director Haggerty made a motion, seconded by Director Wagenknecht, to approve the recommendation of the MSC; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Fujioka, Gioia, Groom, Haggerty, Hudson, Kim, Kniss, Mar, Miley, Mitchoff, Pepper, Rice, Ross and Wagenknecht.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Sinks, Sperring and Zane.

**14. Report of the Personnel Committee (PC) Meeting of January 26, 2015**  
Committee Chairperson Wagenknecht

The PC met on Monday, January 26, 2015, and approved the minutes of December 15, 2014.

The PC received and discussed the staff presentation *Update on Advisory Council (Council) Restructure*, including summaries of the recent Health and Safety Code amendments under Senate Bill 1415 and the proposed Council restructure.

The PC then received and discussed the staff presentation *Strategic Staffing Plan Update*, including background; staffing considerations; succession planning efforts; strategic staffing principles; current staffing levels; filling vacancies; staffing goals and budget considerations; and next steps.

The PC met in closed session to confer on labor negotiations with no reportable action. The PC Chair will brief the Board on this item during today's closed session.

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

Board Comments: None.

Public Comments: No requests received.

Board Action: None; receive and file.

**15. Report of the PC Meeting of February 18, 2015**  
Committee Chairperson Wagenknecht

The PC met on Wednesday, February 18, 2015, and deferred approval of the minutes of January 26, 2015.

The PC received and discussed the staff presentation *Strategic Staffing Plan Update*, including background; staffing considerations; succession planning efforts; strategic staffing principles; current staffing levels; filling vacancies; staffing goals and budget considerations; and next steps.

The PC met in closed session to confer on labor negotiations with no reportable action. The PC Chair will brief the Board on this item during today's closed session.

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

Board Comments: None.

Public Comments: No requests received.

Board Action: None; receive and file.

**16. Report of the Budget and Finance Committee (BFC) Meeting of January 28, 2015**  
Committee Chairperson Groom

The BFC met on Wednesday, January 28, 2015, and approved the minutes of November 26, 2014.

The BFC received and discussed the independent auditor presentation *Air District Financial Audit Report – Fiscal Year Ending (FYE) 2014*, including audit deliverables; communications with those charged with governance; and an overview of Governmental Accounting Standards Board Statement Number 68: Accounting and Financial Reporting for Pensions.

The BFC then received and discussed the staff presentation *Second Quarter Financial Report – FYE 2015*, including an overview of general fund revenues and expenses; revenue and expense year-over-year comparisons; investments; general fund balance; purchasing reporting requirements; and cumulative vendor payments in excess of \$70,000 for Board review.

The BFC then received and discussed the staff presentation *Selection of a Contractor for Upgrade of the Air District Financial System*, including background; request for proposals process, evaluation criteria and scoring results; and recommendations. The Committee recommends the Board:

1. Approve the selection of Denovo to upgrade the Air District's Financial System;
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with Denovo to upgrade the financial system in amount not to exceed \$1,358,036; and
3. Amend the Program 701 budget by the corresponding amount transferring \$1,000,000 from the *Reserve for JD Edwards Software Upgrade* and \$358,036 from the *Undesignated Fund Balance* for this purpose.

The next meeting of the BFC is Wednesday, February 25, 2015, at 9:30 a.m.

Board Comments: None.

Public Comments: No requests received.

Board Action:

Chairperson Groom made a motion, seconded by Director Kniss, to approve the recommendation of the BFC; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Fujioka, Gioia, Groom, Haggerty, Hudson, Kim, Kniss, Mar, Mitchoff, Pepper, Rice, Ross and Wagenknecht.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Miley, Sinks, Spering and Zane.

### **CLOSED SESSION**

The Board adjourned to Closed Session at 10:34 a.m.

#### **17. CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6(a))**

*Pursuant to Government Code Section 54957.6(a), a need existed to meet in closed session to confer with labor negotiators.*

### **OPEN SESSION**

The Board resumed Open Session at 11:16 a.m. with no reportable action.

#### **18. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Mr. Lai addressed the Board regarding the threat of petroleum coke emissions to community members near processing facilities and transportation routes.

#### **19. BOARD MEMBERS' COMMENTS**

Director Hudson suggested that public comments indicating the Air District has not done much lately are at odds with recent work and suggested an enhanced communication effort on progress being made is needed.

Director Kniss reported on a recent trip to Cuba and encouraged those with a similar opportunity to take advantage as soon as possible.

Director Gioia noted the importance of the Air District properly messaging the recent achievements relative to climate change and suggested to staff a dedicated portion of the website for that purpose.

Chairperson Groom echoed Director Gioia and asked for a brief staff presentation summarizing the same at the next Board meeting.

## **OTHER BUSINESS**

### **20. Report of the Executive Officer/APCO**

Mr. Broadbent said the Climate Protection Committee meeting on March 19, 2015 will include a staff summary of rulemaking work ahead and the associated challenges; the Deputy Executive Officer of CARB will likely appear before the Stationary Source Committee (SSC) at an upcoming meeting; the SSC meeting on March 16, 2015 will include a briefing on rulemaking work in progress; and then gave the staff presentation *Winter PM<sub>2.5</sub> [Fine Particulate Matter] Season*.

### **21. Chairperson's Report**

Chairperson Groom announced the cancellation of the Board meeting on March 4, 2015.

### **22. Time and Place of Next Meeting**

Wednesday, March 18, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

### **23. Adjournment:** The Board meeting adjourned at 11:26 a.m.

*15/ Sean Gallagher*

Sean Gallagher  
Clerk of the Boards