

Bay Area Air Quality Management District
Embassy Suites Hotel
Novato Meeting Room
101 McInnis Parkway
San Rafael, CA 94903

Board of Directors Special Meeting/Retreat
Wednesday, January 16, 2019

APPROVED MINUTES

*Note: Audio recordings of the meeting are available on the website of the
Bay Area Air Quality Management District at
www.baaqmd.gov/bodagendas*

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, David Hudson, called the meeting to order at 9:34 a.m. Chair Hudson thanked everyone for a great year in 2018, including the Board Committees for taking the time to consider staff recommendations prior to Board consideration. He stated that his priorities as Chair in 2018 had been to address Particulate Matter (PM) emission reductions, methane emission reductions, and the establishment of the Air District's Technology Implementation Office (TIO).

Roll Call:

Present: Chairperson David Hudson; Vice Chair Katie Rice; Secretary Rod Sinks; and Directors Margaret Abe-Koga, Teresa Barrett, John J. Bauters, Cindy Chavez, Pauline Russo Cutter, John Gioia, Carole Groom, Scott Haggerty, Tyrone Jue, Doug Kim, Rafael Mandelman, Karen Mitchoff, Nate Miley, Hillary Ronen, Mark Ross, Jim Spering, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors David J. Canepa, Liz Kniss, and Lori Wilson.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

Public comments were given by Steve Nadel, Sunflower Alliance; and Tara Cahn, Tara Cahn Architecture.

COMMENDATION/PROCLAMATION/AWARD

3. The Board of Directors recognized outgoing Board Chairperson, David Hudson, for his outstanding leadership as Chair of the Board of Directors for the calendar year of 2018. Chairperson-Elect Rice listed the accomplishments of the Air District under Chair Hudson's leadership in 2018.

NOTED PRESENT: Director Ronen was noted present at 9:45 a.m.

CONSENT CALENDAR (ITEMS 4 – 9)

4. Minutes of the Board of Directors Special Meeting of December 19, 2018
5. Board Communications Received from December 19, 2018 through January 15, 2019
6. Air District Personnel on Out-of-State Business Travel
7. Notices of Violations Issued and Settlements in Excess of \$10,000 during the month of December 2018
8. Authorization to Execute a Two-Year Contract and Associated Purchase Orders in Excess of \$100,000.00 Pursuant to Administrative Code Division II: Fiscal Policies and Procedures
9. Authorization to Execute a Contract with West Oakland Environmental Indicators Project for Community Engagement and Planning Purposes in West Oakland

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Wagenknecht made a motion, seconded by Director Ross, to **approve** the Consent Calendar Items 4 through 9, inclusive; and the motion **carried** by the following vote of the Board:

- AYES: Barrett, Bauters, Chavez, Cutter, Gioia, Groom, Haggerty, Hudson, Jue, Kim, Mandelman, Miley, Mitchoff, Rice, Ronen, Ross, Sinks, Spering, Wagenknecht, and Zane.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Abe-Koga, Canepa, Kniss, and Wilson.

COMMITTEE REPORT

10. Report of the Legislative Committee Meeting of January 14, 2019

Legislative Committee Chair, Doug Kim, read the following Committee report:

The Legislative Committee met on Monday, January 14, 2019, and approved the minutes of December 17, 2018.

The Committee considered new bills and positions recommended by staff, and recommends the following positions:

- **Assembly Bill 40 (Ting):** Requires the California Air Resources Board to develop a strategy to ensure all new motor vehicles and light-duty trucks are zero-emission by 2040 (*Support If Amended*);

- **Senate Bill 1 (Atkins):** Defines “baseline federal standards” for air quality and requires the California Air Resources Board to publish changes made to federal standards on a quarterly basis and assess how federal standards have been impacted by these changes *(Do not take a position until the Air District’s next Legislative Committee meeting, allowing time for District staff to meet with authors)*; and
- **Senate Bill 210 (Leyva):** Creates a Heavy-Duty Vehicle Inspection & Maintenance Program and a “smog check” for non-gasoline vehicles in excess of 14,000 lbs. gross vehicle weight. *(Do not take a position until the Air District’s next Legislative Committee meeting, allowing time for District staff to meet with authors)*.

The Committee then discussed the Sacramento Legislative Update, including topics such as: Legislative Committee Assignments for the 2019-2020 Legislative Session; the release of the Governor’s Budget, including allocations for wildfire emergency readiness, response and recovery; air districts’ continued need for implementation funding for Assembly Bill 617; Cap and Trade Program auction projections; budget cuts to California’s Funding Agricultural Replacement Measures for Emission Reductions Program; and Pacific Gas and Electric’s decision to file for bankruptcy.

Finally, the Committee discussed the Air District’s Potential Wildfire Smoke Public Health Legislation.

The next meeting of the Legislative Committee will be held on Monday, February 25, 2019, at 9:30 a.m., at the Bay Area Air Quality Management District office, 375 Beale Street, San Francisco, CA, 94105. I move that the Board approve the Committee’s recommendations. This concludes the Chair’s report of the Legislative Committee.

Public Comments

No requests received.

Board Comments

The Board and staff discussed the Legislative Committee’s reasoning for revising Air District staff’s recommendation regarding AB 40 (Ting).

Board Action

Director Kim made a motion, seconded by Chair Hudson, to **approve** the recommendations of the Legislative Committee; and the motion **carried** by the following vote of the Board:

- AYES: Barrett, Bauters, Chavez, Cutter, Gioia, Groom, Haggerty, Hudson, Jue, Kim, Mandelman, Miley, Mitchoff, Rice, Ronen, Ross, Sinks, Spring, Wagenknecht, and Zane.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Abe-Koga, Canepa, Kniss, and Wilson.

BOARD OF DIRECTORS RETREAT

11. Opening Comments

At this point, Chairperson-Elect Rice took over the remainder of the meeting as the Air District's new Chairperson. Jack P. Broadbent, Executive Officer/Air Pollution Control Officer (APCO), gave an overview of the retreat presentation, explaining the topics that would be covered.

NOTED PRESENT: Director Abe-Koga was noted present at 9:58 a.m.

A. State of the Air District, Air Quality Summary, and the Proposed Regulatory Agenda for 2019

Mr. Broadbent presented the following slides: overview; state of the Air District; air quality summary; Bay Area ozone trends; Bay Area PM_{2.5} exceedance trends; localized fire impacts seen on October 12, 2017; Camp Fire impacts seen on November 16, 2018; proposed regulatory agenda for 2019; and Diesel-Free by '33 Summit.

Board Comments

The Board and staff discussed whether levels of all six of the greenhouse gases covered under the Kyoto Protocol are increasing in the Bay Area, and whether the Air District is monitoring all of them.

B. Air District Administrative Overview

Rex Sanders, Chief Administrative Officer, presented the following slide: human resources update.

Board Comments

The Board and staff discussed the need for additional Air District staff positions in the Community Engagement Division to further educate the public and industry (particularly agricultural) about Air District programs, State requirements, and funding opportunities; the need for an assessment on the effectiveness of the geographic distribution of the Air District's Community Engagement staff; and the request that the Board members are kept apprised of the Air District's salary survey, which is to be conducted soon.

C. Air District Financial Overview

Dr. Jeff McKay, Chief Financial Officer, presented the following slides: fiscal update; actual reserves and policy; real estate update; eighth floor purchase at 375 Beale Street completed and space outline; and east bay air district facility purchase completed.

Board Comments

The Board and staff acknowledged the presence of Stan Hayes, Chairperson of the Air District's Advisory Council, and Dr. McKay reiterated the importance of the role that the Advisory Council plays at the Air District.

D. Bay Area Economic Overview

Leonid Bak, Economist, presented the following slides: comparison of Bay Area's economic performance compared to California and United States from 2001-2017; gainer and loser industries in the Bay Area's changing jobs landscape: cumulative change in industry employment between 2011 and 2016; Bay Area total annual population growth rates compared with California and United States from 2010-2017; how does the Bay Area real estate market compare to the United States average; and Bay Area's economy: and how will the past guide our future?

Board Comments

The Board and staff discussed the decline in population in the Bay Area and which demographic is leaving the Bay Area; the factors contributing to an increase in the education industry in the Bay Area; the suggestion that the Air District estimates conservatively and advocates progressively for State funds needed to execute State-mandated measures.

E. Update on Assembly Bill (AB) 617 Implementation

Greg Nudd, Deputy APCO of Policy, presented the following slides: AB 617 implementation; Richmond Monitoring Plan; West Oakland Action Plan; build capacity; statewide inventory; and control technology.

Board Comments

The Board and staff discussed the Air District's challenge of wanting to provide all interested communities with the opportunity to receive air-pollution-exposure-reduction measures through AB 617, but inability to do so, due to limited time and resources and eligibility criteria; whether community steering committee members from community-based organizations will receive compensation for their participation; the Air District's methodology for prioritizing the interested communities and criteria that is used to determine their eligibility; the hope that the building capacity requirements of selected communities will help to establish long-term awareness of the Air District's programs and initiatives; the concern that community stakeholders who have seats on the community steering committees will use those meetings to promote their special interests, and the request that Air District staff ensures that what the stakeholders want, and what works best for all parties, is well-balanced.

F. Climate Protection Program Update

Mr. Nudd presented the following slides: climate pollutant rule-making; Climate Protection Grant Program; Diesel-Free by '33; and Clean Air Plan implementation priorities for 2019.

Board Comments

The Board and staff discussed the request that the Advisory Council discuss the feasibility of a carbon tax imposed in the Bay Area; and the suggestion that the Air District eliminate the use of plastic bottles and containers and moves to greener practices when serving refreshments at Board and Committee meetings.

G. Key Stationary Sources Update

Damian Breen, Deputy APCO of Technology presented the following slides: update on stationary source efforts: District Regulations 11-18 and 12-15, refinery projects, and major focus areas.

Board Comments

The Board and staff discussed the status of the proposed expansion of Phillips 66's marine terminal in Rodeo; and how the Air District can assist with waste diversion facilities that may be experiencing temporary increases in emissions while transitioning to sustainable technologies.

H. Update on the Technology Implementation Office

Dr. Ranyee Chiang, Technology Implementation Officer, presented the following slides: Mission - accelerate adoption of climate technologies to reduce demand for fossil fuels; 2018 - Climate Technology Review to prioritize focus areas, established and updated financing mechanisms to support technology projects, and key programs; and 2019: partnerships with customers and projects.

Board Comments

The Board and staff discussed the request that initiatives from the TIO be conveyed to City Managers and County Supervisors so that all Bay Area municipal jurisdictions can inform their constituents; whether the Air District is coordinating its efforts with those of the State; the suggestion that the Air District utilizes innovative uses of existing technologies that can quickly become widely available to the average consumer; the concern that the electric vehicle (EV) sales-penetration rate is not accelerating quickly enough in the United States; the need for EV charging infrastructure to be made available at multi-family dwellings; the need for technologies that will decarbonize by building electrification. community choice aggregation organizations' consideration of reach codes, statewide optional construction energy efficiency standards that exceed the requirements of a state's mandatory codes; and the Air District's potential to serve as a catalyst for significant commercialization of certain technologies.

I. Wildfire Air Quality and Community Health Response Update

Wayne Kino, Deputy APCO of Operations, and Alan Abbs, Legislative Officer, presented the following slides: wildfire history; summer 2018 California fires; PM_{2.5} concentrations; Wildfire Air Quality Response Program; program strategy; legislative strategy; and costs.

The Air District presented David Tewelde, Director of Sales and Marketing, of Embassy Suites by Hilton (in San Rafael) with an award for outstanding commitment to the community, explaining how the facility served victims of 2018 wildfire. Mr. Tewelde also gave comments about the Embassy Suites' efforts to provide aid to the community during and after the fires.

Board Comments

The Board and staff discussed the request that the Air District apprise County Supervisors of everything related to the proposed legislation that is discussed with county Public Health Officers; whether an author has been identified, and the request that the author be a Bay Area representative; whether the Air District's Legislative Committee will meet again before the proposed legislation is

introduced; the request that the Air District publicizes Embassy Suites' community service to the wildfire victims in 2018, and the suggestion that the Air District challenges the public sector to do the same for their communities during future wildfires; the suggestion that the Air District introduces this proposed legislation as a spot bill to give the Air District's Legislative Committee time to vet the language (so as to avoid having to make significant revisions later), and introduce a pilot program as a trailer bill; how the proposed amendments to District Regulation (Open Burning) would affect prescribed burning; CalCCA's development of legislation requesting transparency between community choice aggregation organizations and investor-owned utility companies regarding cost allocation and risk mitigation; how the potential future restructuring of Pacific Gas and Electric may be an opportunity for the Air District to establish itself as a stakeholder and catalyst of the deployment of resources and future infrastructure; and the suggestion that adequate public outreach is executed to properly inform the public of the proposed clean air shelters.

J. Board Development and Committee Assignments for 2019

Chair Rice released the Board Members' 2019 Standing Committee Assignments and said that one of her goals was to ensure more calendar predictability. She also announced her intention to combine several existing committees, and that she planned to call only one Board meeting per month in 2019, unless matters require additional Board meetings per month.

Board Comments

The Board and staff discussed when the new committee assignments go into effect.

Public Comments (on Items 11A – 11J):

Public comments were made by the following speakers: Jed Holtzman, 350 Bay Area; Greg Karras, Communities for a Better Environment; and Janet Stromberg, 350 Bay Area.

PUBLIC COMMENT ON NON-AGENDA MATTERS

12. Public Comments on Non-Agenda Items, Pursuant to Government Code Section 54954.3

No requests received.

BOARD MEMBERS' COMMENTS

13. Board Members' Comments

- Director Ronen announced her resignation from the Board, as she has been appointed as a Commissioner of the Metropolitan Transportation Commission.
- Director Mitchoff requested that the Air District's website lists Board and Committee meetings in chronological order, from January to December, rather than from December to January. She also reiterated her previous request that live links to meeting documents be embedded in electronic meeting agendas.
- Director Zane stated that she recently attended the National Council for Science and the Environment's Annual Conference and spoke about resiliency efforts in Sonoma County after the 2017 wildfires.

- Director Kim suggested that the Air District’s Public Engagement Committee educate the public of what the Air District is and does, aside from the Spare the Air Program. He suggested the creation of a new separate website to specifically address active wildfires. He also inquired as to why the Air District does not have an established awards program to acknowledge entities that have made outstanding contributions to clean air in their communities.
- Vice Chair Sinks said that he hopes that Board members will make an effort to remain present until Board meetings are adjourned, as Board meetings are anticipated to be longer in 2019.
- Director Spring requested a report on the status of fence line monitoring at refineries at an upcoming Board meeting. Furthermore, he asked how the Air District plans to use the data that is gathered.

OTHER BUSINESS

14. Report of the Executive Officer/Air Pollution Control Officer

Mr. Broadbent requested to table this item until February 6, 2019.

15. Chairperson’s Report

Chair Rice congratulated Directors Wagenknecht and Zane for their recent reappointments to the Board and said that she looked forward to welcoming Director Lori Wilson next month.

16. Time and Place of Next Meeting

Wednesday, February 6, 2019, at 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

17. Adjournment

The meeting adjourned at 1:13 p.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards