



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
ADMINISTRATION COMMITTEE

COMMITTEE MEMBERS

CINDY CHAVEZ – CO CHAIR	CAROLE GROOM – CO CHAIR
KAREN MITCHOFF – VICE CHAIR	MARGARET ABE-KOGA
JOHN BAUTERS	RICH CONSTANTINE
ERIN HANNIGAN	TYRONE JUE
KATIE RICE	MARK ROSS
BRAD WAGENKNECHT	

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY
EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR GAVIN NEWSOM**

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY
CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT’S AGENDA
WEBPAGE AT**

www.baaqmd.gov/bodagendas

- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE
FOLLOWING LINK OR BY PHONE**

<https://bayareametro.zoom.us/j/86157498940>

(669) 900-6833 or (408) 638-0968

WEBINAR ID: 861 5749 8940

- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A
COMMENT CAN USE THE “RAISE HAND” FEATURE BY DIALING “*9”. IN
ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE
YOUR APPLICATION IS UP TO DATE**

**WEDNESDAY
SEPTEMBER 15, 2021
10:30 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Co-Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

CONSENT CALENDAR (ITEMS 2-3)

Staff/Phone (415) 749-

2. APPROVAL OF THE MINUTES OF MAY 19, 2021

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Administration Committee meeting of May 19, 2021.

3. HEARING BOARD QUARTERLY REPORT: APRIL 2021 – JUNE 2021

**Valerie Armento
Hearing Board Chair**

The Committee will receive the Hearing Board Quarterly Report for the period of April 2021 through June 2021.

END OF CONSENT CALENDAR

REGULAR AGENDA (ITEMS 4-7)

4. MANAGEMENT AUDIT VENDOR SELECTION

J. Chiladakis/4750
jchiladakis@baaqmd.gov

The Committee will receive an update on the management audit vendor selection.

5. REVIEW AIR DISTRICT RECRUITMENT AND SELECTION PLAN

R. Sanders/4951
rsanders@baaqmd.gov

The Committee will review and discuss the Air District Recruitment and Selection Plan.

6. REVIEW AIR DISTRICT ADVISORY COUNCIL RECRUITMENT AND SELECTION PROCESS

G. Nudd/4786
gnudd@baaqmd.gov

The Committee will review and discuss the Advisory Council recruitment and selection process.

7. UPDATE ON THE EMPLOYEE ENGAGEMENT AND CULTURE INITIATIVE

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will receive an update on the Employee Engagement and Culture Initiative.

END OF REGULAR AGENDA

8. PUBLIC COMMENT ON NON-AGENDA MATTERS

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

9. COMMITTEE MEMBER COMMENTS

Any member of the Committee, 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).

10. **TIME AND PLACE OF NEXT MEETING**

Wednesday, October 20, 2021, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

11. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Co-Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- 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 offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

SEPTEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Meeting	Monday	13	8:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	15	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	15	10:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee - CANCELLED	Wednesday	15	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	17	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee - CANCELLED & RESCHEDULED TO MONDAY, SEPTEMBER 27, 2021 at 9:00 A.M.	Thursday	20	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	23	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	27	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20

OCTOBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	7	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	18	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	20	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	20	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Advisory Council Meeting	Monday	25	8:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	28	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

MV – 9/7/2021 – 8:01 A.M.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2021

Re: Approval of the Minutes of May 19, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Administration Committee (Committee) meeting of May 19, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of May 19, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Committee Meeting of May 19, 2021

AGENDA 2A – ATTACHMENT

Draft Minutes – Administration Committee Meeting of May 19, 2021

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Administration Committee Meeting
Wednesday, May 19, 2021

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the Committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Administration Committee (Committee) Co-Chairperson, Cindy Chavez, called the meeting to order at 9:31 a.m.

Present: Co-Chairpersons Cindy Chavez and Carole Groom; Vice Chairperson Karen Mitchoff; and Directors Margaret Abe-Koga, John Bauters, Rich Constantine, Tyrone Jue, Katie Rice, Mark Ross, and Brad Wagenknecht.

Absent: Director Erin Hannigan.

Also Present: None.

2. APPROVAL OF THE MINUTES OF APRIL 21, 2021

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Wagenknecht made a motion, seconded by Director Constantine **approve** the Minutes of April 21, 2021; and the motion carried by the following vote of the Committee:

AYES: Abe-Koga, Bauters, Chavez, Constantine, Groom, Jue, Mitchoff, Rice, Ross, Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Hannigan.

3. BAY AREA REGIONAL COLLABORATIVE (BARC) UPDATE

Allison Brooks, Executive Director of BARC, gave the presentation *BARC Work Plan Update*, including: BARC work plan updates; climate resiliency - state legislative engagement update; and May 21 BARC Governing Board - focus on diversity, equity, and inclusion.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed BARC’s pursuit of opportunities for climate adaptation planning funds from State Budget surplus.

Committee Action

None; receive and file.

4. COMMUNITY MONITORING FUNDING AND EXPENDITURES UPDATE

Greg Nudd, Deputy Air Pollution Control Officer of Policy, gave the staff presentation *Community Monitoring Funding and Expenditures*, including: outcome; requested action; outline; community monitoring request; funding sources and limitations; expenditures by county; county demographics; transparent & equitable funding scope; improving location specific data; transparent & equitable funding roadmap and timeline; and feedback requested.

Public Comments

Public comments were given by Y’Anad Burrell, Richmond resident; and Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed the public’s long-standing request for greater transparency and accountability regarding the Air District monitoring expenditures and how those expenditures are dispersed across the region; varying types of monitoring, microclimates, and other factors in different Bay Area subregions; expenditures for Aclima projects (to date); contributing factors as to why more community air monitoring activities are being carried out in some Bay Area counties than in others; whether the Air District will pursue additional state funding sources for community monitoring funding allocation; the request for additional context in future presentations on this topic to avoid potential misconceptions and misinterpretations regarding equality among the Bay Area counties; and whether labor costs are considered negligible.

Committee Action

None; receive and file.

5. DIRECTION ON COMMUNITY TOUR PROTOCOL

Veronica Eady, Senior Deputy Executive Officer of Policy & Equity, gave the staff presentation *Direction on Community Tour Protocol*, including: outcome; outline; requested action; background; protocol for community tours; and feedback requested.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the need for funding for community tours to be built into the Air District's annual budget, and the request for next steps on how to achieve better budget transparency; the importance of having Board members who live outside Bay Area communities most directly impacted by multiple sources of toxics and pollution to attend these tours; whether a minimum number of tours per year and/or tour schedule will be established; the suggestion of inviting stakeholders and representatives from non-profit organizations to the tours; the suggestion of asking Board members to identify such parties; and the importance of learning about the history of the communities that are to be toured.

Committee Action

None; receive and file.

6. FOLLOW UP ON FISCAL YEAR ENDING (FYE) 2022 BUDGET DIRECTION

Air District staff gave four presentations on four topics within this item:

- A. **Community Benefit Fund** - The Committee considered a modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations to increase the Community Benefit designation.

Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *Consideration of Increase to Community Benefit Reserves Designation in proposed Fiscal Year Ending 2022 Budget*, including: outcome; outline; requested action: reserves designations; revised reserves designations; next steps; feedback requested/prompt.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the request for the prioritization of the seating of the Community Advisory Council.

B. Cost Recovery - The Committee considered next steps to reach full Cost Recovery.

Dr. McKay gave the staff presentation *Cost Recovery*, including: outcome; outline; requested action; financial history; possible path to 100% cost recovery; draft fee amendments; proposed changes to fee schedules; impact on businesses assuming cost recovery in one year (petroleum refineries, power plants); impact on small business assuming cost recovery in one year; impact on other businesses assuming cost recovery in one year; next steps; and feedback requested/prompt.

Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed the history of the Air District’s current cost recovery policy, how that policy has affected fee increases for small businesses over the past ten years, and how they would be affected if the Air District adopted a 100% cost recovery policy; the request for a comparison of fee revenue projections with an 80% cost recovery goal versus the projected 100% goal; concerns about increasing the fees for publicly-owned treatment works plants, resulting in fee increases for rate payers; consideration of differentiation for facility type within the upcoming cost recovery study; whether the Air District could maximize fee increases for facilities that are particularly carbon-intensive; the feasibility of imposing an increased carbon fee; and the request that the Air District gives as much advanced notice as possible to permitted facilities about fee increases.

C. Review Workplan to Initiate Management Audit – The Committee considered a workplan and timeline to procure services and initiate a management audit.

John Chiladakis, Acting Chief Administrative Officer, gave the staff presentation *Management Audit Workplan*, including; outcome; outline; requested action; scope of work; workplan; and selection panel.

Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association.

Committee Comments

The Committee and staff discussed which Board members will serve on the panel that will select the auditor.

D. Employee Recruitment Rate – The Committee received a report on the expected Fiscal Year Ending (FYE) 2022 employee recruitment rate.

Mr. Chiladakis gave the staff presentation *Expected Employee Recruitment Rate in Proposed Fiscal Year Ending 2022*, including: outcome; outline; requested action; 6 year average recruitment rate; recruitment rates from 2016 to 2020; Full Time Equivalent (FTE) 2021 job open rate; accelerating recruitment; and anticipated recruitment rate.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed concerns regarding the requested staffing increase, including whether the Air District has had time to implement its intended efforts to recruit more young people of color and women; the request for a recruitment plan (presented at a future Committee meeting) containing defined phasing and the number of current vacancies; the Air District’s employee retention of new hires; and the anticipated timeline for the management audit;

Committee Action (6A – 6D)

Vice Chair Mitchoff made a motion, seconded by Director Constantine, to recommend the Board:

1. **Modify** the Proposed Fiscal Year Ending 2022 budget Reserves Designations to increase the Community Benefit designation from \$1M to \$3M, reducing the Pandemic Contingency designation from \$10M to \$8M, and require that Air District staff give regular updates on the Community Benefit Fund to the Committee;
2. **Set** a target for a 100% cost recovery policy;
3. **Approve** the proposed workplan to initiate a management audit and the scope of work to procure services for a management audit, acknowledging the following priorities: evaluate the Air District’s current hiring process, analyze Air District divisions that are asking for the greatest numbers of new staffing positions, include a risk assessment within the audit. The selection team of the auditor will include Board Members Carole Groom and Margaret Abe-Koga, as well as one community member appointed by the Community Equity, Health, and Justice Committee, and another appointed by the Stationary Source and Impacts Committee; and
4. **Request** that Air District staff prepare and present a recruitment plan to the Committee, including and a defined phasing of that plan, which should reflect the diversity of Bay Area communities.

The motion carried by the following vote of the Committee:

AYES: Abe-Koga, Bauters, Chavez, Constantine, Groom, Jue, Mitchoff, Rice, Ross,
Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Hannigan.

CLOSED SESSION (11:33 a.m.)

7. CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6(a))

Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
John Chiladakis, Acting, Chief Administrative Officer
Terri Levels, People and Engagement Officer

Employee Organizations: Bay Area Air Quality Management District Employees’
Association, Management, and Confidential Employee
Groups

REPORTABLE ACTION: NONE REPORTED

OPEN SESSION (12:01 p.m.)

8. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

9. COMMITTEE MEMBERS’ COMMENTS

None.

10. TIME AND PLACE OF NEXT MEETING

Wednesday, September 15, 2021, at 10:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

11. ADJOURNMENT

The meeting adjourned at 12:02 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Chairperson Valerie J. Armento, Esq., and
Members of the Hearing Board

Date: September 10, 2021

Re: Hearing Board Quarterly Report: April 2021 – June 2021

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

This report covers the second calendar quarter (April - June) of 2021.

- Held one hearing;
- Processed four orders; and
- Collected a total of \$1,519 in Hearing Board filing fees.

Below is a detail of Hearing Board activity during the same period:

Location: Alameda County, City of Fremont

Docket: 3725 – Appeal of Tesla, Inc., from Permit Conditions Contained in Authority to Construct for Permit Application 30523 – Appeal

Regulation(s): Regulation 2, Rule 2, Section 301 (Permits, New Source Review, Best Available Control Technology Requirement); Permit Condition 27327, Part 4

Synopsis: Tesla, Inc. filed an Appeal of an Authority to Construct permit issued by Respondent, the APCO of the Bay Area Air Quality Management District (BAAQMD), on October 13, 2020. The Authority to Construct permit was issued by the APCO in response to Tesla's application (Application No. 30523) to install two new aluminum melting furnaces. Specifically, Tesla appealed two emission limitations: oxides of nitrogen (“NOx”) and carbon monoxide (“CO”) – of a maximum 9 pounds per day, set forth in Part 4 of Condition 27327, specified in the Authority to Construct. The APCO included these 9 lb/day emission limits for NOx and CO to ensure that the furnaces’ emissions remain below the level at which they would trigger the “Best Available Control Technology” requirement in District Regulation 2-2-301. Regulation 2-2-301 requires that any new source that will have the potential to emit 10 pounds or more of certain specified

pollutants, including NO_x and CO, must implement the Best Available Control Technology, or “BACT,” to control emissions of those pollutants.

Tesla wanted to obtain its permit in a very short time frame and was willing to agree to keep emissions below 10 lb/day, so that these furnaces would not be subject to the BACT requirement in Regulation 2-2-301. If the sources will have the potential to emit 10 lb/day or more, then BACT would be triggered and Air District staff would need to undertake a detailed review of available control technologies, what type of control technologies and emissions limits have been achieved at other similar sources, and whether it would be technologically feasible and cost-effective to achieve an even more stringent level of control. This is an in-depth engineering analysis that necessarily takes a substantial amount of time to complete, and if District staff had to conduct such an analysis it would take longer to review the application and issue the permit. The APCO therefore understood that Tesla would agree to keep emissions below 10/lb/day so as to avoid triggering the BACT requirement and this more detailed and time-consuming level analysis. Tesla did not agree to this BACT Avoidance approach and it was not aware that the APCO was intending to include these 9 lb/day BACT avoidance limits until the Authority to Construct was issued. Further, Tesla did not receive the engineering analysis until October 21, 2020, eight days after the issuance of the Authority to Construct. Tesla contended that the APCO should have conducted the BACT analysis, and should have agreed that emissions control equipment and corresponding NO_x and CO emissions limits that Tesla proposed in Application 30523 reflect the Best Available Control Technology and should be approved.

The Parties agreed that instead of litigating their dispute, the best way forward was for the Hearing Board to remand the matter for the APCO to undertake further analysis, conducting the full BACT analysis Tesla requested, and render a revised decision on Application 30523. Based on this analysis, the APCO could determine whether the emissions control equipment and corresponding NO_x and CO emissions limits Tesla proposed in Application 30523 satisfied the BACT requirement and complied with District Regulation 2-2-301. The APCO would then be in a position to approve or deny Tesla’s application as compliant or non-compliant with District regulations. Should Tesla be dissatisfied with the APCO’s decision, Tesla would then be able to appeal that decision to the Hearing Board, and at that point, the Hearing Board would have a full and complete record on which to review any remaining questions about what is required by Regulation 2-2-301 for this particular project.

Status: Appeal filed on November 12, 2020; hearing scheduled for January 12, 2021; parties submitted Stipulation and Request for Entry of Stipulated Order for Remand on January 11, 2021; hearing held on January 12, 2021; Stipulated Order for Remand (ordering Air Pollution Control Officer to grant or deny Application 30523 by January 29, 2021) filed on January 12, 2021; parties submitted Stipulation and Request for Entry of Amendment of Stipulated Order for Remand on February 12, 2021; Order Extending Time (revising decision date to March 19, 2021) filed on February 19, 2021; parties submitted Stipulation and Request for Order Extending Time on March 19, 2021; Stipulated Order Extending Time (revising decision date further to April 19, 2021) filed on March 19, 2021; Order Extending Time Further (revising decision further to April 30, 2021) filed on April 20, 2021; Order Further Extending Time Based Upon Stipulation (revising decision further to May 14, 2021) filed on April 30, 2021; parties requested a withdrawal of the matter on May 14, 2021, which was granted by the Hearing Board Chair on May 17, 2021.

Appeal-related fees collected this quarter: \$0

Location: Alameda County; City of Oakland

Docket: 3729 – APCO vs. Vspetrousa, Inc., et al – Request for Order for Abatement

Regulation(s): Regulation 2, Rule 1, Section 302 (Permits, General Requirements, Permit to Operate)

Synopsis: Respondents own or operate a gasoline dispensing facility in Oakland California, for which a District permit to operate is required pursuant to District Regulation 2, Rule 1. District records indicate they have owned or operated the facility since at least October 27, 2015 and have not had a current or valid permit to operate the facility for the entire period of ownership. The District is informed and believes and thereon alleges that Respondents know they must hold a permit to operate a gasoline dispensing facility, but that despite knowledge, they had been operating it without one since at least October 2015. Complainant seeks an order that Respondents cease conducting these operations unless and until they obtain a District permit to do so.

Status: Accusation filed on March 10, 2021; Notice of Hearing (for April 20, 2021) file/issued on March 16, 2021; Complainant filed Request for Official Notice in Support of Accusation on April 12, 2021; Complainant submitted Exhibits C-1 through C-9 to the Clerk on April 14, 2021; hearing held on April 20, 2021; Conditional Order for Abatement filed on May 11, 2021.

Location: Santa Clara County; City of San Jose

Docket: 3730 – SFPP L.P. San Jose Terminal – Request for Emergency Variance

Regulation(s): Regulation 8, Rule 5, Section 305.5 (Organic Compounds, Storage of Organic Liquids, Requirements for Internal Floating Roof Tanks)

Synopsis: SFPP L.P. San Jose Terminal (Applicant) operates a bulk petroleum terminal with petroleum product storage and loading in San Jose, California. At that location, “Tank SJ12” is a multi-purpose internal floating roof tank in ethanol service. A visual inspection is conducted every three months; a seal gap inspection is conducted every five years; tank is inspected thoroughly when out of service, every ten years; at approximately 14:30 (Pacific) on April 27, 2021, the tank inspector observed a small puddle of liquid/slug on the internal floating roof tank through the fixed roof hatch during the quarterly visual seal inspection, and the puddle was confirmed to be product; the cause of failure was a defect on the roof near the ladder well; the operator attempted to conduct a temporary repair within 48 hours, as required by Air District Regulation 8-5; however, due to safety concerns, the facility deemed it impossible to complete the repair within 48 hours; the tank was about half full when the defect was identified; facility attempted temporary repair, and began emptying the tank in order for an out-of-service inspection and permanent repair; the product on the roof was cleaned as quickly as possible; the facility planned to repair the defect and conduct an investigation once the tank is taken out of service.

Status: Application filed on May 3, 2021; Air District Compliance and Enforcement Division recommendation that the emergency variance be denied filed on May 10, 2021; Hearing Board recommendation that the emergency variance be denied filed on May 11, 2021; Order Denying Emergency Variance filed on May 12, 2021.

Requested Period of Variance: April 29, 2021 to May 28, 2021

Estimated Excess Emissions: 13.16 lb (2 gallons) of volatile organic compounds (ethanol)/day

Variance-related fees collected this quarter: \$1,519.00 (filing fee)

Respectfully submitted,

/s/ Valerie J. Armento

Valerie J. Armento, Esq.
Chair, Hearing Board

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2021

Re: Management Audit Vendor Selection

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On June 16, 2021, the Board of Directors approved a workplan to initiate a management audit and the scope of work to procure services for a management audit, acknowledging the following priorities: evaluate the Air District's current hiring process, analyze Air District divisions that are asking for the greatest numbers of new staffing positions, include a performance audit and risk evaluation. The vendor selection team for the auditor would include Board Members Carole Groom and Margaret Abe-Koga, as well as one community member appointed by the Community Equity, Health, and Justice Committee, another appointed by the Stationary Source and Climate Impacts Committee, and a subject matter expert in management audits.

DISCUSSION

On June 30, 2021, the Air District issued a Request for Qualifications for Management Audit Services which closed on July 21, 2021. During the open period, the Air District received six proposals from various vendors.

A vendor selection panel was assembled and includes Board Members Carole Groom and Margaret Abe-Koga, as well as one community member appointed by the Community Equity, Health, and Justice Committee, another appointed by the Stationary Source and Impacts Committee, and a subject matter expert in management audits. The Panel met in August 2021 and is nearly complete scoring the submitted proposals.

The Vendor Selection Panel is scheduled to meet in September 2021 to select finalists from the submitted proposals, develop interview questions, and interview the finalists. After the interviews are complete, the members of the Selection Panel will independently score each finalist, and the scores will be presented to the Administration Committee with a recommendation to execute a contract with the highest scoring vendor.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2021

Re: Review Air District Recruitment and Selection Plan

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On June 16, 2021, the Board of Directors approved 26 new positions for the Fiscal Year Ending (FYE) 2022 Budget. The Board of Directors encouraged recruitment of diverse candidates and requested Air District staff provide a recruitment plan to highlight these efforts.

DISCUSSION

The Air District's Human Resources Office, in coordination with hiring managers, oversees recruitment efforts for positions throughout the Agency. These efforts include outreach, education and processing of applications to maximize the opportunity to recruit and retain a highly diverse employee pool.

Current efforts include, utilizing broad job descriptions to attract candidates of diverse backgrounds, perspectives and experiences; offering a diversity tool kit for managers which includes trainings and information about implicit bias and diversity, equity and inclusion; recruiting a diversity of volunteers to sit on recruitment panels to assess candidates; proactively reaching out and encouraging underrepresented candidates to apply; utilizing community mailing lists to distribute job announcements; continuously developing and using an outreach list of diverse professional organizations, networks, and societies that we use for all position announcements; developing more Employee Resource Groups, which are crucial to an inclusive culture; developing partnerships with not-for-profit internship programs; we use best practices in screening applications blindly to help eliminate bias.

Additional efforts that will provide an opportunity for improvement include, creating a mandatory diversity hiring workshop for managers in October 2021; a Human Resources/Organizational Development consultant has been hired to review our recruitment processes and materials to assess areas of opportunities to improve upon; working with the Employees' Association to negotiate removing education barriers from job classifications, adding language that substitutes education for work experience; continuing to develop our outreach of open positions to the community and specifically to diverse candidates.

The Air District's efforts will be discussed as part of the presentation on this item and we welcome input from the committee members and public about ways to improve our efforts.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Terri Levels
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2021

Re: Review Air District Advisory Council Recruitment and Selection Process

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Pursuant to Section 40262 of the California Health & Safety Code, the Air District is required to maintain an Advisory Council consisting of seven appointed members “skilled and experienced in the fields of air pollution, climate change, or the health impacts of air pollution. Members shall be selected to include a diversity of perspectives, expertise and backgrounds.” The Council advises and consults with the Air District Board and the Air Pollution Control Officer on implementation of the Air District’s regulatory authority.

The Advisory Council recruitment was posted to the Air District website in late June 2020, as well as in recruitment sites. Air District staff notified community groups and sent out an eblast to over 1,000 stakeholders. In November 2020, the Board of Directors Ad Hoc Committee on Equity, Access, and Inclusion, together with the community, encouraged recruitment of more diverse candidates. Air District staff continued recruitment efforts throughout the winter and the recruitment closed in February 2021.

Candidates were initially screened by a panel of Air District staff that share subject matter expertise and have worked closely with the Advisory Council in the past. All qualified candidates were then screened by a panel of community members. The top 13 highest ranked candidates of this initial screening were then reviewed and interviewed by a panel comprised of community members and two Board members. The slate of candidates selected by the interview panel was brought before the Board of Directors in July 2021 and four candidates were approved to join the Advisory Council.

DISCUSSION

The extended opening and outreach ensured a more robust pool of applicants. The Air District received twenty-seven (27) applications. Staff were able to coordinate an internal and external review panel, as well as interviews, and the inclusion of Board members and community members in a review and interview process created a more inclusive process.

Staff recognizes; however, that some parts of the outreach and review process could be improved in future recruitment efforts.

In terms of applicants, while this pool was more diverse and representative of the Bay Area, the Air District received only two applicants who identified as Black or African American and one applicant who identified as Hispanic or Latino. In addition, only 37% of applicants identified as female.

Additionally, in the review of applicants, the external review panel and interview panel were composed of the same Board and community members. In the future, staff will work to ensure these panels are distinct to allow for more Board member and community participation in the recruitment process.

Staff recognizes that this more robust outreach, recruitment, and review process will require more Board member engagement earlier in the process and in future recruitments will begin coordinating with Board members sooner.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Terri Levels and Sonam Shah-Paul
Reviewed by: Greg Nudd and Veronica Eady

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administrative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2021

Re: Update on the Employee Engagement and Culture Initiative

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 2019 the Air District issued a Request for Proposal for services to support the development of strategic initiatives surrounding the Air District's organizational development and employee engagement. The intent of the project is to develop an in-depth understanding of the Air District's existing culture and aid the management team with the development of action plans that will strengthen the Air District's culture, performance, and accountability. To this end, the Air District engaged Illumyx, a culture analytics firm, to:

- Describe and diagnose the Air District's organizational culture to help better determine strengths and opportunities for improvement, especially with employee engagement
- Determine whether the Air District is heading in the direction it wants to go in regard to culture and identify any gaps
- Recommend and co-create specific strategy and action plans management can take to achieve its goals

DISCUSSION

Illumyx used a mixed-method research approach that combined qualitative and quantitative methods to get results that are wide-reaching and meaningful. The primary methods of data collection were interviews, focus groups, and employee surveys. The interviews and focus groups are exceptionally useful in exploring poorly understood and complex phenomenon like an organization's culture. Illumyx used these methods to uncover concerns and issues of participants and identify any unanticipated topics that need to be addressed in a survey of employees. These methods help Illumyx localize its surveys to the specific organizational culture and helps Illumyx strengthen various types of survey validity (e.g., construct validity, face validity, etc.) and reliability. The initial qualitative assessment consisted of:

- 3 kick-off sessions (Deputy Air Pollution Control Officers (DAPCOs), Directors and Officers, and all-staff) with snap polls of culture themes
- 21 interviews with DAPCOs, Directors, Managers, and Employee Association representatives
- 14 employee focus groups that included 90 employees

A convenience sampling strategy was employed for focus group participation. Stratified sampling was also utilized by placing participants in groups with a shared demographic trait such as Division, role, and hierarchical levels. Illumyx coded all captured focus group comments for topics and subtopics and then scored them for sentiment. The results of all these efforts led to the creation of a 106-question (including demographic questions) culture engagement survey, measuring the behaviors, beliefs, and attitudes of the Air District's workforce regarding organizational culture. Organizational culture guides the way individuals and groups behave within an organization—it includes the attitudes, behaviors, beliefs, experiences, vision, mission, purpose, and values reinforced within an organization. While culture is many things, it is fundamentally a socially learned process for creating, communicating, storing, and managing how things get done. Illumyx offered the culture survey to all Air District employees in the summer of 2020 and began statistical data analysis thereafter.

The Air District surpassed the participation goal and achieved a total survey response rate of 86%. Every Division achieved at least a 75% completion rate and five Divisions achieved 100%.

The Air District scored 38 on its Culture Score, employer net promoter score (eNPS), which reflects general employee approval across the organization. Based on Illumyx research, a Culture Score (eNPS) of 40 or higher places an organization into the Workplace of Choice category, which represents an employer that offers a workplace culture and environment that attracts and retains superior talent. Many organizations use Culture Score as a quick snapshot of employee engagement.

Culture Score (eNPS) is measured on a scale from -100 to 100. Scores below -20 indicate significant employee frustrations, while scores above 20 indicate greater employee loyalty and enthusiasm.

After the presentation and review of results, Illumyx worked with the Executive Leadership Team, the Human Resources and Diversity Equity & Inclusion leadership team, and the Cultural Advisory Team (CAT) to identify outcome measures, strategies, and actions. The agreed upon focus areas will form the pillars from which the Air District can develop action plans and strategies that cascade throughout the organization.

The CAT, a team of Air District employees from throughout the organization is focused on implementing and championing culture initiatives and will present their work to date as part of the presentation on this item.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mark Tang and Sonam Shah-Paul
Reviewed by: Jack P. Broadbent