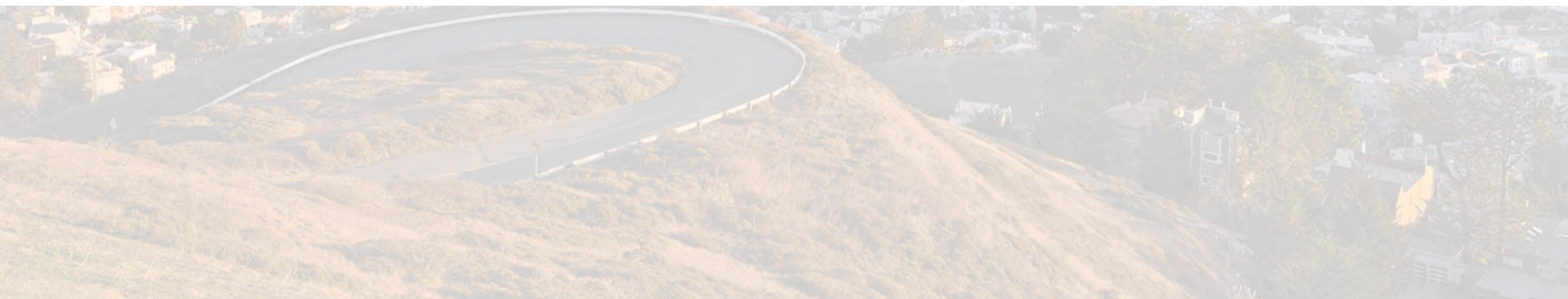


Bay Area Regional Collaborative (BARC) Work Plan Update

Allison Brooks
BARC Executive Director
May 19, 2021



BARC Work Plan Updates

1. Climate Resiliency: *State Legislative Engagement Update*
2. 5/21 BARC Governing Board: *Diversity, Equity and Inclusion Focus*

Climate Resiliency: State Legislative Engagement Update

- Climate Adaptation Legislative Working Group
 - Coordinating regional input on AB897 (Mullin), which would create regional climate adaptation planning groups
- Pursuing opportunities for climate adaptation planning funds in historic \$75bn state budget surplus (*continued on next page*)

Climate Resiliency: State Legislative Engagement Update

May 13th Joint Letter requesting \$500m in Climate Adaptation Funds from State Budget

- Coalition includes MTC/ABAG, BARC, Port of SF, ONESF, SFMTA, SFO, Port of Oakland, and nonprofit partners
- Would fund planning and risk assessments to prepare for sea level rise, flooding, wildfires, extreme heat, and other risks
- Help jurisdictions leverage federal infrastructure funding

5/21 BARC Governing Board: Focus on Diversity, Equity, and Inclusion

- Sharing best practices and initiatives to advance racial across agencies
- Finding opportunities for greater coordination



An aerial photograph of San Francisco, California, showing the city's dense urban landscape, the Golden Gate Bridge, and the surrounding hills and water. The image is slightly faded to serve as a background for the text.

Thank You!

Allison Brooks
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AGENDA: 4

Community Monitoring Funding and Expenditures

**Administration Committee Meeting
May 19, 2021**

**Greg Nudd
Deputy Air Pollution Control Officer
gnudd@baaqmd.gov**

Outcome



- Committee and community learn about and provide feedback on community monitoring funding sources and expenditures, as part of the Transparent & Equitable Funding Project.

Requested Action



- Information only: Community Monitoring Funding and Expenditures

Outline



Community Monitoring Information Request

Funding Sources and Limitations

Community Monitoring Expenditures

County Level Expenditures

County Demographics

Improving Location Specific Data

Transparent & Equitable Funding Project

Community Monitoring Request



- Sources of revenue, public and private received and used for community monitoring and affiliated work;
- Restrictions, limitations or other requirements placed on those funds;
- Whether the funding source is ongoing or one-time in nature;
- Expenditure by county and baseline population data; and
- Type of expenditure made, e.g. capital investments, staff time, contract services, or operations and supplies.

Funding Sources



Community Air Protection Grants

Provided by state to implement AB 617

~\$9 million/year

AB 617 Fee

Passed in June 2020. Applies to Title V facilities.

~\$1 million/year

Schedule X

Adopted in May 2016. Covers costs of Community Air Monitoring Program.

~\$1 million/year

Funding Limitations



Community Air Protection Grants

- For AB 617 implementation.
- Steering committees, emissions reduction and monitoring plans, enforcement costs, air monitoring, reporting emissions, and BARCT.
- Staff, capital costs, and professional services.
- Have used funds to provide grants.

AB 617 Fee

- For AB 617 implementation.
- BARCT and other AB 617-related rule making.
- Monitoring of stationary sources.
- Modeling, emissions inventory related to stationary sources.
- Staff, capital costs, and professional services.

Schedule X

- For Community Monitoring Program.
- Evaluation of existing monitors, siting and designing new monitors, installing monitors, and data collection.
- Staff, capital costs, professional services, indirect costs.

Expenditures



Community Monitoring Expenditures, November 2016 – February 2021

Expenditure Type	Total Expenditures	Percent of Total Expenditures ¹
Capital Costs (equipment)	\$ 1.0 million	17%
Professional Services	\$ 3.4 million	57%
Staff Time	\$ 1.5 million	25%
Total	\$ 5.9 million	100%

Aclima =
\$3.2 million,
55% of total

1. Percentages may not add to 100 due to rounding.

Expenditures by County



- Air District expenditures are not tracked by county.
- Most Air District expenditures, including for community monitoring, are currently tracked at the regional level.
- In July 2020, however, new billing codes were developed to track expenditures in West Oakland and Richmond-North Richmond-San Pablo.
- The hyper-local mobile monitoring work, contracted to Aclima, was billed by county, enabling reporting of some additional monitoring costs by county.
- *Data represents only the best information we have; county-level data is not a complete picture of total community monitoring expenditures by county.*

Expenditures by County



County	Monitoring Expenditures ¹	Percent of Total Expenditures
Alameda Labor Professional Services	\$ 440,000 N/A 440,000	7%
Contra Costa Labor Professional Services	\$ 621,548 181,298 440,000	10%
Marin/Sonoma Labor Professional Services	\$ 640,000 N/A 640,000	11%
Napa/Solano Labor Professional Services	\$ 640,000 N/A 640,000	11%
San Francisco Labor Professional Services	\$ 40,000 N/A 40,000	1%
San Mateo Labor Professional Services	\$ 280,000 N/A 280,000	5%
Santa Clara Labor Professional Services	\$ 760,000 N/A 760,000	13%
Total	3,421,298	58%

1. County-level expenditures data represents the best information we have. Data is not a complete picture of total community monitoring expenditures by county

County Demographics



	Total Population	White*	Black/ African American*	American Indian, Alaska Native*	Asian*	Native Hawaiian, Pacific Islander*	Two or More Races*	Hispanic or Latino (of any race)
Alameda	1,656,754	31.4%	10.3%	0.3%	29.9%	0.8%	4.5%	22.4%
Contra Costa	1,142,251	43.8%	8.4%	0.2%	16.5%	0.5%	4.7%	25.6%
Marin	259,943	71.2%	2.1%	0.2%	5.8%	0.1%	3.8%	16.0%
Napa	139,623	52.4%	2.0%	0.3%	8.0%	0.2%	2.6%	34.1%
San Francisco	874,961	40.5%	5.0%	0.2%	34.1%	0.3%	4.2%	15.2%
San Mateo	767,423	39.2%	2.2%	0.2%	28.3%	1.3%	4.0%	24.4%
Santa Clara	1,927,470	31.5%	2.3%	0.2%	36.3%	0.3%	3.6%	25.5%
Solano	441,829	38.0%	13.5%	0.3%	15.0%	0.9%	5.5%	26.5%
Sonoma	499,772	63.2%	1.5%	0.5%	4.0%	0.3%	3.3%	26.7%

Source: 2019 U.S. Census Bureau American Community Survey, 5-year estimates data profile

*Not Hispanic or Latino

Transparent & Equitable Funding



- Respond to both the specific community requests and to the most recent memo prepared by Air District Board of Directors' Chair Chavez and Secretary Bauters.
- Set the groundwork for a more inclusive and participatory budgeting process for **all** programs that benefit communities, especially inequitably burdened communities.
- Create a framework for including racial equity as a performance metric for Air District external funding programs.

Transparent & Equitable Funding Scope



- Research current data availability regarding **all** funding distribution.
- Make recommendations for improved data collection and tracking of funding distribution processes for Air District programs.
- Clearly communicate current AB 617 program budget and components.
- Describe and map funding distribution into communities with existing data.
- Assess and improve how funding opportunities are communicated to communities.
- Update maps and narrative as improve data collection process.

Improving Location Specific Data



- As part of Air District's *Transparent & Equitable Funding Project*, staff is collecting additional data to demonstrate, where possible, expenditures by location.
- Will include all expenditures across all programs, not only community monitoring.
- All programs, including community monitoring, will be reviewed to determine if location data can be better tracked.

TEF Roadmap & Timeline



Transparent & Equitable Funding Roadmap

Research	AB 617	Distribution	Opportunities
Fall 2020 – April 2021	February - June	February - August	March - October
Data Analysis	Narrative	Funding Sources	Needs Assessment
Constraints	Budget	CARE/Disadvantaged	Communication Plan
Recommendations	Community Monitoring	Black/AA Communities	Implementation

Feedback Requested



- Discussion of community monitoring funding sources, expenditures and improving location specific data going forward.



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AGENDA: 5

Direction on Community Tour Protocol

**Administration Committee Meeting
May 19, 2021**

**Veronica Eady
Senior Deputy Executive Officer
veady@baaqmd.gov**

Outcome



- Direction on protocol for Air District participation in community tours

Outline



- Background
- Protocol for Air District participation in Community Tours
- Feedback Requested

Requested Action



- No action requested

Background



Community Tours:

- Increase empathy with communities most impacted by toxics and air pollution
- Improve understanding of environmental justice communities and the lived experience of people in those communities
- Include visits to polluting industry and neighborhoods near the pollution sources

Background, cont.



Community Tours:

- Include visits to local assets that make communities a great place to live
- Introduce Air District to community members and organizations advocating for improved air quality and environmental justice
- Are an important tool for building cultural humility



Protocol for Community Tours



Staff recommend developing a protocol for Air District participation in community tours that includes when a tour is appropriate, who should attend, and how and when to:

- Communicate and coordinate with Board members and invite the Board member(s) who represent the area being toured to participate
- Communicate and coordinate with the district's Community Engagement Office and Communications Office
- Coordinate with local inspectors
- Partner with community advocates and organizations, including financial support for assistance with tours
- Support local services and goods, such as renting buses and providing refreshments
- Document and communicate outcomes and next steps to the Air District Board and broader community

Feedback Requested



The Administration Committee is requested to provide direction on a protocol for District-led community tours.



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AGENDA: 6A

Consideration of Increase to Community Benefit Reserves Designation in proposed Fiscal Year Ending 2022 Budget

**Administration Committee Meeting
May 19, 2021**

**Jeff McKay
Chief Financial Officer
jmckay@baaqmd.gov**

Outcome



Possible modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations

Outline



- Original Proposed Reserves Designations
- Possible Modification to Proposed Designations
- Next Steps

Requested Action



Approve or amend a recommendation to the Board of Directors for a modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations, increasing the Community Benefit designation from \$1M to \$3M, and reducing the Pandemic Contingency designation from \$10M to \$8M.

Reserves Designations



GENERAL FUND RESERVES	
	\$M
Reserves Balance at June 30, 2020	54.0
<u>Less: Designations</u> *	
Community Benefits	-1.0
Pension Liability	-3.0
Woodsmoke Grants	-1.0
Revolving Loan Program	-3.4
AB 617 Staffing Contingency	-6.0
Pandemic Contingency	-10.0
Economic Contingency (20% of Budget)	-23.3
Total Designations	-47.7
<u>Less: Use of Reserves</u>	
Use to Balance FY2021 Budget	-5.2
Use to Balance FY2022 Budget	-0.5
Total Use of Reserves	-5.7
AVAILABLE GENERAL FUND RESERVES	0.6
<i>* Designations subject to change at Board's Direction</i>	

Revised Reserves Designations



GENERAL FUND RESERVES	
	\$M
Reserves Balance at June 30, 2020	54.0
<u>Less: Designations</u> *	
Community Benefits	-3.0
Pension Liability	-3.0
Woodsmoke Grants	-1.0
Revolving Loan Program	-3.4
AB 617 Staffing Contingency	-6.0
Pandemic Contingency	-8.0
Economic Contingency (20% of Budget)	-23.3
Total Designations	-47.7
<u>Less: Use of Reserves</u> *	
Use to Balance FY2021 Budget	-5.2
Use to Balance FY2022 Budget	-0.5
Total Use of Reserves	-5.7
AVAILABLE GENERAL FUND RESERVES	0.6
<i>* Designations subject to change at Board's Direction</i>	

Next Steps



- Possible recommendation to the Community Equity, Health and Justice Committee to determine types of activities to be funded.

Feedback Requested/Prompt



Approve or amend recommendation to the Board of Directors for a modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations, increasing the Community Benefit designation from \$1M to \$3M, and reducing the Pandemic Contingency designation from \$10M to \$8M.



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AGENDA: 6B

Cost Recovery

**Administration Committee Meeting
May 19, 2021**

**Jeff McKay
Chief Financial Officer
jmckay@baaqmd.gov**

Outcome



Committee review of possible full cost recovery and direction on next steps.

Outline



- Cost Recovery Policy
- Timelines
- Proposed changes to Fee Schedules
- Examples of impacts to Power Plants, Refineries and Small Business

Requested Action



Committee approval or amendment to direction on next steps

Financial History

Fees and Cost Recovery Overview



Cost Recovery Policy Established in Fiscal Year Ending (FYE) 2012:

- Air District can recover 100% of costs through fees
- 85% minimum cost recovery target
- 6% average annual fee increase
- Regulated community gains predictable fees
- Established Budget Advisory Group in 2020

Possible Path to 100% Cost Recovery



- Continuation of Fee increases at the rate employed since the Cost Recovery Policy was adopted (approximately 6% blended rate) would achieve 100% Cost Recovery in approximately 6 years.
 - 100% in 3 years requires 10% annual fee increases
 - Assumes 3% inflation rate
 - Does not include differential treatment of fees

Draft Fee Amendments: Proposed Changes to Fee Schedules



Revenue from Fee Schedule	Change in Fees	Fee Schedules
95 – 110% of costs	1.5% increase (CPI-W*)	B, D, M
85 – 94% of costs	7% increase	F, P
75 – 84% of costs	8% increase	E, H
50 - 74% of costs	9% increase	G2, G3, G4, T, V
Less than 50% of costs	15% increase**	A, G1, K, N, S, W

* The annual Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) increase.

** 2018 Matrix Consulting Group Cost Recovery and Containment Study recommendations.

Proposed Changes to Fee Schedules (cont.)



Fee Schedules with 1.5% increase

Schedule B: Combustion of Fuels

Schedule D: Gasoline Transfer at Gasoline Dispensing
Facilities, Bulk Plants, and Terminals

Schedule M: Major Stationary Source Fees

Fee Schedules with 7% increase

Schedule F: Misc. Sources (storage silos, abrasive blasting)

Schedule P: Major Facility Review Fees

Proposed Changes to Fee Schedules (cont.)



Fee Schedules with 8% increase

Schedule E: Solvent Evaporating Sources

Schedule H: Semiconductor and Related Operations

Fee Schedules with 9% increase

Schedule G-2: Misc. Sources (e.g., asphaltic concrete, furnaces)

Schedule G-3: Misc. Sources (e.g., metal melting, cracking units)

Schedule G-4: Misc. Sources (e.g., cement kilns, sulfur removal and coking units, acid manufacturing)

Schedule T: Greenhouse Gas Fees

Schedule V: Open Burning

Proposed Changes to Fee Schedules (cont.)



Fee Schedules with 15% increase

Schedule A: Hearing Board Fees

Schedule G-1: Misc. Sources (e.g., glass manufacturing, soil remediation)

Schedule K: Solid Waste Disposal Sites

Schedule N: Toxic Inventory Fees

Schedule S: Naturally Occurring Asbestos Operations

Schedule W: Petroleum Refining Emissions Tracking Fees

Assembly Bill (AB) 617 Community Health Impact Fee

- Charged during or after permit renewal for Title V facilities
- No change in the 6.7 percent of the permit renewal fee

Impact on Businesses Assuming Cost Recovery in 1 Year: Petroleum Refineries



Annual Permit Fee Increase/Decrease (Fiscal Year Ending)

	2020 % fee change, actual/predicted		2020 renewal fee	2021 % fee change, actual/predicted		2021 renewal fee	Fees with 100% Cost Recovery	Blended % increase with 100% Recovery Goal
Chevron	0.8	12	\$3.7 million	15.0	2.4	\$4.2 million	\$5.6 million	33
Martinez Refining Co.	1.3	11.7	\$3.5 million	17.4	2.4	\$4.1 million	\$5.7 million	39
Phillips 66	14.6	8.5	\$1.9 million	18.5	4.3	\$2.3 million	\$3.1 million	36
Valero	23.2	13.3	\$2.3 million	17.2	3.7	\$2.7 million	\$3.8 million	39
Tesoro**	22.3	1.9	\$2.9 million	8.3	3.2	\$3.1 million	\$4.2 million	34

*Projected impact is based on the same permitting scenario as the previous year including active equipment and production rates.

**Projected 2022 increase is based on previous year's fees operating as a fossil-fuel refinery.

Impact on Businesses Assuming Cost Recovery in 1 Year: Power Plants



	Annual Permit Fee Increase/Decrease (Fiscal Year Ending)					Fees with 100% Cost Recovery	Blended % increase with 100% Recovery Goal**	
	2020 % fee change, actual/predicted		2020 renewal fee	2021 % fee change, actual/predicted				2021 renewal fee*
Delta Energy	23.3	5.8	\$460,000	16.7	5.7	\$530,000	\$630,700	19
Los Medanos	-1.9	6.9	\$400,000	14.2	5.7	\$460,000	\$552,000	20
Gateway	8.2	6.0	\$360,000	10.0	5.7	\$390,000	\$468,000	20
Crockett Cogen	9.7	5.8	\$270,000	11.4	5.7	\$300,000	\$354,000	18

*Some renewal fees normalized for CTR.

**Projected impact is based on the same permitting scenario as the previous year including active equipment and production rates.

Impact on Small Businesses Assuming Cost Recovery in 1 Year



Facility Type	Current Fees	Fees with 100% Recovery Goal	Fee Increase	Effective % Increase with 100% Recovery Goal
Gas Station ^{1,2}	\$239	\$255	\$16	6%
Dry Cleaner (registered) ¹	\$259	\$259	\$0	0%
Auto Body Shop ^{1,3}	\$729	\$981	\$252	35%
Back-up Generator ^{1,3}	\$382	\$411	\$29	8%

1. Assuming facility has only one source.
2. Assuming source has one single-product gasoline nozzle.
3. Assuming source qualifies for minimum fee.

Impact on Other Businesses Assuming Cost Recovery in 1 Year



Facility Type ¹	Current Fees	Fees with 100% Recovery Goal	Fee Increase	Effective % Increase with 100% Recovery Goal
Landfill	\$3,760	\$36,161	\$32,401	862%
Soil Vapor Extraction Operation	\$2,592	\$5,176	\$2,584	100%
Metal Shredder	\$580	\$655	\$75	13%
Asphalt Plant (Mixing tank & reaction vessel)	\$7,146	\$12,753	\$5,607	79%
Publicly-Owned Treatment Works ²	\$12,438	\$23,223	\$10,785	87%

1. Assuming no other sources or operations at the facility.
2. Typical facility design

Next Steps



- Perform Cost Recovery Study:
 - Verification of time estimates
 - Consideration of shortened time frames
 - Consideration of differentiation for Facility type

Feedback Requested/Prompt



Committee approval or amendment to direction on next steps



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AGENDA: 6C

Management Audit Workplan

**Administration Committee Meeting
May 19, 2021**

**John Chiladakis
Acting Chief Administrative Officer
jchiladakis@baaqmd.gov**

Outcome



The Committee will consider approving the workplan and scope of work to procure services for a management audit.

Outline



- Scope
- Workplan
- Selection Panel

Requested Action



Consider recommending approval of the proposed workplan

Scope of Work



- District-Wide Risk Assessment
- Rank Divisions for Audit Priority
- Review Internal Controls to Assure Compliance With Applicable Standards
- Assess Accuracy of Cost Recovery Process and Fee Setting
- Provide Recommendations to Improve Effectiveness and Efficiency and Staff Levels for Air District Operations

Workplan



- May 2021 • Assemble Selection Panel
- Jun 2021 • Prepare Request for Qualification (RFQ)
- Jun 2021 • Solicit Bids
- July 2021 • Panel Evaluates Bids
- Sep 2021 • Board Selects Vendor

Selection Panel



Selection Panel Members:

- Two Air District Staff
- Two Board Members
- Two Members of the Community



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AGENDA: 6D

Expected Employee Recruitment Rate in Proposed Fiscal Year Ending 2022

**Administration Committee Meeting
May 19, 2021**

**John Chiladakis
Acting Chief Administrative Officer
jchiladakis@baaqmd.gov**

Outcome



The Committee will review the Air District's employee recruitment rate in recent years, and the expected rate for Fiscal Year Ending (FYE) 2022

Outline



- Past recruitment rate 2016-2020
- FYE 2021 Job Open Rate
- Accelerating recruitment
- Projected Job Open Rate

Requested Action



None – informational only

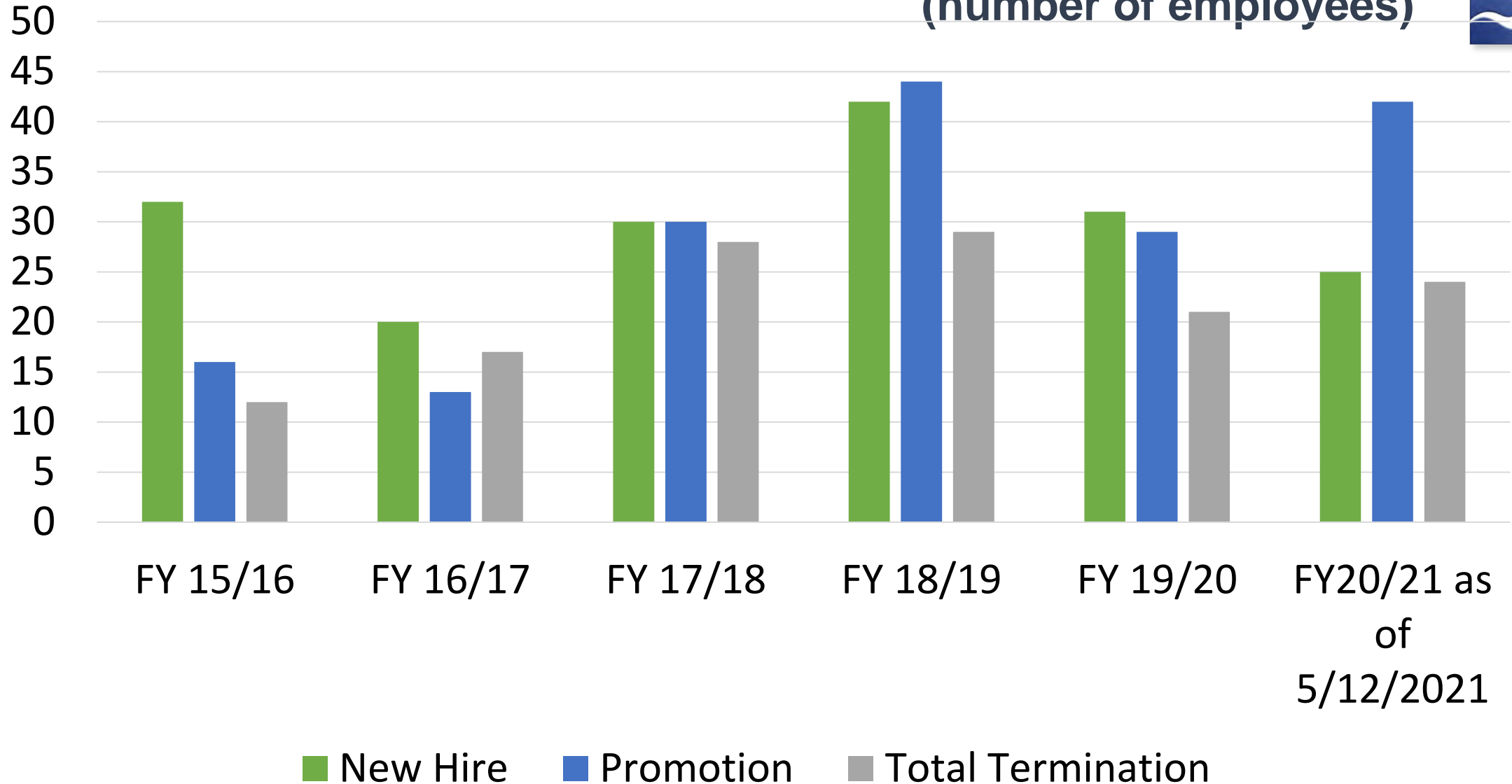
6 Year Average Recruitment Rate



- 35 Promotions per year
- 30 New Hires per year
- 24 Separations per year (60% retirement)
- Average net addition six (6) employees per year

Recruitment Rates 2016-2020

(number of employees)



FYE 2021 Job Open Rate



- Low in November 1%
- High in March 8.6%
- Currently 35 open positions (8.4%)
- Average 5.5%
- FYE 2021 State and Local Government average is 3%

Accelerating Recruitment



Actions Taken to Increase Recruitment Rate:

- Identify Bottlenecks
- Streamline Process
- Engage Temporary Contract Recruiters

Anticipated Recruitment Rate



- Anticipate rate increase from 30 new hires per year to 50 per year
- Newly authorized positions would increase Job Open Rate from 8% to 13.5% on July 1, 2021
- Job Open Rate projected at 3% by mid 2023