



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

**BOARD OF DIRECTORS
SPECIAL MEETING
May 5, 2021**

**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**

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- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A
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BOARD OF DIRECTORS SPECIAL MEETING AGENDA

WEDNESDAY
MAY 5, 2021
10:00 A.M.

Chairperson, Cindy Chavez

1. **CALL TO ORDER - ROLL CALL**

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Board Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Board 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 Board. No speaker who has already spoken on that item will be entitled to speak to that item again.*

TRANSPARENCY, PROCESS, ETHICS, AND ACCOUNTABILITY WORKSHOP

2. **Opening Comments**

Chairperson, Cindy Chavez

3. **Presentations on Selected Brown Act Topics and Best Practices for Conducting Public Meetings**

B. Bunger/4797

bbunger@baaqmd.gov

Secretary, John Bauters

Staff will provide a presentation on selected topics regarding the Brown Act of interest to the Board of Directors and the public. In addition, Board of Directors Secretary John Bauters will provide a presentation on best practices in conducting public meetings.

CONSENT CALENDAR (ITEMS 4-16)

Staff/Phone (415) 749-

4. Minutes of the Board of Directors Special Meeting of April 7, 2021

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Board of Directors Special Meeting of April 7, 2021.

5. Board Communications Received from April 7, 2021 through May 4, 2021
J. Broadbent/5052
jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from April 7, 2021 through May 4, 2021, if any, will be distributed to the Board Members by way of email.

6. Air District Personnel on Out-of-State Business Travel
J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Section (b) of the Air District Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memorandum lists Air District personnel who have traveled on out-of-state business in the preceding months.

7. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of March 2021
J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000 during the month of March 2021.

8. Authorization to Execute Contract Amendment for Spare the Air Web Project and Maintenance Services
K. Roselius/4647
kroselius@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute contract amendments with Cylogy, Inc., in an amount not to exceed \$150,000.

9. Authorization to Execute Contract Amendment for BioWatch Maintenance and Operations
R. Chiang/8621
rchiang@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract amendment with Technical & Business Systems (T&B Systems) for an amount not to exceed \$1,359,000.

10. Authorization to Execute Contract Amendment for California Environmental Quality Act (CEQA) Consulting Services
G. Nudd/4786
gnudd@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract amendment with Ascent Environmental, Inc., by an amount of \$200,000 for a total not to exceed \$300,000.

11. Authorization to Execute Contract Amendment for the Contra Costa County Green and Healthy Homes Initiative
G. Nudd/4786
gnudd@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract amendment with the Association of Energy Affordability by an amount of \$65,000, for a total not to exceed \$130,000.

12. Authorization to Execute Contract Amendment with Avantpage, Inc., for Language Translation Services for the Community Engagement Office and Rules Division
V. Eady/4646
veady@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract amendment with Avantpage, Inc., in an amount not to exceed \$60,000 for services performed in FYE 2021 for language translation of public website and document content under the responsibility of the Community Engagement Office and Rules Division.

13. Stationary Source & Climate Impacts Committee Meeting
CO-CHAIRS: J. Bauters and K. Mitchoff
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors' approval of the following:

- 13.1 Committee Chair Summary Report of April 19, 2021
- 13.2 Report of the Stationary Source & Climate Impacts Committee Meeting of April 19, 2021
- A) **Costs and Financing Options for Building Decarbonization in the Bay Area**
1) None; receive and file.
- B) **Rule Development Concepts for Building Appliance Regulation**
1) None; receive and file.
- C) **Source Test 101**
1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

14. Administration Committee Meeting
CO-CHAIRS: C. Chavez and C. Groom

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors' approval of the following:

- 14.1 **ACTION REQUESTED:** Committee Chair Summary Report of April 21, 2021

- 14.2 Report of the Administration Committee Meeting of April 21, 2021

A) Hearing Board Quarterly Report: January 2021 – March 2021

1) None; receive and file.

B) Air District Financial Audit Report for Fiscal Year Ending (FYE) 2020

1) None; receive and file.

C) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2021

1) None; receive and file.

D) ACTION REQUESTED AMENDED: Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2022 and Consideration to Recommend Adoption;

1) The Administration Committee (Committee) will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2022 and consider recommending that the Board of Directors (Board):

- 1) Conduct Public Hearings on the FYE 2022 Proposed Budget; and*
- 2) Adopt the FYE 2022 Proposed Budget.*

E) Summary of the 2020-2021 Spare the Air Winter Campaign

1) None; receive and file.

F) Board Governance – Next Steps

1) None; receive and file.

G) ACTION REQUESTED: Discussion on Administration Committee Workplan for 2021

1) Recommend the Administration Committee (Committee) approve the 2021 Workplan for the Committee.

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

15. Legislative Committee Meeting
CO-CHAIRS: M. Abe-Koga and P. Cutter

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors approval of the following:

15.1 **ACTION REQUESTED:** Committee Chair Summary Report of April 21, 2021

15.2 Report of the Legislative Committee Meeting of April 21, 2021

A) Sacramento Legislative Update

1) *None; receive and file.*

B) Air District-Sponsored Bills

1) *None; receive and file.*

C) ACTION REQUESTED: Consideration of New Bills

1) Discuss and review bills and take positions where appropriate.

Staff recommends a support position on the following bill:

- Assembly Bill (AB) 1346 (Berman) – Air pollution: small off-road engines.

D) 2021 Legislative Platform

1) *None; receive and file.*

E) Federal Legislative Update

1) *None; receive and file.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

16. Mobile Source and Climate Impacts Committee Meeting
CO-CHAIRS: D. Canepa and K. Rice

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors approval of the following:

16.1 **ACTION REQUESTED:** Committee Chair Summary Report of April 22, 2021

16.2 Report of the Mobile Source Committee Meeting of April 22, 2021

A) ACTION REQUESTED: Projects and Contracts with Proposed Grant Awards Over \$100,000;

- 1) *Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1;*
- 2) *Approve the acceptance, obligation, and expenditure of up to \$3,640,000 from the Alameda County Transportation Commission (ACTC) that will be provided to the Air District to use as matching funds for project 21R07;*
- 3) *Adopt a resolution authorizing the Air District award of Transportation Fund for Clean Air (TFCA) and ACTC funds in support of the Center for Transportation and the Environment's project 21R07; and*
- 4) *Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.*

B) Transportation Fund for Clean Air (TFCA) Audit #21 Results: Air District-Sponsored Programs and County Program Manager Fund Projects

- 1) *None; receive and file.*

C) ACTION REQUESTED: Transportation Fund for Clean Air County Program Manager Expenditure Plans for Fiscal Year Ending 2022

- 1) *Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue to each of the nine County Program Managers (CPM) for Fiscal Year Ending (FYE) 2022, as listed in Column A of Table 1; and*
- 2) *Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for TFCA revenues to be programmed in FYE 2022 as listed in Column C of Table 1.*

D) Clean Cars for All Program Funding

- 1) *Adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program; and*
- 2) *Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

END OF CONSENT CALENDAR

PRESENTATIONS

17. **INFORMATIONAL ONLY:** Overview of Petroleum Refining Market in California
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will receive a presentation from Mr. Gordon Schremp, Senior Fuels Specialist for the California Energy Commission, on Petroleum Refining Market.

18. **INFORMATIONAL ONLY:** Wildfire Season Preview
R. Chiang/8621
rchiang@baaqmd.gov

The Board will receive a preview of the 2021 wildfire season and learn about Air District functions and resources available during wildfire events.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

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 Board.

BOARD MEMBERS' COMMENTS

20. *Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)*

OTHER BUSINESS

21. Report of the Executive Officer/APCO

A. 2020 Annual Report

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Executive Officer/APCO will announce the launch of the 2020 Annual Report, an interactive report website which utilizes animated graphics and original video content to convey the work of the Air District. The Annual Report can be accessed online ¹<https://annualreport.baaqmd.gov/>

22. Chairperson's Report

23. Time and Place of Next Meeting:

Wednesday, June 2, 2021 at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

24. Adjournment

The Board meeting shall be adjourned by the Board Chair.

¹ Website link may not be up to date at time of publication of May 5, 2021 Board of Directors Agenda Packet

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

MAY 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting Budget Hearing	Wednesday	5	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	5	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	17	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	19	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	28	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20

JUNE 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	2	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	3	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Meeting	Wednesday	16	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	16	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	21	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	24	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

MV – 4/27/2021 – 3:43 P.M.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Presentations on Selected Brown Act Topics and Best Practices for Conducting Public Meetings

RECOMMENDED ACTION

None; information only.

BACKGROUND

As a local public agency, Air District meetings are governed by the Ralph M. Brown Act (Brown Act), California's open meetings law applicable to local public entities. (California Government Code sections 54950, et. seq.). In addition, the Air District's Administrative Code stipulates that in conducting its meetings, the Air District should follow Robert's Rules of Order as nearly as practical.

DISCUSSION

Staff will provide a presentation on selected topics regarding the Brown Act of interest to the Board of Directors and the public. In addition, Board of Directors Secretary John Bauters will provide a presentation on best practices in conducting public meetings.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian C. Bunger

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Minutes of the Board of Directors Special Meeting of April 7, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Special Meeting of April 7, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Special Meeting of April 7, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 4A: Draft Minutes of the Board of Directors Special Meeting of April 7, 2021

AGENDA: 4A – ATTACHMENT

Draft Minutes - Board of Directors Special Meeting of April 7, 2021

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

Board of Directors Special Meeting
Wednesday, April 7, 2021

DRAFT 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

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

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Cindy Chavez, called the meeting to order at 8:30 a.m.

Roll Call:

Present: Chairperson Cindy Chavez; Vice Chairperson Karen Mitchoff; Secretary John Bauters; and Directors Margaret Abe-Koga, Teresa Barrett, David Canepa, Rich Constantine; Pauline Russo Cutter, John Gioia, Carole Groom, Erin Hannigan, David Haubert, Lynda Hopkins, David Hudson, Davina Hurt, Tyrone Jue, Myrna Melgar, Nate Miley, Rob Rennie, Katie Rice, Mark Ross, Brad Wagenknecht, Shamann Walton, and Lori Wilson.

Absent: None.

CLOSED SESSION (9:38 a.m.)

Public Comments

Public comments were given by Andres Soto, Communities for a Better Environment (CBE).

NOTED PRESENT: Director Abe-Koga was noted present at 9:40 a.m. and Directors Jue and Miley were noted present at 8:46 a.m.

2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION - (Government Code Section 54957 and 54957.6)**

Pursuant to Government Code Section 54957 and 54957.6, the Board of Directors will meet in closed session to conduct a performance evaluation of the Executive Officer.

REPORTED ACTION: None.

3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION - (Government Code Section 54957 and 54957.6)**

Pursuant to Government Code Section 54957 and 54957.6, the Board of Directors will meet in closed session to conduct a performance evaluation of the District Counsel.

REPORTED ACTION: None.

OPEN SESSION (9:15 a.m.)

CONSENT CALENDAR (ITEMS 4 – 16)

4. **Minutes of the Board of Directors Meeting of March 3, 2021**
5. **Board Communications Received from March 3, 2021 through April 6, 2021**
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 February 2021**
8. **Authorization to Execute Contract with Allison+Partners for Spare the Air Advertising and Messaging Campaigns**
9. **Authorization to Execute Contract with Acterra for Fiscal Year 2021-2022 Climate Action Education Events**
10. **Authorization to Amend the Spare the Air Resource Team Contracts with Contractors Community Focus and Kearns and West**

NOTED PRESENT: Director Ross was noted present at 9:28 a.m.

11. **Report of the Community Equity, Health & Justice Committee Meeting of March 4, 2021**

The Board approved the following:

A) **ACTION REQUESTED Process for Diversifying Community Perspectives**

- 1) *Consider a process to select community representatives to give perspectives to it on environmental justice work across the Bay Area, with the goal of gaining broad education over time on efforts taking place across the region.*

B) ACTION REQUESTED Discussion and Review of Draft Community Equity, Health & Justice Committee 2021 Work Plan

1) Review and discuss the draft work plan for its 2021 meetings. Based on Committee discussions and feedback, staff will provide a final work plan for 2021 meetings to the Committee at its April meeting.

12. Report of the Administration Committee Meeting of March 17, 2021 (OUT OF ORDER, ITEM 13)

The Board approved the following:

A) Bay Area Regional Collaborative (BARC) Update

1) None; receive and file.

B) ACTION REQUESTED Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2022

1) Review the Proposed Budget for Fiscal Year Ending (FYE) 2022 and make any recommendations for further discussions at the April 21, 2021 Administration Committee meeting.

C) Proposed Amendments to Air District Regulation 3: Fees

1) None; receive and file.

D) ACTION REQUESTED Authorization to Execute Contract Amendments for Production System Office

1) Authorize the Executive Officer/Air Pollution Control Officer (APCO) to execute contract amendments for Production System Office, in an amount not to exceed \$1,991,565.

E) Proposed New Commuter Program

1) None; receive and file.

F) ACTION REQUESTED Air District Community Funding Allocations Report

1) Direction on providing a comprehensive response to public inquiry on revenues and expenditures made by the Air District related to local environmental monitoring programs and investments at the May 2021 Administration Committee meeting.

G) ACTION REQUESTED Discussion on Administration Committee Workplan for 2021

1) Approve the 2021 Workplan for the Committee.

13. **Report of the Legislative Committee Meeting of March 17, 2021 (ITEM 14)**

The Board approved the following:

A) **Sacramento Legislative Budget Update**

1) *None; receive and file.*

B) **Air District-Sponsored Bills**

1) *None; receive and file.*

C) **ACTION REQUESTED Consideration of New Bills**

1) *Staff recommends oppose positions on the following bills:*

Assembly Bill (AB) 905 (Quirk) – Mobile fueling on-demand tank vehicles: performance standards

2) *Staff recommends support positions on the following bills:*

- *Senate Bill (SB) 30 (Cortese) – Building decarbonization*
- *SB 31 (Cortese) – Building decarbonization*
- *SB 32 (Cortese) – Energy: general plan: building decarbonization Requirements*
- *SB 68 (Becker) – Building decarbonization*

D) **ACTION REQUESTED 2021 Legislative Platform**

1) *Review and approve the attached revised draft legislative platform for 2021.*

E) **Federal Legislative Update**

None; receive and file.

14. **Report of the Mobile Source and Climate Impacts Committee Meeting of March 25, 2021 (ITEM 15)**

The Board approved the following:

A) **ACTION REQUESTED Discussion on Mobile Source and Climate Impacts Committee Mission Statement, Climate Agenda, and Schedule for 2021**

1) *Approve the calendar for its 2021 Meeting Schedule.*

B) ACTION REQUESTED Projects and Contracts with Proposed Grant Awards Over \$100,000

- 1) *Approve projects with proposed grant awards over \$100,000 as shown in Attachment 1; and*
- 2) *Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.*

C) ACTION REQUESTED Fiscal Year Ending 2022 Transportation Fund for Clean Air Funding Allocation

- 1) *Approve the proposed allocation of the estimated new Transportation Fund for Clean Air, or TFCA, monies to the programs and projects listed in Table 1;*
- 2) *Authorize the proposed cost-effectiveness limits for the Air District-sponsored programs and projects listed in Table 2; and*
- 3) *Authorize the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for projects and programs listed in Table 1.*

15. Report of the Community Equity, Health, & Justice Committee Meeting of April 1, 2021 (ITEM 16)

The Board approved the following:

A) Community Perspective

- 1) *None; receive and file.*

B) ACTION REQUESTED Discussion on the Community Equity, Health & Justice Committee's Mission Statement and Draft Schedule for 2021

- 1) *Review and consider approval of the Proposed 2021 Community Equity, Health & Justice Committee calendar for its meeting schedule.*

C) ACTION REQUESTED Transparent and Equitable Funding Project

- 1) *Seek feedback from the Board and the public on the purpose, scope, road map and deliverables timeline for the Transparent and Equitable Funding Project.*

D) ACTION REQUESTED Consideration of AB 617 Richmond- North Richmond-San Pablo Emissions Reduction Plan Steering Committee Proposed Stipend

- 1) *Consider the proposed stipend for community members appointed to the Richmond-North Richmond-San Pablo (Path to Clean Air) Area Community Emissions Reduction Plan Community Steering Committee for Board of Directors' consideration and approval.*

E) ACTION REQUESTED Consideration of Appointment of Contra Costa Health Services Representative to AB 617 Richmond-North Richmond-San Pablo Emission Reduction Plan Steering Committee

- 1) Consider recommending appointment of a representative from the Contra Costa County Health Services Agency to the Richmond-North Richmond-San Pablo (Path to Clean Air) Area Community Emissions Reduction Plan (CERP) Community Steering Committee for Board of Directors' consideration and approval.*

16. Report of the Stationary Source and Climate Impacts Committee Meeting of March 15, 2021 (ITEM 12)

The Board approved Item 12A only:

A) ACTION REQUESTED Discussion on Stationary Source and Climate Impacts Committee Mission Statement and Schedule for 2021

- 1) Approve the calendar for its 2021 Meeting Schedule.*

**B) Update on the Development of Amendments to Regulation 6, Rule 5 (Rule 6-5): Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units
VICE CHAIR MITCHOFF PULLED ITEM 12B FROM CONSENT CALENDAR**

- 1) None; receive and file.*

Public Comments on Consent Calendar Items 4 through 11, 12A, and 13 through 16

No requests received.

Board Comments on Consent Calendar Items 4 through 11, 12A, and 13 through 16

The Board and staff discussed appreciation for the creation of the Air District's Transparent and Equitable Funding Project and for listening to county transportation authorities' requests for funding for ferry terminal infrastructure; the need for messaging that reaches all of the diverse Bay Area communities regarding Spare the Air advertising and messaging campaigns; and the request that Air District staff vets potential Spare the Air campaign messages through the Community Equity, Health & Justice Committee.

Board Action on Consent Calendar Items 4 through 11, 12A, and 13 through 16

Vice Chair Mitchoff made a motion, seconded by Director Wagenknecht, to **approve** the Consent Calendar Items 4 through 11, 12A, and 13 through 16; and the motion **carried** by the following vote of the Board:

AYES: Barrett, Bauters, Canepa, Chavez, Constantine, Cutter, Gioia, Groom, Hannigan, Haubert, Hopkins, Hudson, Hurt, Jue, Melgar, Miley, Mitchoff, Rennie, Rice, Wagenknecht, Walton, Wilson.
NOES: None.
ABSTAIN: Ross.
ABSENT: Abe-Koga.

Public Comments on Consent Calendar Item 12B

Public comments were given by Brian Nippa, Martinez Refining Company (MRC); Susan Nelson, MRC; Jessica Scheiber, MRC; Heather Slinde, MRC; Chris Palacio, MRC; Kris Keener, MRC; Shawn Lee, Chevron; Kevin Buchan, Western States Petroleum Association; Bruce Potter, MRC; Andrew Solak, MRC; Don Bitterman, MRC; Dave Bleckinger, MRC; Marc Wright, MRC; Michael Whited, MRC; Jed Holtzman, 350 Bay Area; Gordon Johnson, MRC; Ann Vorderbrueggen, MRC; Nick Plurkowski, MRC; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Stevie Riedmiller, MRC; Andres Soto, CBE; Steve Nadel, Sunflower Alliance; Meredith Lewis, MRC; Russell, Chevron; Rick Shih; MRC; Jennifer Wood; MRC; Dan Beaton, Chevron; Celeste, Chevron; Todd Osterberg, Chevron; Sharon Clark, Chevron; Ken Wohlgeschaffen, Chevron; Suzanne Castalano; Chevron; Kevin Olson, Chevron; Francisco Lopez-Linares; Chevron; Charles Davidson; Gabriel Goffman; Paula Kapfenstein, MRC; Richard Gray; Adrian Covert, Bay Area Council; Bill Whitney, Contra Costa Building and Construction Trades Council; and Jeff Kilbreth, Richmond resident.

Board Comments on Consent Calendar Item 12B

The Board and staff discussed the concern that the Board needed to have a full presentation on Item 12B, rather than it being part of a Consent Calendar, and a request that a full presentation on this item be given at the June 2nd Board meeting; a request to haul all three paths forward for Regulation 6, Rule 5 to be presented to the Board on June 2nd; concerns about the difficulty of tracking what happened at committee meetings; the feasibility of bringing back the committee chair reports that used to be read at Board meetings; and the request for a market analysis or update about the refineries and economic impacts on fossil fuel production.

Board Action on Consent Calendar Item 12B

The Board directed Air District staff to bring a presentation on the three paths for Regulation 6-5 back to it, before it considers the regulation at the June 5, 2021 meeting.

PUBLIC HEARING

17. Public Hearing to Receive Testimony on Proposed Amendments to Air District Regulation 3: Fees

Fred Tanaka, Air Quality Engineering Manager, gave the staff presentation *Amendments to Regulation 3, Fees*, including: outcome; outline; requested action; cost recovery background; trends in cost recovery from regulatory fees; Draft Fee Amendments (proposed changes to fee schedules; other proposed amendments; impact on large facilities and small businesses; rule development schedule; and feedback requested/prompt.

Chair Chavez opened the first of two required Public Hearings to Receive Testimony on Proposed Amendments to Air District Regulation 3: Fees.

Public Comments

Public comments were given by Frances Keeler, California Council for Environmental and Economic Balance; and Jed Holtzman, 350 Bay Area.

Chair Chavez closed the Public Hearing.

Board Comments

The Board and staff discussed why the Air District has not yet adopted a 100% cost recovery policy, and whether the Air District is intentionally streamlining its processes in order to contain costs; the cost recovery formula that the Air District currently uses; and when the Board is anticipated to resume meeting in person.

Board Action

None; receive and file.

PRESENTATION

18. Update on the Status of the Air District's Rule Development Efforts

Elizabeth Yura, Rules Division Director, gave the staff presentation *Rulemaking Efforts and Progress*, including: outcome; outline; requested action; rule development schedule; AB 617 Expedited Best Available Retrofit Control Technologies Rules; other rule development efforts; rule development challenges; and feedback requested/prompt.

Public Comments

Public comments were given by Todd Osterberg, Chevron; Tony Fisher, Coalition for Clean Air; Jed Holtzman, 350 Bay Area; Andres Soto, CBE; Leah Louis Prescott, Rocky Mountain Institute; Diane Bailey, Menlo Spark; and Robert Whitehair, Sustainable San Mateo County.

Board Comments

The Board and staff discussed concerns about delayed rulemaking timelines, and the need to hold the Board and Air District staff more accountable regarding timelines; the request for another update on the Marathon and Phillips 66 refinery transitions from fossil to renewable energy; the suggestion of adopting a zero Nitrogen Oxide (NO_x) emissions standard for residential construction; whether proposed Regulations 13-2 (Organic Material Handling Operations) and 13-3 (Composting Operations) are even needed, if their intended emissions reductions can be incorporated into permitting requirements; whether an Annual Report for 2020 was released by the Air District; the request for a public document that lists regulations that have been adopted by the Air District and subsequent litigation of those regulations; and the request that Air District staff arranges regulations currently under development into a Program Evaluation Review Technique (**PERT**) chart format and make it available to the public.

Board Action

None; receive and file.

TRANSPARENCY, PROCESS, ETHICS, AND ACCOUNTABILITY WORKSHOP

19. **Opening Comments** - In the interest of time, this item was Continued to May 5, 2021.
20. **Brown Act and Best Practices** – In the interest of time, this item was Continued to May 5, 2021.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

No requests received.

BOARD MEMBERS' COMMENTS

22. **Board Members' Comments**

None.

OTHER BUSINESS

23. **Report of the Executive Officer/APCO**

Jack P. Broadbent, Executive Officer/APCO, said that Air District staff has produced a video that highlights some of the Air District's accomplishments since working remotely began in 2020, and the video will be sent to the Board members.

24. **Chairperson's Report**

Chair Chavez announced that the Air & Waste Management Association's 114th Conference will be virtual yet again in 2021 and that any Board members who wish to attend should inform Vanessa Johnson.

25. **Time and Place of Next Meeting**

The next Board of Directors meeting was originally scheduled for Wednesday, May 5, 2021 at 9:30 a.m. After the meeting concluded, the next meeting was scheduled for Wednesday, May 5, 2021 at 10:00 a.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

26. **Adjournment**

The meeting adjourned at 12:25 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Board Communications Received from April 7, 2021 through May 4, 2021

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 7, 2021 through May 4, 2021, if any, will be distributed to the Board Members by way of email.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

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

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

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

The report covers the out-of-state business travel for the month of March 2021. The monthly out-of-state business travel report is presented in the months following travel completion.

DISCUSSION

There were no out-of-state business travel activities that occurred in the month of March 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of
March 2021

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian C. Bunger

Attachment 7A: Notices of Violations for the Month of March 2021

AGENDA 7A - ATTACHMENT

NOTICES OF VIOLATIONS ISSUED

The following Notice(s) of Violations were issued in March 2021:

Alameda						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
All American	L3178	Hayward	A59628A	3/18/2021	2-1-307	Failure to comply with NTC#A48295.
All American	L3178	Hayward	A59628B	3/18/2021	8-7-301.5	Failure to comply with NTC#A48295.
ARCO AMPM Minimart	Z5000	Dublin	A60527A	3/15/2021	8-7-301.5	Dust cap for fill side adaptor - missing gasket tank#1.
PABCO Gypsum	A0153	Newark	A60203A	3/16/2021	2-1-307	Source test NTV-2389 & 2393 NST 6082 PM emissions exceedance per PC #26959.
Pious Petroleum LLC	Z8844	Oakland	A60550A	3/29/2021	8-7-302.1	Uncertified breakaways installed on dispensers #1 & #3.
Salkhi Petroleum Inc.	Z8126	San Leandro	A60549A	3/15/2021	2-1-307	Didn't perform Phase II source test within 12 months. Exceeded throughput limit.
Salkhi Petroleum Inc.	Z8126	San Leandro	A60230A	3/25/2021	8-7-302.5	Failed source test - ARB TP-201.3Static pressure performance (ST No.21078).
Silverado Contractors Inc.	Z8840	Oakland	A59152A	3/25/2021	11-2-401.5	ASB118587 Inaccurate start date.
Waste Management of Alameda County	A2246	Fremont	A57024A	3/10/2021	2-6-307	Min flare temp, abatement device not operated continuously (PC 8366-5,6) RCA not reported.
Waste Management of Alameda County	A2246	Fremont	A57024B	3/10/2021	8-34-301.1	Min flare temp, abatement device not operated continuously (PC 8366-5,6) RCA not reported.

Waste Management of Alameda County	A2246	Fremont	A57024C	3/10/2021	1-523.3	Min flare temp, abatement device not operated continuously (PC 8366-5,6) RCA not reported.
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Contra Costa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Chevron Products Company	A0010	Richmond	A59243A	3/8/2021	1-301	Flaring incident with visible emissions that resulted in 16 confirmed public complaints.
Danville 76	Z8820	Danville	A59629A	3/18/2021	8-7-308	>1" of gasoline in spill bucket.
Danville Olde Town ARCO	Z8875	Danville	A59630A	3/22/2021	8-7-301.5	Tank #2 dust cap for fill side adapter missing gasket/defective.
Orinda Country Club	P2543	Orinda	A60229A	3/18/2021	2-1-307	Failed to conduct annual static pressure test.
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A58351A	3/8/2021	10	10-40 CFR 60.1039 (h)H2S Excess of 162 ppm 3-hr average.
USS-POSCO Industries	A2371	Pittsburg	A60407A	3/18/2021	2-6-307	Failed st# os-7991 - 46910 PC#75791.

Marin						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Marin Health Medical Center	A1713	Greenbrae	A59860A	3/18/2021	2-1-302	No current permits to operate.
Town of Tiburon	Z8773	Tiburon	A60228A	3/2/2021	2-1-307	Failed to conduct annual static pressure test in 2019 & 2020.

Napa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Jamieson Canyon Water Treatment Plant	B9552	American Canyon	A60461A	3/18/2021	2-1-301	Emergency backup generator no AC, no permit to operate.
Jamieson Canyon Water Treatment Plant	B9552	American Canyon	A60461B	3/18/2021	2-1-302	Emergency backup generator no AC, no permit to operate.

San Francisco						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
City & County San Francisco	Y5771	San Francisco	A60195A	3/4/2021	2-1-307	Failing to conduct, pass, submit annual source test.

San Mateo						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Condo	Z8759	San Bruno	A60570A	3/3/2021	11-2-303	Improper Removal.
Condo	Z8759	San Bruno	A60570B	3/3/2021	11-2-304	Improper Disposal.
Condo	Z8759	San Bruno	A60571A	3/3/2021	11-2-401.3	Failure to Notify.
Genentech, Inc.	A1257	South San Francisco	A59360A	3/3/2021	9-7-506	Failure to conduct periodic testing in 2020.
Home of Peace Cemetery	Z8852	Colma	A60551A	3/30/2021	2-1-307	Facility did not have source test performed in 12 months.
LG Energy Group LLC	Z8760	San Mateo	A60194A	3/3/2021	2-1-307	Failure to conduct, pass, submit permit - required Source Test.

MFD	Z8831	San Bruno	A59151A	3/23/2021	11-2-401.3	No Notification.
MFD	Z8831	San Bruno	A59150A	3/23/2021	11-2-303.9	Improper removal - No onsite rep.
MFD	Z8831	San Bruno	A59150B	3/23/2021	11-2-304	Improper disposal.
Sequoia Hospital / Dignity Health	A2440	Redwood City	A59180A	3/22/2021	9-7-307.3	Failure to meet NOx emissions limits by source test.
Woodlawn Cemetery	A8020	Colma	A60548A	3/10/2021	8-7-301.5	Does not meet VK-701 SLC paint standards - paint peeling off.

Santa Clara						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Alliance Environmental Group	Z6632	San Jose	A60574A	3/29/2021	11-2-303.6	ASB118841 Negative air not exhausted to outside.
Beshoff Motor Group	Z8789	San Jose	A59400A	3/10/2021	2-1-307	ID# 100054 - No annual ST since 2014.
Beshoff Motor Group	Z8789	San Jose	A59400B	3/10/2021	8-7-301.5	Ast fill port not maintained properly.
Cochrane 76	Z8836	Morgan Hill	A59401A	3/25/2021	8-7-301.3	91 grade submerged fill > 8" @ 11.5".
Control Concrete	Z8853	San Jose	A59013A	3/30/2021	2-1-307	PC18294 Violations.
EV Ventures, LLC	Z8850	Santa Clara	A60196A	3/30/2021	8-7-302.1	Non-Certified non-low perm whipose in use. (Pumps 3-8).
Grand - Nest Construction	Z8843	Saratoga	A60573A	3/29/2021	11-2-401.3	Failure to Notify.
Kirby Canyon Recycling and Disposal Facility	A1812	Morgan Hill	A57374C	3/12/2021	1-523.3	RCA's not reported.
Kirby Canyon Recycling and Disposal Facility	A1812	Morgan Hill	A57374A	3/12/2021	8-34-301.1	Gas collection system not operated continuously.

Kirby Canyon Recycling and Disposal Facility	A1812	Morgan Hill	A57374B	3/12/2021	2-1-307	Failure to meet permit condition - min. flare temp (P.C. 1437).
Mt. View-Los Altos School	K6565	Mountain View	A60433A	3/11/2021	CCR	School district failed to notify and submit an ADMP when NOA was discovered on Nov 12 2019.

Solano						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Element Petroleum, Inc.	Z8809	Vallejo	A60398A	3/17/2021	8-7-308	Liquid gasoline level inside 91-grade product spill container greater than 1 inch.
Ghiringhelli Foods	Z8763	Vallejo	A60460A	3/8/2021	2-1-301	Backup emergency generator, No A/C no PO.
Ghiringhelli Foods	Z8763	Vallejo	A60460B	3/8/2021	2-1-302	Backup emergency generator, No A/C no PO.
Sull Corp.	Z8871	Suisun City	A60396A	3/3/2021	8-7-301.5	Inoperable drain valve on 91-grade tank (product).
Vallejo Fire Department	Y6435	Vallejo	A59498A	3/22/2021	5-301	Prohibited Open Burning.
Vallejo Fire Department	Y6435	Vallejo	A59498B	3/22/2021	11-2-303.8	ASB118643303.8 No Survey.

Sonoma						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Republic Services of Sonoma County, Inc.	A2254	Petaluma	A59859A	3/10/2021	8-34-301.1	Episode #'s 07Y31 + 07Y32.
Sonoma County Facilities Dev & Mgmt Div.	A9080	Santa Rosa	A59216A	3/24/2021	2-1-302	Expired permit to operate since January 1, 2021.

St Joseph Health N CA, dba Santa Rosa Mem Hospital	A2531	Santa Rosa	A59217A	3/25/2021	2-1-302	Expired permit since February 1, 2021.
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District Wide						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
7-Eleven Inc.	Z8587	Irving	A60397A	3/9/2021	8-7-302.1	Uncertified phase II equipment in use in dispenser # 1/2.
APRO LLC	Z8869	Long Beach	A60526A	3/10/2021	2-1-307	Failure to meet permit condition #100013; Throughput Exceedance.
Savidge Construction, Inc.	J4781	Placerville	A60572A	3/10/2021	11-2-401.5	Failure to revise start date.

SETTLEMENTS FOR \$10,000 OR MORE REACHED

There was 1 settlement for \$10,000 or more completed in March 2021.

- 1) On March 17, 2021, the Air District reached a settlement with Kaiser Antioch Deer Valley for \$25,000, regarding the allegations contained in the following three Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A57303A	5/18/2017	1/1/2017	2-1-307	Excess NOx & CO2 Emissions failed to meet permit condition #26223 part 3 & 4.
A57305A	5/18/2017	1/1/2017	9-7-403	No demonstration of compliance.
A57305B	5/18/2017	1/1/2017	9-7-307.2	Outside Source Test and confirmation of results by the Technical Division.
A57306A	5/18/2017	1/1/2017	9-7-403	No initial demonstration of compliance.
A57306B	5/18/2017	1/1/2017	9-7-307.2	Outside Source Test and confirmation of results by the Technical Division.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Authorization to Execute Contract Amendment for Spare the Air Web Project and
Maintenance Services

RECOMMENDED ACTIONS

Recommend the Board of Directors authorize the Executive Officer/APCO to execute a contract amendment with Cylogy, Inc., in an amount not to exceed \$150,000 for services performed in Fiscal Year Ending (FYE) 2022 for ongoing web projects and web maintenance for the Spare the Air website and related services under the responsibility of the Communications Office.

Vendor	Amount	Service Description
Cylogy, Inc.	\$150,000	Website content management system integration, customization, support, and maintenance.
TOTAL	\$150,000	

BACKGROUND

Air District staff recommends amendments to Cylogy’s contract to assist with Spare the Air website enhancements, support for existing microsites, upgrades to alert notifications and additional web projects on an as-needed basis.

DISCUSSION

Air District staff recommends an amendment for the existing vendor contract to complete ongoing web services in support of support FYE 2022 goals.

Staff recommends the continued use of the vendor, Cylogy, Inc., that recently completed the Spare the Air redesign project. For the redesign project, a Request for Proposal (RFP) was issued in May 2017 and staff selected Cylogy, Inc. from seven vendors who submitted proposals due to their experience with Sitecore, the Air District’s website content management system. To maintain continuity and provide needed updates, staff is recommending this work be continued with Cylogy, Inc. under the web development and maintenance Master Services Agreement managed by Online Services, My Air Online.

Vendor	Type of Services	Contract	Procurement Method
Cylogy	Website content management system integration, customization, and support.	FYE 2020	Request for Qualifications process in collaboration with the Air District's Business Services Division.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the vendor contract recommendations is included in the 301 and 306 program budgets for FYE 2022.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kristina Chu
Reviewed by: Kristine Roselius

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Authorization to Execute Contract Amendment for BioWatch Maintenance and Operations

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to execute a contract amendment with Technical & Business Systems (T&B Systems) for an amount not to exceed \$1,359,000.

BACKGROUND

The Air District operates a Bay Area monitoring network pursuant to the Department of Homeland Security (DHS) BioWatch Program. BioWatch monitors the air for biological agents likely to be used in a bioterrorism attack. If a detection occurs, public health and other local and state officials use the information to coordinate emergency response, including prompt medical care and other actions to protect public health and safety.

DISCUSSION

The Air District sought a qualified contractor to maintain and operate all aspects of the network of air sampling sites and to develop additional sites, as required. A Request for Qualifications (RFQ) was open from February 3, through February 26, 2021. Three Air District staff members evaluated the single submission based on the following criteria: comprehension of and ability to provide services to the Air District; experience of firm; quality and diversity of work product; demonstrated knowledge of Air District activities; number, complexity, and nature of similar services provided by firm; and proposed fee structure. Based on this review, Air District staff deemed the current contractor, T&B Systems, to be highly qualified to continue operating the BioWatch network. T&B Systems has been operating the BAAQMD BioWatch network since its inception in 2002 and has the experience and staff needed to operate the current network of 32 sites throughout the Bay Area.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the vendor contract recommendation is provided by a grant from the Department of Homeland Security that is included in 809 program budget for Fiscal Year Ending 2022.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Charley Knoderer
Reviewed by: Ranyee Chiang

Attachment 9A: Proposed Draft Contract Amendment – Contract No. 2015.161

AMENDMENT NO. 7 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2015.161

This amendment to the above-entitled contract (“Contract Amendment”) is dated, for reference purposes only, April 14, 2021.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Technical and Business Systems, Inc.** (“CONTRACTOR”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled contract for maintaining and operating all aspects of the Bay Area BioWatch network and development of additional sites as needed (the “Contract”), which Contract was executed on behalf of CONTRACTOR on September 4, 2015, and on behalf of DISTRICT on September 11, 2015.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated October 17, 2016, for reference purposes only, to update the DISTRICT’s contact information, and to amend the term and total cost of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated October 4, 2017, for reference purposes only, to extend the term of the Contract.
4. The PARTIES entered into Amendment No. 3 to the Contract, dated December 11, 2017, for reference purposes only, to amend the term and total cost of the Contract.
5. The PARTIES entered into Amendment No. 4 to the Contract, dated September 18, 2018, for reference purposes only, to amend the term and total cost of the Contract.
6. The PARTIES entered into Amendment No. 5 to the Contract, dated May 21, 2019, for reference purposes only, to amend the term and total cost of the Contract.
7. The PARTIES entered into Amendment No. 6 to the Contract, dated June 11, 2020, for reference purposes only, to amend the term and total cost of the Contract.
8. The PARTIES seek to amend the term and add funds to the Contract because the DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to continue to provide those services, up to the new term end date.

9. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2022.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph E of Section 8, "Payment," of the Contract to replace "\$6,707,074" with "\$7,967,725."
3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph F of Section 9, "Dispute Resolution," of the Contract to replace "\$6,707,074" with "\$7,967,725"
4. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B, Cost Schedule, with the attached "Attachment B-5, Cost Schedule" and agree that all references in the Contract to Attachment B shall be deemed refer to Attachment B-5, Cost Schedule.
5. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

TECHNICAL AND BUSINESS
SYSTEMS

By: _____
Jack P. Broadbent
Executive Officer/APCO

By: _____
David Bush
Principal

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Brian C. Bunker
District Counsel

DRAFT

ATTACHMENT B-5

COST SCHEDULE

July 1, 2015 through June 30, 2016

CONTRACTOR OPERATIONAL COSTS PER YEAR					TOTALS	
		Filter Loading	Maintenance and Calibration	Operations	Validation and Reporting	
LABOR	Rate	Hrs.	Hrs.	Hrs.	Hrs.	
Project Manager	163	15	50	250	200	83,945
Scientist	124			100		12,400
Senior Technician	75		500	1000	450	146,250
Technician	55		500	1000	450	107,250
Field Technician	37	800	250	13500		538,350
Administrative Assistant	57	50	50	175	135	23,370
DIRECT COSTS						
Mileage	0.6	3,450	31,286	186,515	12,541	132,751
Bridge Tolls						13,389
Evidence Bags						0
Filter Media						0
Latex Gloves						0
Misc. Hardware/Supplies*						28,631
Contractor						15,000
Leases and Facilities						28,152
Communications						5,530
Travel & Meetings						5,350
Total – July 1, 2015 through June 30, 2016						1,106,386

July 1, 2016 through December 30, 2017

CONTRACTOR OPERATIONAL COSTS PER YEAR					TOTALS	
		Filter Loading	Maintenance and Calibration	Operations	Validation and Reporting	
LABOR	Rate	Hrs.	Hrs.	Hrs.	Hrs.	
Project Manager	167	15	50	250	200	86,005
Scientist	129			100		12,900
Senior Technician	77		500	1000	450	150,150
Technician	58		500	1000	450	113,100
Field Technician	37	800	250	13500		538,350
Administrative Assistant	60			200	50	15,000

DIRECT COSTS

Mileage	0.6	3,450	31,286	186,515	12,541	132,751
Bridge Tolls						13,389
Evidence Bags						0
Filter Media						0
Latex Gloves						0
Misc. Hardware/Supplies*						8,555
Contractor						15,000
Leases and Facilities						28,440
Communications						5,640
Travel & Meetings (BAC Related)						5,350
Total – July 1, 2016 through December 30, 2017						1,116,074

January 1, 2018 through June 30, 2018**CONTRACTOR OPERATIONAL COSTS PER YEAR**

	Rate	Filter Loading Hrs.	Maintenance and Calibration Hrs.	Operations Hrs.	Validation and Reporting Hrs.	TOTALS
LABOR						
Program Manager	180			100	100	36,000
Field Manager	92		250	500	250	92,000
Filter Loading Specialist	52	400		500		46,800
Lead Technician	47		250	250	300	37,600
Sampling Technician	39		600	6000		257,400
Administrative Assistant	68			100		6,800
DIRECT COSTS						
Mileage	0.6	1,725	7,822	93,258	6,271	61,682
Bridge Tolls						6,694
Misc. Hardware/Supplies						3,458
Contractor						15,000
Leases and Facilities						17,280
Communications						900
Travel & Meetings (BAC Related)						2,000
Total - January 1, 2018 through June 30, 2018						583,614

July 1, 2018 through June 30, 2019

CONTRACTOR OPERATIONAL COSTS PER YEAR

		Filter Loading	Maintenance and Calibration	Operations	Validation and Reporting	TOTALS
LABOR	Rate	Hrs.	Hrs.	Hrs.	Hrs.	
Project Manager	187			300	200	93,500
Scientist	96		500	1000	500	192,000
Senior Technician	54	800		1000		97,200
Technician	49		500	500	600	78,400
Field Technician	41		1200	12000		541,200
Administrative Assistant	71			200		14,200

DIRECT COSTS

Mileage	0.6	3,450	15,644	186,516	12,542	130,891
Bridge Tolls						7,054
Misc. Hardware/Supplies						13,388
Contractor						30,000
Leases and Facilities						35,251
Communications						1,800
Travel & Meetings (BAC Related)						3,116

Total – July 1, 2018 through June 30, 2019 **1,238,000**

July 1, 2019 through June 30, 2020

CONTRACTOR OPERATIONAL COSTS PER YEAR

		Filter Loading	Maintenance and Calibration	Operations	Validation and Reporting	TOTALS
LABOR	Rate	Hrs.	Hrs.	Hrs.	Hrs.	
Project Manager	190.5			300	200	95,250
Scientist	100.5		500	1000	500	201,000
Senior Technician	54	800		1000		97,200
Technician	51		500	500	600	81,600
Field Technician	42		1200	12000		554,400
Administrative Assistant	71			200		14,200

DIRECT COSTS

Mileage	0.59	3,450	15,644	189,770	12,542	130,630
Bridge Tolls						13,388
Misc. Hardware/Supplies						6,000
Contractor						10,000
Leases and Facilities						36,720
Communications						2,400
Travel & Meetings (BAC Related)						4,000

Total – July 1, 2019 through June 30, 2020

1,246,788

July 1, 2020 through June 30, 2021

CONTRACTOR OPERATIONAL COSTS PER YEAR

	Rate		Filter Loading Hrs.	Maintenance and Calibration Hrs.	Operations Hrs.	Validation and Reporting Hrs.	TOTALS
	First 4	Last 6					
LABOR							
Project Manager	194	194			300	200	97,000
Scientist	103	103		500	1000	500	206,000
Senior Technician	55	55	800		1000		99,000
Technician	52	52		500	500	600	83,200
Field Technician	43	43		1200	12000		567,600
Administrative Assistant	71	71			200		14,200
DIRECT COSTS							
Mileage	0.58	0.58	3,450	15,644	189,770	12,542	128,415
Bridge Tolls							13,388
Misc. Hardware/Supplies							10,000
Contractor							6,000
Leases and Facilities							36,720
Communications							2,400
Travel & Meetings (BAC Related)							4,000

Grand Total - Contractor Operation 2020

1,267,923

July 1, 2021 through June 30, 2022

CONTRACTOR OPERATIONAL COSTS PER YEAR

	Rate	Filter Loading Hrs.	Maintenance and Calibration Hrs.	Operations Hrs.	Validation and Reporting Hrs.	TOTALS
Project Manager	195			300	180	93,600
Field Manager	106		510	990	510	213,060
Filter Loading Specialist	59	900		990		111,510
Lead Technician	52		300	300	600	62,400
Sampling Technician	43		1200	12000		567,600
Administrative Assistant	71			180		12,780
DIRECT COSTS						
Mileage	0.56	3,450	15,600	191,442	15,600	126,612
Bridge Tolls						13,389
Misc. Hardware/Supplies						15,000
Contractor						300
Leases and Facilities						42,000
Communications						2,400

Grand Total - Contractor Operation 2021/22

1,260,651

* Need for outdoor parts and supplies to ensure security/electrical needs

Total cost of Contract not to exceed \$7,967,725.

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Office/APCO

Date: April 29, 2021

Re: Authorization to Execute Contract Amendment for California Environmental
Quality Act (CEQA) Consulting Services

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to amend Contract No. 2018.165 with Ascent Environmental, Inc. for \$200,000 to provide services for the update and revision of the Air District's CEQA Guidelines and Thresholds of Significance and conducting environmental review of proposed regulatory amendments.

BACKGROUND

The Air District's CEQA Thresholds and Guidelines, first published in 1985, were last revised in 2010. The CEQA process and the Air District's CEQA Guidelines are one of many mechanisms the Air District employs to further its goals of attaining and maintaining health-based state and federal ambient air quality standards, to reduce localized exposure to air pollution, and to meet state and regional greenhouse gas (GHG) reduction targets.

The Air District publishes its CEQA Thresholds and Guidelines to assist local jurisdictions and public agencies comply with CEQA requirements for assessing and mitigating potential adverse impacts to air quality and the global climate.

There have been substantive changes to the scientific data and assumptions underlying the analytical methodologies, thresholds, and mitigation strategies. In addition, the risks to public health and air quality posed by global climate change have seen significantly increased focus and prominence. The Air District seeks to update the CEQA Thresholds and Guidelines to reflect new state legislation and policy regarding long range GHG reduction goals, new or revised requirements in the State CEQA Guidelines, recent court decisions, improved analytical methodologies, and new mitigation strategies.

In addition, the Air District is subject to CEQA when developing new or amended rules. Consulting services are needed to conduct in-depth environmental review and develop CEQA documentation for proposed regulatory amendments.

In April 2018, the Air District posted an open solicitation Request for Proposals (2018-003) to perform CEQA analyses for State and/or federal air quality plans, Community Action Plans, and rule development projects. Four applications were received and scored by a panel based on expertise, skills, approach, and cost. As a result of this competitive process, three consultants, including Ascent Environmental, Inc., entered into Master Service Agreements to assist with the Air District's on-going multi-divisional CEQA analyses needs. The contract term for Ascent Environmental's Master Service Agreement is from July 1, 2018 to June 30, 2022.

DISCUSSION

Services performed under this contract involve reviewing and analyzing a broad range of data, recent legal cases, and developing justification for proposed thresholds, and assisting with the development of updated Guidelines. Work under this contract will support the Air District's intent to review existing significance thresholds, establish new significance thresholds where needed, develop the substantial evidence to support new thresholds for criteria pollutants, risk and hazards and greenhouse gases, and create updated, easy to use Guidelines for lead agency use.

This contract will also support rule development efforts for conducting environmental review of proposed regulatory amendments.

The contract for Ascent Environmental services shall be amended by \$200,000 for a total not to exceed \$300,000 and is for a term that expires June 30, 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this contract amendment is included in the approved Fiscal Year Ending 2021 Air District budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Yvette DiCarlo
Reviewed by: Wendy Goodfriend

Attachment 10A: Executed Contract No. 2018.165 – Ascent Environmental
Attachment 10B: Executed Contract Amendment No. 1 – Contract No. 2018.165
Attachment 10C: Proposed Draft Contract Amendment No. 2 – Contract No. 2018.165

BAY AREA AIR QUALITY MANAGEMENT DISTRICT**MASTER SERVICES CONTRACT****CONTRACT NO. 2018.165**

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Ascent Environmental** (“CONTRACTOR”) whose address is 455 Capitol Mall, Suite 300, Sacramento, CA 95814.
2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for Services as defined herein. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the Services.
 - B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
3. **DEFINITIONS**
 - A. “Purchase Order” shall mean the written or electronic document used by DISTRICT to track payments to CONTRACTOR under this Contract.
 - B. “Services” shall mean the services to be provided by CONTRACTOR hereunder as generally described in the General Description of Services, attached hereto as Attachment A and made a part hereof by this reference, and as specifically described in Task Orders issued pursuant to this Contract.
 - C. “Task Order” shall mean a written request by DISTRICT for specific services to be performed by CONTRACTOR.
4. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraph D above.

5. **TERM** – The term of this Contract is from July 1, 2018 to June 30, 2022, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

6. **TERMINATION**

A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 13 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all services under this Contract, except such services as are specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining services performed but not billed, including any services specified in the termination notice, on or before ten (10) business days following the termination date.

B. Either party may terminate this Contract for breach by the other party.

i) Failure to perform any agreement or obligation contained in this Contract or failure to complete the services in a satisfactory manner shall constitute a breach of the Contract.

ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.

iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.

iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 13.

v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

7. **INSURANCE**

A. CONTRACTOR shall maintain the following insurance:

i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.

ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.

iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying

a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

8. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

9. AGREEMENT TO PROVIDE SERVICES

- A. CONTRACTOR hereby agrees to provide to DISTRICT, as DISTRICT may from time to time designate, such services as DISTRICT may order by Task Order, all in accordance with and subject to the terms, covenants and conditions of this Contract. DISTRICT agrees to pay for these services ordered by DISTRICT in accordance with and subject to the terms, covenants and conditions of this Contract.
- B. All Task Orders issued by DISTRICT to CONTRACTOR for services during the term of this Contract are subject to the provisions of this Contract as though fully set forth in such Task Order. In the event that the provisions of this Contract conflict with any Task Order issued by DISTRICT to CONTRACTOR, the provisions of this Contract shall govern. No other terms and conditions, including, but not limited to, those contained in CONTRACTOR's standard printed terms and conditions, on CONTRACTOR's order acknowledgment, invoices or otherwise, shall have any application to or effect upon or be deemed to constitute an amendment to or to be incorporated into this Contract, any Task Order, or any transactions occurring pursuant hereto or thereto, unless this Contract shall be specifically amended to adopt such other terms and conditions in writing by the parties.
- C. Notwithstanding any other provision of this Contract to the contrary, DISTRICT shall have no obligation to order or purchase any services hereunder and the placement of any Task Order

shall be in the sole discretion of DISTRICT. Without limiting the generality of the foregoing, the actual quantity of services to be purchased hereunder shall be determined by DISTRICT in its sole discretion and shall not exceed \$100,000. This Contract is not exclusive. CONTRACTOR expressly acknowledges and agrees that DISTRICT may purchase at its sole discretion, services that are identical or similar to the services described in this Contract from any third party.

10. **TASK ORDERS** – Each Task Order will specify the following items, as relevant: specific services requested, schedule for services, location where services are to be performed (with contact person), and cost or estimated cost of services. Each Task Order issued under this Contract shall be made part of, and be incorporated into this Contract, and shall reference this Contract on the face of each Task Order. Should any Task Order not conform to or satisfy the terms of this Contract, CONTRACTOR shall have five (5) business days after receipt to reject the Task Order. By not rejecting the Task Order within five (5) business days, CONTRACTOR will have accepted the Task Order. Acceptance by CONTRACTOR is limited to the provisions of this Contract and the Task Order. No additional or different provisions proposed by CONTRACTOR or DISTRICT shall apply. In addition, the parties agree that this Contract and accepted Task Orders constitute a contract for services and satisfy all statutory and legal formalities of a contract.

11. **PRICING, INVOICES, AND PAYMENT**

- A. DISTRICT shall pay CONTRACTOR for all services ordered and provided in compliance with the terms and conditions of this Contract and with Task Orders issued under this Contract.
- B. CONTRACTOR shall submit original invoices to DISTRICT in form and substance and format reasonably acceptable to DISTRICT. Each invoice, including supporting documentation, must be prepared in duplicate on CONTRACTOR's letterhead; must list DISTRICT's contract number, Purchase Order Number, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and must be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Contracts Manager.
- C. Except as specifically set forth in Attachment A or in Task Orders under this Contract, DISTRICT shall not be responsible for any additional costs or expenses of any nature incurred by CONTRACTOR in connection with the provision of the services, including without limitation travel expenses, clerical or administrative personnel, long distance telephone charges, etc.
- D. CONTRACTOR represents, warrants and covenants that the prices, charges and fees for services set forth in this Contract (on the whole) are at least as favorable as the prices, charges and fees CONTRACTOR charges (on the whole) to other of its customers or clients for the same or substantially similar services provided under the same or substantially similar circumstances, terms, and conditions. If CONTRACTOR agrees or contracts with other clients or customers similarly situated during the Term of this Contract, and offers or agrees to financial terms more favorable than those set forth herein (on the whole), CONTRACTOR hereby agrees that it will reduce the prices, charges and/or fees charged to DISTRICT in respect of the services hereunder to the most favorable rates received by those other clients or customers.

12. **DISPUTE RESOLUTION** – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.

- B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
- C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
- D. Each party shall bear its own mediation costs.
- E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
- F. Maximum recovery under this section shall be limited to the total value of all Task Orders issued under this Contract. The mediation costs shall not reduce the maximum amount recoverable under this section.

13. **NOTICES** – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
 375 Beale Street, Suite 600
 San Francisco, CA 94105
 Attn: David Vintze

CONTRACTOR: Ascent Environmental
 455 Capitol Mall, Suite 300
 Sacramento, CA 95814
 Attn: Honey Walters

14. **ADDITIONAL PROVISIONS** – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

15. **EMPLOYEES OF CONTRACTOR**

- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.

16. **CONFIDENTIALITY** – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT

considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
- B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
- C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
- D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

17. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

18. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

“This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.
19. **NON-DISCRIMINATION** – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing services in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
 20. **PROPERTY AND SECURITY** – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’S premises.
 21. **ASSIGNMENT** – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
 22. **WAIVER** – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
 23. **ATTORNEYS’ FEES** – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
 24. **FORCE MAJEURE** – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls,

regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.

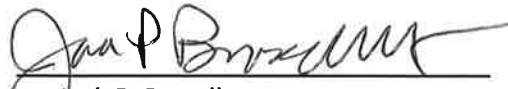
25. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
26. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
27. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
28. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
29. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
30. SURVIVAL OF TERMS – The provisions of sections 8 (Indemnification), 16 (Confidentiality), 17 (Intellectual Property Rights), and 18 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT


ASCENT ENVIRONMENTAL

By:



Jack P. Broadbent
Executive Officer/APCO

By:



Honey Walters
Principal

Date:

8/10/18

Date:

June 28, 2018

Approved as to form:
District Counsel

By:



Brian C. Bunger
District Counsel

**Attachment A
General Description of Services**

The DISTRICT anticipates preparing numerous California Environmental Quality Act (CEQA) documents for projects carried out by the Strategic Incentives Division, Office of Rules and Strategic Development and the Planning and Climate Protection Division. In close consultation with DISTRICT staff, CONTRACTOR will assist in preparing initial studies, negative declarations, environmental impact reports or other CEQA-related documents for projects specified by DISTRICT staff. CONTRACTOR may also be requested to attend internal staff meetings, Board Hearings and/or public workshops. All work authorized under this contract will be by Task Orders.

Hourly billing rate for CONTRACTOR staff time:

- Billing rates are valid through June 30, 2018 at which a 4% annual adjustment may be made.

Professional Staff	Hourly Rate
Environmental Principal II	\$260.00
Environmental Principal I	\$235.00
Senior Project Director	\$225.00
Project Director	\$215.00
Senior Project Manager IV	\$195.00
Senior Project Manager III	\$190.00
Senior Project Manager III	\$180.00
Senior Project Manager I	\$175.00
Project Manager III	\$170.00
Project Manager II	\$165.00
Project Manager I	\$160.00
Environmental Planner III	\$150.00
Environmental Planner II	\$145.00
Environmental Planner I	\$140.00
Environmental Analyst III	\$135.00
Environmental Analyst II	\$125.00
Environmental Analyst I	\$115.00
Staff Analyst	\$90.00

Project Support Staff	Hourly Rate
Controller	\$130.00
Finance Project Manager	\$110.00
Project Accountant	\$105.00
Finance/Contract Specialist	\$90.00
Technical Editor	\$125.00
Document Production Specialist II	\$115.00
Document Production Specialist I	\$95.00
Senior Graphic Designer	\$130.00
Graphic Designer	\$95.00

Direct Expenses	Rates
Reproduction: 8 ½" by 11"	\$0.07/page (black and white); \$0.26/page (color)
Reproduction: 11" by 17"	\$0.14/page B&W; \$0.52/page color
Reproduction: Plotter	\$5/square foot
Reproduction: CDs	\$10/disc
Automobile mileage (IRS rate in effect)	\$0.545
Noise meter	\$100 / half day, \$150 / day, \$200 / day plus overnight, \$500 / week
GPS Unit	\$100 / half day, \$150 / day, \$200 / day plus overnight, \$500 / week
Lodging and/or Per Diem	Government rates or as negotiated
Other direct costs	As incurred
Subcontractors	As incurred + 10% overhead

Any travel expenses incurred by CONTRACTOR must follow the DISTRICT's travel policy, attached hereto as Attachment B.

Total cost of Contract not to exceed \$100,000.

ATTACHMENT B



*Committed to Achieving Clean Air to Protect
the Public's Health and the Environment*

Contractor Travel Policy

Contractors who are under agreement with the District and who plan to bill the District for travel expenses per the terms of their Contract must adhere to this Contractor Travel Policy.

GUIDELINES

Making Travel Arrangements

When making travel arrangements, Contractor should take reasonable measures to secure the lowest fares and prices for transportation, lodging, and food. Documentation of this research will be required to receive reimbursement. **Please note that booking travel and hotel arrangements at the same time can result in significant savings to the District and therefore is encouraged.**

1. The Bay Area Air Quality Management District shall reimburse travel-related expenses to cover lodging, meals, other incidental expenses and costs of transportation subject to the following limitations:
 - **Air Transportation** - Coach class rate for all flights. If coach is not available, business class rate is permissible only with prior written client approval.
 - **Car Rental** – A compact car rental. Mid-size cars rentals are permissible if the rental is shared by three or more individuals.
 - **Lodging** – Holiday Inn will be used up to the [federal GSA FTR rates](#) for San Francisco, California. If Holiday Inn is not used then reimbursement will be at the [current rate for a standard room at Holiday Inn](#).
 - **Meals** – Up to the [federal GSA FTR rates](#) for San Francisco, California.
 - **Incidentals** – Up to the [federal GSA FTR rates](#) for San Francisco, California.
 - **Mileage** – Reimbursement will be provided at the [current reimbursement rate](#) for each mile, or the equivalent of the IRS Mileage rate, whichever is greater.
 - **Parking** - Travelers will be reimbursed for airport parking or nearby lots for overnight or day trips. For trips ranging from 2-7 days, outlying or long-term lots are recommended. For trips of longer duration, the cost of shuttle service in lieu of parking charges shall be considered. Travelers will be reimbursed for parking near the BAAQMD office for meetings.
 - **Ground Transportation** – The least expensive means of transportation shall be used within the Bay Area, considering time and other constraints. Travelers not affiliated with the San Francisco or Oakland office will be reimbursed for public transportation and taxis, provided they do not have a rental car

2. Supporting documentation shall be provided for travel-related expenses in accordance with the following requirements:

- **Airfare, Car Rentals, Lodging** – Bills for actual expenses incurred.
- **Meals** – Meals billed in excess of \$25.00 each day require receipts or other supporting documentation for the total amount of the bill to be approved by the DISTRICT.
- **Other Travel Related Expenses** – Receipts are required for all individual items in excess of twenty five dollars (\$25.00).

3. Travel Time Charging

- Contractor employees (and subcontractors) are to record hours actually worked (those in which a benefit to the DISTRICT was provided during travel) when traveling on business for the firm. This normally will not include all hours during travel, except when all travel is within the normal business day (8:00 AM – 5:00 PM). If travel is on a normal business day, then travel will be arranged for morning or evening so as to minimize travel during working hours (8:00 AM – 5:00 PM) and maximize on-site time on the day of travel. Time that is incurred because of personal preference or combining personal travel with business is not to be charged.

AMENDMENT NO. 1 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2018.165

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, January 25, 2021.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Ascent Environmental, Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for the preparation of California Environmental Quality Act documents (the "Contract"), which Contract was executed on behalf of CONTRACTOR on June 28, 2018, and on behalf of DISTRICT on August 10, 2018.
2. The PARTIES seek to amend the billing rates of the Contract because CONTRACTOR's hourly rates have changed since the execution of the original Contract.
3. The PARTIES also seek to update DISTRICT's contact information because DISTRICT's designated contact has changed.
4. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

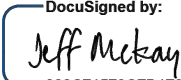
TERMS AND CONDITIONS OF CONTRACT AMENDMENT:


1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Attachment A, General Description of Services, by deleting in its entirety and replacing it with "Attachment A-1, General Description of Services," attached hereto, and agree that all references in the Contract to Attachment A shall be deemed refer to Attachment A-1, General Description of Services.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 13, "Notices," of the Contract to replace the DISTRICT's point of contact "David Vintze" with "Yvette DiCarlo."
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ASCENT ENVIRONMENTAL, INC.

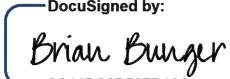
By: 
382C71570CFB4F8...
Jack P. Broadbent
Executive Officer/APCO

By: 
honey l Walters (Feb 2, 2021 12:31 PST)
Honey Walters
Principal

Date: 2/8/2021

Date: February 2, 2021

Approved as to form:
District Counsel

By: 
2C11BC0B537B4A2...
Brian C. Bunger
District Counsel

_Attachment A-1 General Description of Services

The DISTRICT anticipates preparing numerous California Environmental Quality Act (CEQA) documents for projects carried out by the Strategic Incentives Division, Office of Rules and Strategic Development and the Planning and Climate Protection Division. In close consultation with DISTRICT staff, CONTRACTOR will assist in preparing initial studies, negative declarations, environmental impact reports or other CEQA-related documents for projects specified by DISTRICT staff. CONTRACTOR may also be requested to attend internal staff meetings, Board Hearings and/or public workshops. All work authorized under this contract will be by Task Orders.

Hourly billing rate for CONTRACTOR staff time:

- Billing rates valid from July 1, 2018 through June 30, 2019.

Staff Level	Hourly Rate
Environmental Principal II	\$260.00
Environmental Principal I	\$235.00
Senior Project Director	\$225.00
Project Director	\$215.00
Senior Project Manager IV	\$195.00
Senior Project Manager III	\$190.00
Senior Project Manager III	\$180.00
Senior Project Manager I	\$175.00
Project Manager III	\$170.00
Project Manager II	\$165.00
Project Manager I	\$160.00
Environmental Planner III	\$150.00
Environmental Planner II	\$145.00
Environmental Planner I	\$140.00
Environmental Analyst III	\$135.00
Environmental Analyst II	\$125.00
Environmental Analyst I	\$115.00
Staff Analyst	\$90.00
Controller	\$130.00
Finance Project Manager	\$110.00
Project Accountant	\$105.00
Finance/Contract Specialist	\$90.00
Technical Editor	\$125.00
Document Production Specialist II	\$115.00
Document Production Specialist I	\$95.00
Senior Graphic Designer	\$130.00
Graphic Designer	\$95.00

- Billing rates valid from July 1, 2019 through June 30, 2022.

Staff Level	Hourly Rate
Environmental Principal III/Principal-in-Charge	\$320.00
Environmental Principal II/Senior Project Director	\$240.00
Environmental Principal I/Project Director/Planning Specialist	\$210.00
Senior Project Manager IV	\$200.00
Senior Project Manager III	\$190.00
Senior Project Manager II	\$180.00
Senior Project Manager I	\$175.00
Project Manager III/Senior Environmental Planner III	\$170.00
Project Manager II/Senior Environmental Planner II	\$165.00
Air Quality Specialist/Air Quality Toxics Specialist/GHG Specialist/Project Manager I/Senior Environmental Planner I	\$160.00
Air Quality Sustainability Planner/Environmental Planner IV/Project Scientist II	\$150.00
Environmental Planner III	\$145.00
Environmental Planner II/Project Planner	\$140.00
Environmental Planner I/Graphic Designer/Technical Editor	\$135.00
Environmental Analyst III/GIS Specialist/Document Production Specialist	\$130.00
Environmental Analyst II	\$125.00
Environmental Analyst I/Planner I	\$120.00
Staff Analyst	\$115.00
Project Accountant/Administrative Assistant	\$115.00
Finance/Contract Specialist	\$110.00

Direct Expenses:

Direct Expenses	Rates
Reproduction: 8 ½" by 11"	\$0.07/page (black and white); \$0.26/page (color)
Reproduction: 11" by 17"	\$0.14/page B&W; \$0.52/page color
Reproduction: Plotter	\$5/square foot
Reproduction: CDs	\$10/disc
Automobile mileage (IRS rate in effect)	\$0.545

Direct Expenses	Rates
Noise meter	\$100 / half day, \$150 / day, \$200 / day plus overnight, \$500 / week
GPS Unit	\$100 / half day, \$150 / day, \$200 / day plus overnight, \$500 / week
Lodging and/or Per Diem	Government rates or as negotiated
Other direct costs	As incurred
Subcontractors	As incurred + 10% overhead

Any travel expenses incurred by CONTRACTOR must follow the DISTRICT's travel policy, attached hereto as Attachment B.

Total cost of Contract not to exceed \$100,000.






BAAQMD - Ascent Env 2018.165 Amendment 1- Feb 2021

Final Audit Report

2021-02-02

Created:	2021-02-02
By:	Tasha Hengl (Tasha.Hengl@ascentenvironmental.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAmeDbLGQt3J6WTPJGLUzeS0-X-KxfbYBC

"BAAQMD - Ascent Env 2018.165 Amendment 1- Feb 2021" History

-  Document created by Tasha Hengl (Tasha.Hengl@ascentenvironmental.com)
2021-02-02 - 8:30:49 PM GMT- IP address: 98.224.80.116
-  Document emailed to honey I walters (honey.walters@ascentenvironmental.com) for signature
2021-02-02 - 8:31:03 PM GMT
-  Email viewed by honey I walters (honey.walters@ascentenvironmental.com)
2021-02-02 - 8:31:27 PM GMT- IP address: 104.47.57.254
-  Document e-signed by honey I walters (honey.walters@ascentenvironmental.com)
Signature Date: 2021-02-02 - 8:31:56 PM GMT - Time Source: server- IP address: 104.186.228.188
-  Agreement completed.
2021-02-02 - 8:31:56 PM GMT

AMENDMENT NO. 2 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2018.165

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, April 29, 2021.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Ascent Environmental, Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for the preparation of California Environmental Quality Act documents (the "Contract"), which Contract was executed on behalf of CONTRACTOR on June 28, 2018, and on behalf of DISTRICT on August 10, 2018.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated January 25, 2021, to amend the billing rates of the Contract and to update DISTRICT's contact information.
3. The PARTIES seek to amend the total maximum cost of the Contract because DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to provide those services, up to the new total maximum cost.
4. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$100,000" with "\$300,000."
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Attachment A-1, General Description of Services, of the Contract to replace "Total cost of Contract not to exceed \$100,000" where it appears with "Total cost of Contract not to exceed \$300,000."
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ASCENT ENVIRONMENTAL, INC.

By: _____
Jack P. Broadbent
Executive Officer/APCO

By: _____
Honey Walters
Principal

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Brian C. Bunger
District Counsel

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Authorization to Execute Contract Amendment for the Contra Costa County Green
and Healthy Homes Initiative

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to amend the contract with the Association for Energy Affordability (AEA) by \$65,000, to expand the home retrofit, research and measurement components of the Green and Healthy Homes Initiative. This budget augmentation would increase the total AEA contract amount to \$130,000.

BACKGROUND

The Green and Healthy Homes Initiative (locally called the Contra Costa Asthma Initiative) is a pilot program that integrates various climate and health interventions to improve outcomes for high-risk asthma patients on the Contra Costa Health Plan. Contra Costa County's Departments of Health Services and of Conservation and Development, with its partners, Marin Clean Energy and Association for Energy Affordability (AEA), will implement and monitor retrofit improvements in the homes of participating high-risk asthma residents (adults and children) across Contra Costa, a county with significantly high asthma rates, to improve indoor air quality and remove underlying asthma triggers. The program coordinators also work with the Air District to align project interests and outcomes to Assembly Bill (AB) 617 project activities.

AEA is a non-profit organization that leads educational, research and implementation activities to advance equitable energy efficiency efforts. In June 2020, the Air District entered into a contract with AEA to implement the emissions research component of the Green and Healthy Homes Initiative pilot program.

DISCUSSION

The original contract allows AEA to lead research on nitrogen oxide (NO_x), particulate matter (PM) and greenhouse gas (GHG) emissions reductions from energy efficiency and electrification retrofits in 10-12 of the homes of participating high-risk asthma patients across Contra Costa County. AEA will also analyze data from other building retrofit projects and develop a white paper that will include: 1) findings from all research on NO_x and GHG emissions reductions, and 2) recommendations on building-sector strategies the Air District could pursue for a future NO_x or GHG emissions offset program.

The budget augmentation of \$65,000 will increase the number of participating homes that will receive more comprehensive retrofits, including work scopes prioritizing in-home formaldehyde reductions, and an associated increase in measurement and verification equipment used to quantify in-home formaldehyde reductions. The budget for measurement and verification in the original contract prioritized the measurement of NOx, PM, and CO and does not allow for formaldehyde monitoring. Formaldehyde is a toxic and carcinogenic air pollutant that is produced during incomplete combustion, such as in inefficient natural gas stoves or furnaces.

Based on the current Green and Health Homes Initiative budget, a very limited number of the 10-12 monitored homes will be able receive comprehensive in-home upgrades. Many homes would receive basic to moderate retrofits (e.g., air purifiers, duct cleaning, window repair/replacing, carpet removal and basic weatherization). The proposed increased budget would allow all homes being monitored for indoor air quality to have moderate to advanced retrofits, which would include electrification of one or more end-uses (e.g., replace natural gas stoves with induction) and advanced air sealing, ventilation, and insulation. This would allow AEA to measure and report on the emission reduction benefits of more significant retrofit measures like electrification. Thus, enhancing the budget allocated to retrofits and to measurement and verification will result in more complete home upgrades and more meaningful measured indoor air quality data. These data will support the Air District's AB 617 Community Health Protection Program and increase the attractiveness and potential for replication of the Green and Healthy Homes Initiative in other Bay Area counties.

This effort is also consistent with the State's and Air District's climate and air quality goals. The State of California has outlined long term GHG reduction targets for California, including for the building sector. The Air District's 2017 Clean Air Plan includes control measures to decarbonize the built environment using energy efficiency, renewable energy, and the elimination of fossil fuel combustion in buildings. Work performed under this contract and its augmentation would support these measures.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Funding for this contract is included in the Fiscal Year Ending 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by Abby Young
Reviewed by: Henry Hilken

Attachment 11A: Executed Grant Agreement – Grant No. 2020.125
Attachment 11B: Proposed Draft Contract Amendment No. 1 – Grant No. 2020.125

BAY AREA AIR QUALITY MANAGEMENT DISTRICT**GRANT AGREEMENT****GRANT NO. 2020.125**

1. **PARTIES** - The parties to this Agreement ("Agreement") are the Bay Area Air Quality Management District ("DISTRICT") whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Association for Energy Affordability** ("GRANTEE") whose address is 5900 Hollis Street, Suite R2, Emeryville, CA 94608.
2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Agreement under California Health and Safety Code Section 40701.
 - B. DISTRICT desires to award GRANTEE a grant for the activities described in Attachment A, Work Plan.
 - C. All parties to this Agreement have had the opportunity to have the Agreement reviewed by their attorney.
3. **TERM** - The term of this Agreement is from the date of execution by both PARTIES until August 31, 2021, unless further extended by amendment of this Agreement in writing, or terminated earlier.
4. **TERMINATION**
 - A. DISTRICT shall have the right to terminate this Agreement at its sole discretion at any time upon thirty (30) days written notice to GRANTEE. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, GRANTEE shall cease all activities under this Agreement, except such activities as are specified in the notice of termination. Within forty-five (45) days of receipt of written notice, GRANTEE is required to:
 - i) Submit a final written report describing all work performed by GRANTEE;
 - ii) Submit an accounting of all grant funds expended up to and including the date of termination; and,
 - iii) Reimburse DISTRICT for any unspent funds.
 - B. DISTRICT may terminate this Agreement and be relieved of any payments should GRANTEE fail to perform the requirements of this Agreement at the time and in the manner herein provided.
5. **NO AGENCY RELATIONSHIP CREATED / INDEPENDENT CAPACITY** - GRANTEE and the agents and employees of GRANTEE, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of DISTRICT, and nothing herein shall be construed to be inconsistent with that relationship or status. DISTRICT shall not have the right to direct or control the activities of GRANTEE in performing the services provided herein.
6. **CONTRACTORS / SUBCONTRACTORS / SUBGRANTEES**
 - A. GRANTEE will be entitled to make use of its own staff and such contractors, subcontractors, and subgrantees as are mutually acceptable to GRANTEE and DISTRICT. Any change in contractors,

subcontractors, or subgrantees must be mutually acceptable to the parties. Immediately upon termination of any such contract, subcontract, or subgrant, GRANTEE shall notify DISTRICT.

- B. Nothing contained in this Agreement or otherwise, shall create any contractual relation between DISTRICT and any contractors, subcontractors, or subgrantees of GRANTEE, and no agreement with contractors, subcontractors, or subgrantees shall relieve GRANTEE of its responsibilities and obligations hereunder. GRANTEE agrees to be as fully responsible to DISTRICT for the acts and omissions of its contractors, subcontractors, and subgrantees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by GRANTEE. GRANTEE's obligation to pay its contractors, subcontractors, and subgrantees is an independent obligation from DISTRICT's obligation to make payments to GRANTEE. As a result, DISTRICT shall have no obligation to pay or to enforce the payment of any moneys to any contractor, subcontractor, or subgrantee.
7. INDEMNIFICATION - GRANTEE agrees to indemnify, defend, and hold harmless DISTRICT, its officers, employees, agents, representatives, and successors-in-interest against any and all liability, demands, claims, costs, losses, damages, recoveries, settlements, and expenses (including reasonable attorney fees) that DISTRICT, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay arising from the death or injury of any person or persons (including employees of GRANTEE), or from destruction of or damage to any property or properties, caused by or connected with the performance of this Agreement by GRANTEE, its employees, subcontractors, subgrantees, or agents.
8. PAYMENT
- A. DISTRICT agrees to award GRANTEE a grant of \$50,000 to \$65,000 depending on the depth of measurement performed for the activities described in Attachment A, Work Plan. This grant shall be payable in five (5) installments, as follows:
- i) \$15,000 within thirty (30) days after the execution of this Agreement; and
 - ii) \$10,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE's deliverable of Task 1;
 - iii) \$10,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE's deliverable of Task 2.2;
 - iv) \$10,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE's deliverable of Task 3.1;
 - v) \$5,000 to \$20,000 depending on the number of pilot participants measured in Task 2 and within thirty (30) days upon completion of all Tasks listed in the Work Plan and DISTRICT's receipt of the final White Paper.
- B. GRANTEE shall carry out the work described in the Work Plan, and shall obtain DISTRICT's written approval of any changes or modifications to the Work Plan prior to performing or incurring costs for the changed work. If GRANTEE fails to obtain such prior written approval, DISTRICT, at its sole discretion, may refuse to provide funds to pay for such work or costs.
- C. Payment will be made only to GRANTEE.
- D. GRANTEE must submit invoices for payment along with completed deliverables.
9. AUTHORIZED REPRESENTATIVE - GRANTEE shall continuously maintain a representative vested with signature authority authorized to work with DISTRICT on all grant-related issues. GRANTEE shall, at all times, keep DISTRICT informed as to the identity of the authorized representative.

10. NOTICES - All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. Pacific Time. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Axum Teferra

GRANTEE: Association for Energy Affordability
5900 Hollis Street, Suite R2
Emeryville, CA 94608
Attn: Nick Dirr

11. ADDITIONAL PROVISIONS - All attachment(s) to this Agreement are expressly incorporated herein by this reference and made a part hereof as though fully set forth.
12. ACKNOWLEDGEMENTS - GRANTEE shall acknowledge DISTRICT support each time the activities funded, in whole or in part, by this Agreement are publicized in any news media, brochures, or other type of promotional material. The acknowledgement of DISTRICT support must state "Funded by a Grant from the Bay Area Air Quality Management District." Initials or abbreviations for DISTRICT shall not be used.
13. ADVERTISING / PUBLIC EDUCATION - GRANTEE shall submit copies of all draft public education or advertising materials to DISTRICT for review and approval prior to GRANTEE's use of such materials.
14. FINANCIAL MANAGEMENT SYSTEM
- A. GRANTEE shall be responsible for maintaining an adequate financial management system and will immediately notify DISTRICT when GRANTEE cannot comply with the requirements in this section.
 - B. GRANTEE's financial management system shall provide for:
 - i) Financial reporting: accurate, current, and complete disclosure of the financial results of each grant in conformity with generally accepted principles of accounting, and reporting in a format that is in accordance with the financial reporting requirements of the grant.
 - ii) Accounting records: records that adequately identify the source and application of funds for DISTRICT-supported activities. These records must contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income.

- iii) Internal control: effective internal and accounting controls over all funds, property and other assets. GRANTEE shall adequately safeguard all such assets and assure that they are used solely for authorized purposes.
 - iv) Budget control: comparison of actual expenditures or outlays with budgeted amounts for each grant.
 - v) Allowable cost: procedures for determining reasonableness, allowability, and allocability of costs generally consistent with the provisions of federal and state requirements.
 - vi) Source documentation: accounting records that are supported by source documentation.
 - vii) Cash management: procedures to minimize the time elapsing between the advance of funds from DISTRICT and the disbursement by GRANTEE, whenever funds are advanced by DISTRICT.
- C. DISTRICT may review the adequacy of the financial management system of GRANTEE at any time subsequent to the award of the grant. If DISTRICT determines that GRANTEE's accounting system does not meet the standards described in paragraph B above, additional information to monitor the grant may be required by DISTRICT upon written notice to GRANTEE, until such time as the system meets with DISTRICT approval.
15. AUDIT / RECORDS ACCESS - GRANTEE agrees that DISTRICT shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. GRANTEE agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. GRANTEE agrees to allow the designated representative(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, GRANTEE agrees to include a similar right of DISTRICT to audit records and interview staff in any contract, subcontract, or subgrant related to performance of this Agreement.
16. FORFEIT OF GRANT FUNDS / REPAYMENT OF FUNDS IMPROPERLY EXPENDED - If grant funds are not expended, or have not been expended, in accordance with this Agreement, or if real or personal property acquired with grant funds is not being used, or has not been used, for grant purposes in accordance with this Agreement, DISTRICT, at its sole discretion, may take appropriate action under this Agreement, at law or in equity, including requiring GRANTEE to forfeit the unexpended portion of the grant funds and/or to repay to DISTRICT any funds improperly expended.
17. COMPLIANCE - GRANTEE shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits. GRANTEE shall provide evidence, upon request, that all local, state, and/or federal permits, licenses, registrations, and approvals have been secured for the purposes for which grant funds are to be expended. GRANTEE shall maintain compliance with such requirements throughout the grant period. GRANTEE shall ensure that the requirements of the California Environmental Quality Act are met for any approvals or other requirements necessary to carry out the terms of this Agreement. Any deviation from the requirements of this section shall result in non-payment of grant funds.
18. CONFIDENTIALITY – In order to carry out the purposes of this Agreement, GRANTEE may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and

agreed that DISTRICT may designate in a conspicuous manner Confidential Information that GRANTEE obtains from DISTRICT, and GRANTEE agrees to:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of GRANTEE requiring access in fulfillment of the services provided under this Agreement.
 - B. Ensure that GRANTEE's officers, employees, agents, representatives, subgrantees, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Agreement.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at GRANTEE's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of GRANTEE.
 - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Agreement and following expiration or termination of the Agreement.
 - F. Prevent access to such materials by a person or entity not authorized under this Agreement.
 - G. Establish specific procedures in order to fulfill the obligations of this section.
19. INTELLECTUAL PROPERTY RIGHTS - Title and full ownership rights to all intellectual property developed under this Agreement shall at all times remain with DISTRICT, unless otherwise agreed to in writing.
20. PUBLICATION
- A. DISTRICT shall approve in writing any report or other document prepared by GRANTEE in connection with performance under this Agreement prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
 - B. Until approved by DISTRICT, any report or other document prepared by GRANTEE shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
 - C. Information, data, documents, or reports developed by GRANTEE for DISTRICT, pursuant to this Agreement, shall be part of DISTRICT's public record, unless otherwise indicated. GRANTEE may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Agreement.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."


- D. GRANTEE shall inform its officers, employees, subgrantees, and subcontractors involved in the performance of this Agreement of the restrictions contained herein and shall require compliance with the above.
21. PROPERTY AND SECURITY - Without limiting GRANTEE's obligations with regard to security, GRANTEE shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT's premises.
 22. ASSIGNMENT - No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Agreement to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
 23. WAIVER - No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Agreement, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
 24. FORCE MAJEURE - Neither DISTRICT nor GRANTEE shall be liable for or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or GRANTEE, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Agreement.
 25. SEVERABILITY - If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.


26. HEADINGS - Headings on the sections and paragraphs of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.
27. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party’s signature as an original for all purposes.
28. GOVERNING LAW - Any dispute that arises under or relates to this Agreement shall be governed by California law, excluding any laws that direct the application to another jurisdiction’s laws. Venue for resolution of any dispute that arises under or relates to this Agreement, including mediation, shall be San Francisco, California.
29. ENTIRE AGREEMENT AND MODIFICATION - This Agreement represents the final, complete, and exclusive statement of the agreement between the parties and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Agreement may only be amended by mutual agreement of the parties in writing and signed by both parties.
30. SURVIVAL OF TERMS - The provisions of sections 7 (Indemnification), 15 (Audit / Records Access), 16 (Forfeit of Grant Funds / Repayment of Funds Improperly Expended), 18 (Confidentiality), 19 (Intellectual Property Rights), and 20 (Publication) shall survive the expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ASSOCIATION FOR ENERGY AFFORDABILITY

By: 
Jack P. Broadbent
Executive Officer/APCO

By: 
Andrew Brooks
Director of West Coast Operations

Date: 6/11/20

Date: 6/2/2020

Approved as to form:
District Counsel

By:  6/8/2020
2C119C0853784A2
Brian C. Bunger
District Counsel

ATTACHMENT A

WORK PLAN

Overview

GRANTEE, as a partner of Contra Costa County's Green and Healthy Homes Initiative (locally called the *Contra Costa Asthma Initiative*) project team, will lead research on NO_x, Particulate Matter (PM) and Green House Gas (GHG) emissions reductions from energy efficiency and electrification retrofits in the homes of select participating high-risk asthma patients across Contra Costa County. GRANTEE will analyze data from other building retrofit projects and will develop a White Paper that includes findings from all research on NO_x, PM and GHG emissions reductions and recommendations on building-sector strategies the DISTRICT could pursue for a future NO_x or GHG emissions offset program.

GRANTEE will implement the following:

Task 1: Research local NO_x, PM and GHG emissions reductions attributed to building electrification retrofits

GRANTEE will analyze engineering estimates, peer research, and existing pre and post data on recent building electrification projects. GRANTEE will estimate a range of measure costs for each electrification retrofit type, in order to quantify measure cost per unit of NO_x, PM and CO₂e reduced.

Deliverable 1: Interim Phase 1 research findings

Due Date: December 31, 2020

Task 2: Measure and analyze NO_x, PM and GHG emissions in retrofitted homes

GRANTEE will conduct indoor air quality (IAQ) measurements at the homes of approximately 10-12 Contra Costa Asthma Initiative participants and obtain outdoor air quality measurements from AB617 community monitoring projects affiliated with the Path to Clean Air (Richmond-San Pablo Area) community health protection program. Priority will be given to homes where indoor combustion appliances were replaced with an electrified non-combustion appliance, primarily cooking, as well as participants electrifying natural gas furnaces and/or water heaters. When feasible, IAQ measurements will be compared to outdoor air pollution levels using the existing research being completed in Richmond as part of AB 617. Additionally, actual utility bills for the 10-12 participants will be analyzed when possible, in order to quantify GHG savings and utility bill saving.

In the event that the Contra Costa County does not receive the State Asthma Preventative Services Project grant, the research project would be implemented at a reduced scale. 5-7 Pilot participants would receive the IAQ and utility bill measurements.

Deliverables 2:

- 2.1: Measurement and Verification Plan
- 2.2: Narrative of interim findings, including quantitative and qualitative data

Due Dates:

- 2.1: September 30, 2020
 - 2.2: March 31, 2021
-

Task 3: Develop a White Paper that includes: a) a comprehensive analysis of data findings from Tasks 1 & 2; and b) recommended building-sector strategies for a potential DISTRICT NOx and/or GHG emissions offset program.

GRANTEE will author a White Paper quantifying potential NOx, PM and GHG emissions reductions from common electrification retrofit opportunities in Bay Area single family and multifamily residential buildings. The final research White Paper will include quantitative and qualitative data previously collected in Tasks 1 and 2. The White Paper will also include recommendations on the design of a potential DISTRICT- or third party-led NOx or GHG emissions offset program aimed at expanding the uptake of building electrification solutions in the Bay Area.

Deliverables 3:

- 3.1: White Paper draft
- 3.2: Final White Paper
- 3.3: Additional companion documents, such as basic quantification spreadsheet tools

Due Dates:

- 3.1: May 31, 2021
 - 3.2: July 31, 2021
 - 3.3 July 31, 2021
-

Quarterly Progress and Final Reporting:

Reporting:

Beginning thirty (30) calendar days after execution of the contract, every April 15, July 15, October 15 and January 15 until the end of the Term, GRANTEE shall provide quarterly progress reports describing GRANTEE's progress toward completion of the work outlined above.

Within thirty (30) calendar days of completion of project, GRANTEE shall submit a Final Report. The Final Report shall be prepared on the DISTRICT's Final Report form (provided separately) and should report the outcomes of the project and learned lessons.

AMENDMENT NO. 1 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
GRANT NO. 2020.125

This amendment to the above-entitled grant (“Grant Amendment”) is dated, for reference purposes only, April 15, 2021.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Association for Energy Affordability** (“GRANTEE”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled grant to research Nitrogen Oxides, PM, and GHG emissions reductions from energy efficiency and electrification retrofits in homes of high-risk asthma patients in Contra Costa County (the “Grant”), which Grant was executed on behalf of GRANTEE on June 2, 2020, and on behalf of DISTRICT on June 11, 2020.
2. The PARTIES seek to amend the term, total cost, and Work Plan to the Grant because the DISTRICT seeks to continue supporting the work of the GRANTEE and GRANTEE desires to continue the work prescribed in the Grant.
3. In accordance with Section 29 of the Grant, DISTRICT and GRANTEE desire to amend the above-entitled Grant as follows:

TERMS AND CONDITIONS OF GRANT AMENDMENT:

1. By this Grant Amendment, DISTRICT and GRANTEE amend Section 3, “Term.” The term of the Grant shall be extended so that the termination date of the Grant is now March 31, 2022.
2. By this Grant Amendment, DISTRICT and GRANTEE amend Paragraph A of Section 8, “Payment,” of the Grant Agreement by replacing it in its entirety with:
 - A) DISTRICT agrees to award GRANTEE a grant of \$130,000 depending on the depth of measurement performed for the activities described in Attachment A, Work Plan. This grant shall be payable in six (6) installments, as follows:
 - i) \$15,000 within thirty (30) days after the execution of this Agreement; and
 - ii) \$20,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE’s deliverable of Task 1;
 - iii) \$45,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE’s deliverable of Task 2.1;
 - iv) \$20,000 within thirty (30) days after DISTRICT receipt and approval of GRANTEE’s deliverable of Task 2.2;

- v) \$10,000 within thirty (30) days after DISTRICT receipt an approval of GRANTEE's deliverable of Task 3.1;
- vi) \$20,000 within thirty (30) days upon completion of all Tasks listed in the Work Plan and DISTRICT's receipt of the final White Paper.

- 3. By this Grant Amendment, DISTRICT and GRANTEE replace Attachment A, Work Plan, with the attached "Attachment A-1, Work Plan" and agree that all references in the Grant to Attachment A shall be deemed to refer to Attachment A-1, Work Plan.
- 4. DISTRICT and GRANTEE agree that all other terms and conditions of the Grant shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Grant Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ASSOCIATION FOR ENERGY AFFORDABILITY

By: _____
Jack P. Broadbent
Executive Officer/APCO

By: _____
Andrew Brooks
Director of West Coast
Operations

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Brian C. Bunger
District Counsel

ATTACHMENT A-1

WORK PLAN

Overview

GRANTEE, as a partner of Contra Costa County's Green and Healthy Homes Initiative (locally called the *Contra Costa Asthma Initiative*) project team, will lead research on NO_x, Particulate Matter (PM) and Green House Gas (GHG) emissions reductions from energy efficiency and electrification retrofits in the homes of select participating high-risk asthma patients across Contra Costa County. GRANTEE will analyze data from other building retrofit projects and will develop a White Paper that includes findings from all research on NO_x, PM and GHG emissions reductions and recommendations on building-sector strategies the DISTRICT could pursue for a future NO_x or GHG emissions offset program.

GRANTEE will implement the following:

Task 1: Research local NO_x, PM and GHG emissions reductions attributed to building electrification retrofits

GRANTEE will analyze engineering estimates, peer research (including formaldehyde), and existing pre and post data on recent building electrification projects. GRANTEE will estimate a range of measure costs for each electrification retrofit type, in order to quantify measure cost per unit of NO_x, PM and CO_{2e} reduced.

Deliverable 1: Interim Phase 1 research findings

Due Date: May 31, 2021

Task 2: Measure and analyze NO_x, PM, GHG, and formaldehyde emissions in retrofitted homes

GRANTEE will conduct indoor air quality (IAQ) measurements at the homes of approximately 10-12 Contra Costa Asthma Initiative participants and obtain outdoor air quality measurements from AB617 community monitoring projects affiliated with the Path to Clean Air (Richmond-San Pablo Area) community health protection program. Priority will be given to homes where indoor combustion appliances were replaced with an electrified non-combustion appliance, primarily cooking, as well as participants electrifying natural gas furnaces and/or water heaters. When feasible, IAQ measurements will be compared to outdoor air pollution levels using the existing research being completed in Richmond as part of AB 617. Additionally, actual utility bills for the approximately 10-12 participants will be analyzed when possible, in order to quantify GHG savings and utility bill saving.

As part of this work, GRANTEE will partner with the Contra Costa County to achieve moderate (6 to 8) and advanced (5 to 7) home retrofits in the approximately 10-12 homes monitored for IAQ. Most of these homes will include measures reducing formaldehyde levels. Note that the final quantities may be subject to change (higher or lower), based on actual in-home conditions, contractor pricing, and ability to leverage external rebates and funds.

Moderate home retrofits may include but are not limited to consumer goods kit, medium contractor repairs (not to exceed \$2,500), Low Income Home Energy Assistance Program (LIHEAP) weatherization (where possible) and limited contractor energy efficiency/electrification: low-barrier electrification (existing electrical and space) of one end use (water heating, space heating, or cooking), advanced air sealing, and insulation.

Advanced home retrofits may include but are not limited to consumer goods kit, medium to high contractor repairs (not to exceed \$3,000), LIHEAP weatherization (where possible), comprehensive contractor energy efficiency/electrification: electrification of multiple end uses (water heating, space heating, and/or cooking, including electrical and home modifications as needed), advanced air sealing, ventilation, and insulation.

Deliverables 2:

- 2.1: Measurement and Verification Plan
- 2.2: Narrative of interim findings, including quantitative and qualitative data

Due Dates:

- 2.1: April 30, 2021
 - 2.2: December 31, 2021
-

Task 3: Develop a White Paper that includes: a) a comprehensive analysis of data findings from Tasks 1 & 2; and b) recommended building-sector strategies for a potential DISTRICT NOx and/or GHG emissions offset program.

GRANTEE will author a White Paper quantifying potential NOx, PM, GHG, and formaldehyde emissions reductions from common electrification retrofit opportunities in Bay Area single family and multifamily residential buildings. The final research White Paper will include quantitative and qualitative data previously collected in Tasks 1 and 2. The White Paper will also include recommendations on the design of a potential DISTRICT- or third party-led NOx or GHG emissions offset program aimed at expanding the uptake of building electrification solutions in the Bay Area.

For every home getting a retrofit, GRANTEE will provide a detailed list of scope of work completed, contractor cost per measure (and overall scope costs), receipts/invoices for these costs, funding sources used to reimburse the contractor for those costs and any/all other funding sources (utility rebates, state rebates, CCA rebates, etc.).

Deliverables 3:

- 3.1: White Paper draft
- 3.2: Final White Paper
- 3.3: Additional companion documents, such as basic quantification spreadsheet tools

Due Dates:

- 3.1: February 15, 2022

- 3.2: March 31, 2022
 - 3.3 March 31, 2022
-

Quarterly Progress and Final Reporting:

Reporting:

Beginning thirty (30) calendar days after execution of the contract, every April 15, July 15, October 15 and January 15 until the end of the Term, GRANTEE shall provide quarterly progress reports describing GRANTEE's progress toward completion of the work outlined above.

Within thirty (30) calendar days of completion of project, GRANTEE shall submit a Final Report. The Final Report shall be prepared on the DISTRICT's Final Report form (provided separately) and should report the outcomes of the project and learned lessons.

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Authorization to Execute a Contract Amendment with Avantpage, Inc., for Language Translation Services for the Community Engagement Office and Rules Division

RECOMMENDED ACTION

Recommend Board of Directors authorize the Executive Officer/APCO to execute a contract amendment with Avantpage, Inc., in an amount not to exceed \$60,000 for services performed in Fiscal Year Ending (FYE) 2021 for language translation of public website and document content under the responsibility of the Community Engagement Office and Rules Division.

Vendor	Amount	Service Description
Avantpage, Inc.	\$30,000	Spanish, Chinese, Tagalog, and Vietnamese language translation services to support the District’s equity goals for the Community Engagement Office.
Avantpage, Inc.	\$30,000	Spanish, Chinese, Tagalog, and Vietnamese language translation services to support the District’s equity goals for the Rules Division.
TOTAL	\$60,000	

BACKGROUND

Air District staff recommends an amendment for the existing vendor contract to complete translation services in support of support FYE 2021 goals.

To effectively reach and engage the diverse population of the region, the Air District must strive to provide residents with meaningful access to services and materials in languages other than English. Language options are necessary to provide fair and equal access for the general public and the industry-specific populations that utilize the Air District’s varied services, such as outreach, permit, compliance assistance and grant programs.

The Air District uses language services to translate content to communicate effectively across the multiple populations and communities that make up the general public of the Bay Area. Recently efforts centralized and optimized the language translation process within the District. These services are offered to all Air District Divisions with support from the Online Services section of the Production System Office. Through this collaborative approach Online Services can support

the language translation needs of the Divisions while more effectively coordinating and managing vendor activities under a single service provider fostering increased purchasing power and consistency of language translation. This collaborative approach with Online Services enables the Air District to:

1. Commit to equity though language accessibility.
2. Ensure responsiveness to language translation requests.
3. Streamline administrative activities and reduce overhead across participating Divisions.
4. Centralize quality assurance and align with invoices to ensure consistent results and the most effective application of language translations funds.

The current vendor has extensive language translation experience with scientific, technical and governmental websites where complex information needs to be communicated in simple and understandable language for the general public. The vendor is also qualified in providing translations through a custom integration that adheres to the technical process by which translated content is matched correctly within the website’s Content Management System (WCMS).

Vendor	Type of Services	Contract	Procurement Method
Avantpage	Spanish, Chinese, Tagalog, and Vietnamese language translation services to support the Air District’s equity goals.	FYE 2014	Request for Proposal process in conjunction with the Air District’s Business Services Division and the Online Services section of the Production System Office.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the vendor contract recommendations is included in the Community Engagement and Rules Divisions program budget for FYE 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anna Lee, David Joe
Reviewed by: Veronica Eady, Elizabeth Yura

Attachment 12A: Executed Contract No. 2020.232
Attachment 12B: Executed Amendment No. 1 – Contract No. 2020.232
Attachment 12C: Contract Amendment No. 2 – Contract No. 2020.232
Attachment 12D: Proposed Draft Contract Amendment No. 3 – Contract No. 2020-.232

BAY AREA AIR QUALITY MANAGEMENT DISTRICT**MASTER SERVICES CONTRACT****CONTRACT NO. 2020.232**

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Avantpage Inc.** (“CONTRACTOR”) whose address is 132 E Street, Suite 370, Davis, CA 95616.
2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for Services as defined herein. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the Services.
 - B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
3. **DEFINITIONS**
 - A. “Purchase Order” shall mean the written or electronic document used by DISTRICT to track payments to CONTRACTOR under this Contract.
 - B. “Services” shall mean the services to be provided by CONTRACTOR hereunder as generally described in the General Description of Services, attached hereto as Attachment A and made a part hereof by this reference, and as specifically described in Task Orders issued pursuant to this Contract.
 - C. “Task Order” shall mean a written request by DISTRICT for specific services to be performed by CONTRACTOR.
4. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraph D above.

5. TERM – The term of this Contract is from the date the Contract is executed to October 31, 2021, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

6. TERMINATION

A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 13 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all services under this Contract, except such services as are specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining services performed but not billed, including any services specified in the termination notice, on or before ten (10) business days following the termination date.

B. Either party may terminate this Contract for breach by the other party.

- i) Failure to perform any agreement or obligation contained in this Contract or failure to complete the services in a satisfactory manner shall constitute a breach of the Contract.
- ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
- iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
- iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 13.
- v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

7. INSURANCE

A. CONTRACTOR shall maintain the following insurance:

- i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
- ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
- iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a

business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- iv) Professional liability insurance with limits not less than one million dollars (\$1,000,000) each claim.
- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

8. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

9. AGREEMENT TO PROVIDE SERVICES

- A. CONTRACTOR hereby agrees to provide to DISTRICT, as DISTRICT may from time to time designate, such services as DISTRICT may order by Task Order, all in accordance with and subject to the terms, covenants and conditions of this Contract. DISTRICT agrees to pay for these services ordered by DISTRICT in accordance with and subject to the terms, covenants and conditions of this Contract.
- B. All Task Orders issued by DISTRICT to CONTRACTOR for services during the term of this Contract are subject to the provisions of this Contract as though fully set forth in such Task Order. In the event that the provisions of this Contract conflict with any Task Order issued by DISTRICT to CONTRACTOR, the provisions of this Contract shall govern. No other terms and conditions, including, but not limited to, those contained in CONTRACTOR's standard printed terms and conditions, on CONTRACTOR's order acknowledgment, invoices or otherwise, shall have any application to or effect upon or be deemed to constitute an amendment to or to be incorporated into this Contract, any Task Order, or any transactions occurring pursuant hereto or thereto, unless this Contract shall be specifically amended to adopt such other terms and conditions in writing by the parties.

- C. Notwithstanding any other provision of this Contract to the contrary, DISTRICT shall have no obligation to order or purchase any services hereunder and the placement of any Task Order shall be in the sole discretion of DISTRICT. Without limiting the generality of the foregoing, the actual quantity of services to be purchased hereunder shall be determined by DISTRICT in its sole discretion and shall not exceed \$110,041.31. This Contract is not exclusive. CONTRACTOR expressly acknowledges and agrees that DISTRICT may purchase at its sole discretion, services that are identical or similar to the services described in this Contract from any third party.
10. TASK ORDERS – Each Task Order will specify the following items, as relevant: specific services requested, schedule for services, location where services are to be performed (with contact person), and cost or estimated cost of services. Each Task Order issued under this Contract shall be made part of, and be incorporated into this Contract, and shall reference this Contract on the face of each Task Order. Should any Task Order not conform to or satisfy the terms of this Contract, CONTRACTOR shall have five (5) business days after receipt to reject the Task Order. By not rejecting the Task Order within five (5) business days, CONTRACTOR will have accepted the Task Order. Acceptance by CONTRACTOR is limited to the provisions of this Contract and the Task Order. No additional or different provisions proposed by CONTRACTOR or DISTRICT shall apply. In addition, the parties agree that this Contract and accepted Task Orders constitute a contract for services and satisfy all statutory and legal formalities of a contract.
11. PRICING, INVOICES, AND PAYMENT
- A. DISTRICT shall pay CONTRACTOR for all services ordered and provided in compliance with the terms and conditions of this Contract and with Task Orders issued under this Contract.
- B. CONTRACTOR shall submit original invoices to DISTRICT in form and substance and format reasonably acceptable to DISTRICT. Each invoice, including supporting documentation, must be prepared in duplicate on CONTRACTOR's letterhead; must list DISTRICT's contract number, Purchase Order Number, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and must be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Anja Page.
- C. Except as specifically set forth in Attachment A or in Task Orders under this Contract, DISTRICT shall not be responsible for any additional costs or expenses of any nature incurred by CONTRACTOR in connection with the provision of the services, including without limitation travel expenses, clerical or administrative personnel, long distance telephone charges, etc.
- D. CONTRACTOR represents, warrants and covenants that the prices, charges and fees for services set forth in this Contract (on the whole) are at least as favorable as the prices, charges and fees CONTRACTOR charges (on the whole) to other of its customers or clients for the same or substantially similar services provided under the same or substantially similar circumstances, terms, and conditions. If CONTRACTOR agrees or contracts with other clients or customers similarly situated during the Term of this Contract, and offers or agrees to financial terms more favorable than those set forth herein (on the whole), CONTRACTOR hereby agrees that it will reduce the prices, charges and/or fees charged to DISTRICT in respect of the services hereunder to the most favorable rates received by those other clients or customers.
12. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
- B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
- C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
- D. Each party shall bear its own mediation costs.
- E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
- F. Maximum recovery under this section shall be limited to the total value of all Task Orders issued under this Contract. The mediation costs shall not reduce the maximum amount recoverable under this section.

13. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Blair Adams

CONTRACTOR: Avantpage Inc.
132 E Street, Suite 370
Davis, CA 95616
Attn: Luis Miguel

14. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

15. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.

- C. DISTRICT reserves the right to review the credentials to perform the services for any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.
16. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
 - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
 - F. Prevent access to such materials by a person or entity not authorized under this Contract.
 - G. Establish specific procedures in order to fulfill the obligations of this section.
17. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.
18. PUBLICATION
- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
 - B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not

Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.

- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."

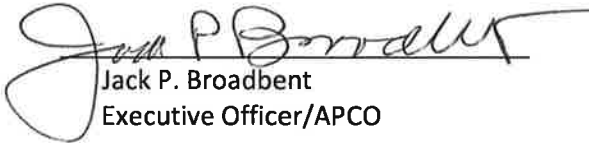
- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.
- 19. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing services in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
 - 20. PROPERTY AND SECURITY – Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT's premises.
 - 21. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
 - 22. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

23. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
24. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.
25. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
26. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
27. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
28. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
29. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
30. SURVIVAL OF TERMS – The provisions of sections 8 (Indemnification), 16 (Confidentiality), 17 (Intellectual Property Rights), and 18 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

AVANTPAGE INC.

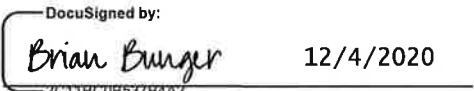
By: 
Jack P. Broadbent
Executive Officer/APCO

By: 
Luis Miguel
CEO

Date: 12/9/20

Date: 10.10.2020

Approved as to form:
District Counsel

By:  12/4/2020
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Brian C. Bungler
District Counsel

**Attachment A
General Description of Services**

Upon DISTRICT's request, CONTRACTOR shall provide language translation services for DISTRICT documents and website content.

Services performed under this Contract shall be billed according to the following rates:

TRANSLATION AND LOCALIZATION PROJECTS RATES PER WORD

Translation Item / Category	Standard Rates Per Word				
	Spanish	Traditional Chinese	Simplified Chinese	Tagalog	Vietnamese
ICE Match*	\$0.054	\$0.060	\$0.060	\$0.066	\$0.066
Non-translatable	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00
X Translated	\$0.054	\$0.060	\$0.060	\$0.066	\$0.066
Leveraged Match	\$0.054	\$0.060	\$0.060	\$0.066	\$0.066
Repetitions	\$0.054	\$0.060	\$0.060	\$0.066	\$0.066
100% Match	\$0.054	\$0.060	\$0.060	\$0.066	\$0.066
95-99%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
85-94%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
75-84%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
Internal 95-99%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
Internal 85-94%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
Internal 75-84%	\$0.090	\$0.100	\$0.100	\$0.110	\$0.110
No Match	\$0.180	\$0.200	\$0.200	\$0.220	\$0.220
* For localization updates ICE matches may be charged less/\$0					

**TRANSLATION AND LOCALIZATION PROJECTS HOURLY & FLAT RATE SERVICES
(For Spanish, Traditional Chinese, Simplified Chinese, Tagalog, and Vietnamese)**

Translation Projects	Standard Rate	Unit
Multilingual Desktop Publishing	\$75.00	Per Hour
Secondary Proofing	\$65.00	Per Hour
Third-party Review	\$75.00	Per Hour
ADA-Compliant Output	\$85.00	Per Hour

Web Localization Projects	Standard Rate	Unit
Localization Engineering	\$85.00	Per Hour
Linguistic Testing (WEB)	\$75.00	Per Hour
Functional Testing (WEB)	\$75.00	Per Hour

OTHER SUPPORTING SERVICES RATES
(For Spanish, Traditional Chinese, Simplified Chinese, Tagalog, and Vietnamese)

Ancillary Services	Standard Rate	Unit
Employee Assessment	\$100.00	Per Hour
Linguistic Asset Management	\$75.00	Per Hour

Other Services	Standard Rate	Unit
Project Management	5%	Per Project Total
Rush Fee	25%	Per Project Total
Urgent Rush Fee (8-24 hours delivery)	\$75.00	Flat, plus per-word costs, above
Emergency Rush Fee (3-6 hours delivery)	\$250.00	Flat, for up to 200 words

AMENDMENT NO. 1 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.232

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, December 11, 2020.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Avantpage Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for language translation services for DISTRICT documents and website content (the "Contract"), which Contract was executed on behalf of CONTRACTOR on October 10, 2020 and on behalf of DISTRICT on December 9, 2020.
2. The PARTIES seek to amend the total maximum cost of the Contract because the DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to continue to provide those services, up to the new total maximum cost.
3. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:


TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$110,041.31" with "\$235,040.31."
2. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

AVANTPAGE INC.

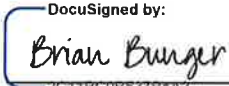
By: 
Jack P. Broadbent
Executive Officer/APCO

By: 
Luis Miguel
CEO

Date: 1/7/21

Date: 12.14.2020

Approved as to form:
District Counsel

By:  12/28/2020
2C11BC0B537B4A2...
Brian C. Bunger
District Counsel

AMENDMENT NO. 2 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.232

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, April 16, 2021.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Avantpage Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for language translation services for DISTRICT documents and website content (the "Contract"), which Contract was executed on behalf of CONTRACTOR on October 10, 2020 and on behalf of DISTRICT on December 9, 2020.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated December 11, 2020, for reference purposes only, to amend the total maximum cost of the Contract.
3. The PARTIES seek to amend the term and total maximum cost of the Contract because the DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to continue to provide those services.
4. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 5, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2022.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$235,040.31" with "\$260,295.31."
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

AVANTPAGE INC.

By: _____
Jack P. Broadbent
Executive Officer/APCO

By:  _____
Luis Miguel
CEO

Date: _____

Date: 04/20/2021 _____

Approved as to form:
District Counsel

By: _____
Brian C. Bunger
District Counsel

AMENDMENT NO. 3 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.232

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, April 30, 2021.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Avantpage Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for language translation services for DISTRICT documents and website content (the "Contract"), which Contract was executed on behalf of CONTRACTOR on October 10, 2020 and on behalf of DISTRICT on December 9, 2020.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated December 11, 2020, for reference purposes only, to amend the total maximum cost of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated April 16, 2021, for reference purposes only, to amend the term and total maximum cost of the Contract.
4. The PARTIES seek to amend the total maximum cost of the Contract because the DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to continue to provide those services.
5. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$260,295.31" with "\$320,295.31."
2. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

AVANTPAGE INC.

By: _____
Jack P. Broadbent
Executive Officer/APCO

By: _____
Luis Miguel
CEO

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Brian C. Bungler
District Counsel

DRAFT

**COMMITTEE CHAIR SUMMARY REPORT OF THE STATIONARY SOURCE
AND CLIMATE IMPACTS COMMITTEE**

(Co-Chairs: John Bauters and Karen Mitchoff)

The Stationary Source and Climate Impacts Committee met on Monday, April 19, 2021, and approved the minutes of March 15, 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.

The Committee then received two guest presentations regarding the topic of economic challenges to building decarbonization of existing buildings in the Bay Area. Jeanne Clinton, former Energy Efficiency and Clean Energy Advisor to the California Public Utilities Commission and to two gubernatorial administrations, gave the presentation *Costs, Markets, and Funding Options in Accelerating the Bay Area's Building Electrification*. Colin Bishopp, Executive Director of PACE Nation, presented on innovative financing approaches as potential solutions to these challenges.

The Committee then reviewed and discussed the staff presentation *Rule Development Concepts for Building Appliance Regulation*. Co-Chair Bauters requested that while the Air District prepares for its public workshop for Regulations 9-4 and 9-6, the Air District also collaborates with the California Air Resources Board, regarding disproportionate health impacts and other inequities that residents of disadvantaged communities face, due to heightened exposure to unhealthy levels of indoor air quality.

Finally, the Committee received and discussed the staff presentation *Source Test 101*.

[OVER]

The next meeting of this committee will be held on Monday, May 17, 2021 at 9:00 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. This concludes the report of the Stationary Source and Climate Impacts Committee.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Report of the Stationary Source and Climate Impacts Committee Meeting of April 19,
2021

RECOMMENDED ACTIONS

The Stationary Source and Climate Impacts Committee (Committee) recommends Board of Directors (Board) approval of the following:

- A) Costs and Financing Options for Building Decarbonization in the Bay Area;
 - 1) None; receive and file.
- B) Rule Development Concepts for Building Appliance Regulation;
 - 1) None; receive and file.
- C) Source Test 101; and
 - 1) None; receive and file.

BACKGROUND

The Committee met on Monday, April 19, 2021, and received the following reports:

- A) Costs and Financing Options for Building Decarbonization in the Bay Area;
 - 1) None; receive and file.
- B) Rule Development Concepts for Building Appliance Regulation;
 - 1) None; receive and file.
- C) Source Test 101; and
 - 1) None; receive and file.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) None; and
- C) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

- Attachment 13.2A: 04/19/2021 – Stationary Source and Climate Impacts Committee Meeting
Agenda #3
- Attachment 13.2B: 04/19/2021 – Stationary Source and Climate Impacts Committee Meeting
Agenda #4
- Attachment 13.2C: 04/19/2021 – Stationary Source and Climate Impacts Committee Meeting
Agenda #5

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Costs and Financing Options for Building Decarbonization in the Bay Area

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Natural gas use in residential and commercial buildings in the Bay Area represents approximately 11 percent of the region's greenhouse gas (GHG) inventory. To reach the Bay Area and the State of California goals of reducing GHG emissions 40 percent below 1990 levels by 2030 and achieving carbon neutrality by 2045, natural gas use in buildings will have to be significantly reduced, if not eliminated. As community choice energy programs serving the Bay Area continue fast-tracking the elimination of fossil fuels from the electricity supply, switching from natural gas to low-carbon electricity in the building sector becomes an increasingly critical component of the Air District's climate protection strategy.

In July 2019, the City of Berkeley became the first jurisdiction in the country to adopt an ordinance banning the use of natural gas in new construction. Other local governments immediately began following Berkeley's example. To date, municipal governments across the state have been implementing policies to phase-out natural gas use. In the Bay Area, thirty-six local jurisdictions have adopted ordinances to limit or outright ban natural gas use in new buildings. These policies are critical to curb the expansion of natural gas infrastructure to new buildings, but the bulk of the challenge rests with the building stock that already exists. Transitioning existing buildings from natural gas to low- or zero-carbon energy poses an enormous challenge for state, regional and local governments.

The Air District supports such local efforts through its region-wide Building Decarbonization Initiative to support the transition to carbon-free buildings. In 2018 the Air District awarded \$4.5 million in Climate Protection Grants to Bay Area cities and counties to reduce GHG emissions, with many of the grants addressing emissions from building energy use. Several of these grant projects are accelerating the electrification of indoor appliances such as space and water heaters by providing financial incentives to property owners. Developing new policies and reach codes is often challenging to local government staff who may not have the requisite expertise or resources available. To help local governments meet this challenge, the Air District collaborated with the Building Decarbonization Coalition to develop the Clean Building Compass

(<https://www.buildingdecarb.org/compass.html>), a centralized clearinghouse of policy tools on building decarbonization for local governments. The Air District is also a supporting partner in The Switch Is On (<https://www.switchison.org/>) statewide effort to educate and inspire the public on the benefits of efficient and electric home appliances, and to connect interested residents to contractors, rebates, and other resources.

Air District staff and external subject matter experts have presented to the Board's former Climate Protection Committee on different aspects of building decarbonization, including costs to individual homeowners, available technologies, and emerging policies. Board Members have requested continued discussion on the economics and potential financing for accelerating the transition to a decarbonized building stock.

DISCUSSION

Two external subject matter experts will present on the economic challenges to decarbonize existing buildings in the Bay Area, and on innovative financing approaches as potential solutions to these challenges.

Jeanne Clinton has served as a Special Advisor to the Governor for Energy Efficiency (Gov. Newsom) and Clean Energy (Gov. Schwarzenegger) to the California Public Utilities Commission (CPUC). Currently as a consultant to the Building Decarbonization Coalition, Ms. Clinton advises on state policies and regulations on energy efficiency and distributed renewable resources, with a focus on market mobilization. Her work addresses policy and market engagement strategies for clean energy issues, sustainable development, and climate mitigation. Ms. Clinton will present on the regional costs of upgrading from natural gas to electric space and water heating, and state and utility funding and financing programs that support this transition.

Colin Bishopp is the Executive Director of PACENation, a national non-profit organization that works to expand access to Property Assessed Clean Energy financing. He has also served as Deputy Director of the Clean Economy Development Center, a non-profit organization that helps public officials and community leaders create jobs through clean energy projects. In these positions, Mr. Bishopp has developed expertise in advancing low-carbon energy alternatives through innovative financing options for property owners. Mr. Bishopp will present on some of the challenges in financing building decarbonization, particularly in lower-income communities, and approaches to tapping into new revenue streams to overcome these challenges.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/19/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Rule Development Concepts for Building Appliance Regulation

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff reviewed various California air district rules applicable to emission sources from commercial and residential buildings. Staff's review indicates that Bay Area oxides of nitrogen (NO_x) emissions from residential natural gas combustion were roughly equal to Air District light duty automobile emissions in 2019 and greenhouse gas emissions were roughly half of 2019 light duty automobile emissions.

Based on this review, staff identified two rules for update under this effort. Regulation 9, Rule 4 (Rule 9-4) Nitrogen Oxides from Fan Type Residential Central Furnaces and Regulation 9, Rule 6 (Rule 9-6) Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters govern point of sale emission standards for small, typically residential and commercial, water and space heating systems. This memo and presentation will provide the Committee with staff's intended direction for amending these two rules.

The regulation of larger units used in industrial processes are addressed through Regulation 9, Rule 7 (Rule 9-7) Nitrogen Oxides and Carbon Monoxide from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters and the Air District permitting process. Staff intends to address revisions to Rule 9-7 in a separate rule development process as the technical challenges and stakeholders associated with this effort are largely separate from those of Rule 9-4 and Rule 9-6.

DISCUSSION

Staff currently intends to draft rule amendments that would include the following stages at the point of sale as governed by Rule 9-4 and Rule 9-6:

1. Updated “ultra-low” NO_x standards that aligns with NO_x standards in the South Coast Air Quality Management District and San Joaquin Valley Unified Air Pollution Control District with a short-term compliance schedule. Staff intends to:
 - a. Match “ultra-low” NO_x standards currently required by these other air districts where it is practical and justified to simplify requirements for appliance manufacturers that supply the state and to achieve cost effective NO_x emission reductions.
 - b. Develop amendments to additional sections of Rules 9-4 and 9-6 as appropriate and necessary. These amendments may include existing applicability requirements, exemptions, testing methodologies and alternative compliance pathways for certain units.
2. Introduction of a technology-forcing “near-zero” NO_x standard with a longer-term compliance schedule. Staff believes that the introduction of a long-term future-effective standard at a “near-zero” NO_x level would send the strong regional market signal required to expedite the development and implementation of electrified or otherwise low-emission space and water heating solutions.

Staff recognizes that the introduction of a technology-forcing standard presents unique challenges including those discussed below.

Market readiness: Emerging policies for building decarbonization (such as city and county “reach codes”) have greatly increased the market proliferation of “near-zero” solutions over the past five years, a trend that is expected to accelerate. Staff intends to coordinate with stakeholders throughout the rule development process and leading up to the “near-zero” standard compliance date. The recommended policy would complement efforts by state and local actors and help to harmonize standards and simplify requirements for contractors.

Regulatory Off-ramp: Staff recommends that the long term “near-zero” standard be accompanied by a regulatory “off-ramp” should the introduction of this standard face unforeseen challenges. Potential challenges include market failure to produce consumer-ready technology as well as financial obstacles. This “off-ramp” could consist of a waiver process to continue sales in the region for a limited length of time past the compliance date, but its ultimate structure will largely be informed by future stakeholder engagement.

Cost of compliance: In cases such as this, where the cost of compliance is borne by individual property owners, equity considerations must be kept at the forefront. The impact of these recommended rule amendments on interest groups such as renters, affordable housing administrators, and others must be adequately considered. Understanding and mitigating these

additional costs and differing cost burdens among Bay Area residents will continue to be a priority of Air District staff throughout the rule development process. Staff intends to conduct an equity analysis to evaluate these costs and other potential impacts of the intended amendments. This analysis is intended to be conducted in close consultation with community advocates over the course of this year.

Rulemaking timeline: Staff intends to present on this topic again to this Committee in September 2020. Staff anticipates hosting a public workshop prior to the September Committee meeting. In addition to the development of draft language, staff intends to discuss socio-economic and equity concerns associated with a potential technology-forcing standard at the public workshop. This discussion is intended to be part of a larger stakeholder feedback and equity analysis process. Staff currently projects that a Board Hearing for adoption of the regulatory concepts presented could occur in the second quarter of 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jennifer Elwell
Reviewed by: Victor Douglas and Elizabeth Yura

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Source Test 101

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Source testing is a way to measure emissions of pollutants from industrial facilities, usually from a stack or vent. Data from source testing is used to support many of the Air District's programs, including permitting, health risk assessments, inspections, emission inventory and rule development. This presentation will be an introduction to source testing to provide background that will be relevant for upcoming discussions and decisions for the Board of Directors. Staff will present an overview of the Air District's source testing work, including:

- Types of sources and pollutants tested
- Basic source testing methodology
- How data is used and shared
- Assessing new measurement technology and methods
- Pros and cons of increasing the number of tests performed by Air District staff

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Elaine Ko and Jerry Bovee
Reviewed by: Ranyee Chiang

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/19/2021

COMMITTEE CHAIR SUMMARY REPORT OF THE ADMINISTRATION COMMITTEE

(Co-Chairs: Cindy Chavez and Carole Groom)

The Administration Committee met on Wednesday, April 21, 2021, and approved the minutes of March 17, 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.

The Committee received the Hearing Board Quarterly Report: January – March 2021.

The Committee then received the guest presentation from Joseph Moussa of Simpson & Simpson, LLP, the independent auditor who completed the Financial Audit Report of the Air District's Financial Statements for the Fiscal Year Ending 2020.

The Committee then received the staff presentation *Third Quarter Financial Report Fiscal Year Ending 2021*.

The Committee then reviewed and discussed the staff presentation *Continued Discussion of Proposed Budgets for Fiscal Year 2021-2022*. Chair Chavez requested that four additional recommendations be added to the original recommendation (see items 3 through 6 below.) The Committee recommends the Board:

1. Conduct Public Hearings on the Fiscal Year Ending 2022 Proposed Budget (original);
2. Adopt the Fiscal Year Ending 2022 Proposed Budget (original);
3. Consider a path achieving 100% cost recovery within three years, rather than in the six proposed by Air District staff;

[OVER]

4. Ensure that the Air District is hiring employees with the appropriate expectations and number of hours, especially within the Air District's Compliance & Enforcement Division;
5. Is prompted by Air District staff to consider certain reserves designations; and
6. Ask Air District staff to develop a Request for Proposals or Request for Qualifications regarding a management audit partner for the next Fiscal Year (brought back to the Committee and then to the Board.)

The Committee then reviewed and discussed the staff presentation *Summary of the 2020-2021 Spare the Air Winter Campaign*.

The Committee then discussed the topic of governance of the Board. Rather than forming an Ad Hoc Board Governance Committee, Chair Chavez proposed adding additional meetings for this Committee to discuss Board governance challenges. She listed concerns such as: composition of the Board membership and the inclusion of members of the public, reduction of the size of the Board, whether certain disadvantaged communities be prioritized to receive funding benefits, additional Board compensation for multiple meetings per day, and whether to incentivize active transportation methods for Board members who do not use a gas-powered vehicle to attend Board meetings. Chair Chavez said that once Committee members finalize a list of Board governance concerns, she, Co-Chair Groom, and Board Vice Chair Mitchoff will prioritize those concerns in a workplan.

Finally, the Committee received an oral presentation from Jack Broadbent, Executive Officer/Air Pollution Control Officer, on the Proposed 2021 Administration

[OVER]

Committee Workplan. Mr. Broadbent highlighted Bay Area Regional Collaboration updates, ongoing Employee Association negotiations, and the June Board meeting schedule.

The next meeting of the Administration Committee will be held on Wednesday, May 19, 2021, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. I move that the Board approves the Committee's recommended actions. This concludes the Chair Report of the Administration Committee.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Report of the Administration Committee Meeting of April 21, 2021

RECOMMENDED ACTIONS

The Administration Committee (Committee) recommends Board of Directors (Board) approval of the following:

- A) Hearing Board Quarterly Report: January 2021 – March 2021;
 - 1) None; receive and file.
- B) Air District Financial Audit Report for Fiscal Year Ending (FYE) 2020;
 - 1) None; receive and file.
- C) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2021;
 - 1) None; receive and file.
- D) ACTION REQUESTED AMENDED: Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2022 and Consideration to Recommend Adoption;
 - 1) The Administration Committee (Committee) will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2022 and consider recommending that the Board of Directors (Board):
 - 1) Conduct Public Hearings on the FYE 2022 Proposed Budget; and
 - 2) Adopt the FYE 2022 Proposed Budget.
- E) Summary of the 2020-2021 Spare the Air Winter Campaign;
 - 1) None; receive and file.

- F) Board Governance – Next Steps; and
 - 1) None; receive and file.
- G) ACTION REQUESTED: Discussion on Administration Committee Workplan for 2021.
 - 1) Recommend the Administration Committee (Committee) approve the 2021 Workplan for the Committee.

BACKGROUND

The Committee met on Wednesday, March 17, 2021, and received the following reports:

- A) Hearing Board Quarterly Report: January 2021 – March 2021;
- B) Air District Financial Audit Report for Fiscal Year Ending (FYE) 2020;
- C) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2021;
- D) Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2022 and Consideration to Recommend Adoption;
- E) Summary of the 2020-2021 Spare the Air Winter Campaign;
- F) Board Governance – Next Steps; and
- G) Discussion on Administration Committee Workplan for 2021

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) None. Funding for the Auditors’ report is included in the FYE 2021 Budget;
- C) None; receive and file;
- D) The proposed consolidated budget for FYE 2022 is \$247,979,858 and is a balanced budget;
- E) Funding for the Spare the Air winter campaign is included in the Fiscal Year Ending 2021 budget;
- F) None; and
- G) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

Attachment 14.2A: 04/21/2021 – Administration Committee Meeting Agenda #3
Attachment 14.2B: 04/21/2021 – Administration Committee Meeting Agenda #4
Attachment 14.2C: 04/21/2021 – Administration Committee Meeting Agenda #5
Attachment 14.2D: 04/21/2021 – Administration Committee Meeting Agenda #6
Attachment 14.2E: 04/21/2021 – Administration Committee Meeting Agenda #7
Attachment 14.2F: 04/21/2021 – Administration Committee Meeting Agenda #8
Attachment 14.2G: 04/21/2021 – Administration Committee Meeting Agenda #9

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: April 16, 2021

Re: Hearing Board Quarterly Report: January 2021 – March 2021

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

This report covers the first calendar quarter (January - March) of 2021.

- Held two hearings;
- Processed five orders; and
- Collected a total of \$3,674.85 in variance/appeal filing fees.

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

Location: San Mateo County, City of South San Francisco

Docket: 3724 – Air Pollution Control Officer (APCO) vs. E & S Auto Collision, Inc., et al –
Accusation

Regulation(s): Regulation 2, Rule 1 (Permits, General Requirements)

Synopsis: Respondents own and operate a facility in South San Francisco, California, where they conduct auto body coating operations, for which they must hold a District Permit to Operate pursuant to District Regulation 2, Rule 1. Respondents were conducting operations without a valid or current District permit, despite their knowledge that they must hold a permit to do so. They had not had a permit since December 2017. Complainant sought an order that Respondents cease violating District Regulation 2, Rule 1 within 15 days from the effective date, either by obtaining a current and valid permit, or ceasing their auto body coding operations until they obtain a District permit to do so.

Status: Accusation filed on October 29, 2020; hearing scheduled for December 8, 2020; hearing continued to January 19, 2021; Complainant requested to dismiss the matter on January 8, 2021; Order for Dismissal filed January 11, 2021.

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”) to 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 NOx 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 NOx 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 NOx 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; and Stipulated Order Extending Time (revising decision date further to April 19, 2021) filed on March 19, 2021.

Appeal-related fees collected this quarter: \$0

Location: Santa Clara County; City of San Jose

Docket: 3728 – Equilon Enterprises LLC dba Shell Oil Products US – Request for Short-Term Variance

Regulation(s): Regulation 8, Rule 5, Section 322 (Organic Compounds, Storage of Organic Liquids, Secondary Seal Requirements)

Synopsis: Shell SJ Terminal (Applicant) operates a bulk storage petroleum product terminal in San Jose, California. At that location, "Tank 60" is an internal floating roof tank with a capacity of 252,000 gallons storing Transmix (a gasoline/ethanol/diesel mixture). The tank is equipped with a mechanical shoe primary seal and a single wiper secondary seal, which, the Applicant stated were installed in 2012. The tank operator implemented an Enhanced Monitoring Program per Reg 8-5-411 that includes Tank 60. The Enhanced Monitoring Program requires the secondary seal to be inspected on a quarterly basis, and if a violation is found, the facility is granted up to a 48-hour repair period per the limited exemption in Reg 8-5-119.2.3.

On November 30, 2020, during a visual inspection, facility representatives discovered a tear/gap (1.5- to 2-foot section) on the secondary seal of Tank 60 in violation of Reg 8-5-322.1. Applicant's inspection report indicates that moisture and/or staining was present adjacent to the missing portion of the secondary seal. Having discovered a tear in the secondary seal at approximately 11:50 a.m.

on November 30, 2020, Applicant immediately arranged for a repair to be made, but was unable to complete the repair within the 48-hour period allowed by Regulation 8-5-119.2.3 because the tank's floating roof was too low to conduct the repair at the time the broken seal was discovered. Applicant was unable to raise the floating roof until after a pipeline delivery began at 5:30 a.m. on December 2, 2020, which the Applicant asserted was the earliest possible delivery time. The Applicant claimed no faster alternative to remedy the tear was available at the time, and sought an emergency variance (Docket No. 3726).

On December 17, 2020, Applicant sought a second emergency variance (since **Docket No. 3726** was denied) from the requirements of Regulation 8-5-322 (Secondary Seal Requirements), presumably because it exceeded the 48-hour grace period for repairs allowed by Regulation 9-5-119 (Limited Exemption, Repair Period). **The emergency variance application for Docket No. 3727 was a revised version of the emergency variance application for Docket No. 3726.** Both were reviewed by the same Hearing Board member. The two principal differences between the two applications were: 1) Due to an apparent miscommunication between Applicant and BAAQMD staff, the BAAQMD staff response to the earlier application erroneously put the age of Tank 60's secondary seal at about 20 years, when in fact it is only about 8 years old; and 2) BAAQMD staff recommended that the Hearing Board deny the first application and grant the second application. **The Request for Short-Term Variance was sought by the Applicant after its two attempts for emergency variances were denied.**

Status: Application filed on January 7, 2021; hearing set for January 26, 2021; hearing held on January 26, 2021; Order Granting Short-Term Variance filed on February 9, 2021.

Requested Period of Variance: December 2, 2020 from 9:00 a.m. to 3:45 p.m.

Estimated Excess Emissions:

Emissions, lbs		
Duration, hrs	7	
Pollutant	POC	TAC
VFRT	0	0
IFRT	3.52	0.01
Total	3.52	0.01

7 hours emission fees		
CAP/pound	\$ 5.83	\$ 20.52
TAC/pound	\$ 29.00	\$ 0.33
Excess emissions fee		\$ 20.85

Variance-related fees collected this quarter: \$3,654.00 (filing fee) and \$20.85 (excess emission fees) = \$3,674.85

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; hearing scheduled for April 20, 2021.

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: April 16, 2021

Re: Air District Financial Audit Report for Fiscal Year Ending (FYE) 2020

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Pursuant to the Section II.2.1 of the Administrative Code, the Air District is required to have an annual independent financial audit. The Independent Auditors, Simpson & Simpson, LLP completed the Financial Audit Report of the Air District's Financial Statements for the Fiscal Year Ending (FYE) 2020. The Independent Auditors also completed the Financial Audit Report of the Office of Management and Budget (OMB) Circular A-133 for the FYE 2020.

DISCUSSION

The Air District's independent auditors completed their audit of the Air District's financial records and activities for the year ended June 30, 2020 and issued an "unqualified opinion" or clean opinion on the financial statements. Attached are the audit reports being presented along with a brief summary:

1. Basic Financial Statements

The statements are prepared in conformity with generally accepted accounting principles. The purpose of the statements is to convey financial information to external customers/users. The statements report the Air District's annual operations and demonstrate financial compliance with legal requirements. The report on the basic financial statements is unqualified with no reportable conditions, no instances of non-compliance, and no financial statement findings noted. While there were no significant deficiencies or material weaknesses, the auditors did communicate some recommendations to strengthen internal controls and operating efficiency.

2. Office of Management and Budget (OMB) Circular A-133

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

A member of the independent audit firm, Simpson & Simpson LLP, will be at the meeting to present audited reports to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funding for the Auditors' report is included in the FYE 2021 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeffrey McKay

Attachment 4A: Basic Financial Statements with Independent Auditor's Report for the Year Ended June 30, 2020

Attachment 4B: OMB Circular A-133 Report (Single Audit) for Year Ended June 30, 2020

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT
Basic Financial Statements
With Independent Auditor's Report
For the Year Ended June 30, 2020**

ADMINISTRATIVE COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Basic Financial Statements
For the Year Ended June 30, 2020

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Independent Auditor's Report

The Board of Directors of
Bay Area Air Quality Management District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the **Bay Area Air Quality Management District** (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Bay Area Air Quality Management District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.





Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the required supplementary information on pages 47 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on page 54 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
April 6, 2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

This discussion and analysis of the Bay Area Air Quality Management District (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the accompanying basic financial statements and notes.

A. Financial Highlights

- During the fiscal year 2019-2020, the District commenced remodeling of additional office space at 375 Beale Street and completed Phase 1 office space renovation of Richmond Headquarters East office building. The District also entered into a funding agreement with Bay Area Housing Authority (BAHA) to provide \$3 million towards build out of the office space on the first floor of Beale Street in exchange for shared use of the space and share in any future operating income generated from the space.
- At the close of the fiscal year 2019-2020, the District's net position is \$207,977,053. Total net position includes \$52.7 million for net investment in capital assets, \$167.7 million for restricted net position and a negative \$12.4 million for unrestricted net position.
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2019-20, increasing the District's overall (net position) by \$16.6 million or 8.7%.
- The District's governmental funds reported a total fund balance of \$244,497,143; \$161,970,388 for the Special Revenue Fund and \$82,526,755 for the General Fund. The entire fund balance of the Special Revenue Fund in the amount of \$161,970,388 is reserved for air quality grants and projects. The \$82,526,755 General Fund balance consists of \$30,324,696 representing the assigned fund balance, \$5,717,573 restricted, \$954,940 committed or nonspendable and the remaining balance of \$45,529,546 unassigned.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Management's Discussion and Analysis
 Year Ended June 30, 2020
 (Unaudited)

Table 1 presents the General Fund detail of fund balances as of June 30, 2020, and June 30, 2019.

Table 1. General Fund Balances as of June 30, 2020 and 2019

Category	General Fund June 30, 2020	General Fund June 30, 2019	Increase/ (Decrease)
Fund Balances:			
Nonspendable:			
Prepaid Expenses	\$ 954,940	\$ 937,780	\$ 17,160
Restricted:			
Air Quality Grants and Projects	649,872	925,631	(275,759)
Post-Employment Benefits	3,520,969	3,406,018	114,951
Debt service	1,546,732	1,171,636	375,096
Assigned:			
PERS Funding and Post Employment Benefits	3,000,000	2,000,000	1,000,000
Building and Facilities	-	209,489	(209,489)
Air Quality Grants and Projects	22,489,782	22,728,264	(238,482)
Other Assigned	4,834,914	4,614,289	220,625
Unassigned:	45,529,546	41,479,538	4,050,008
Total Fund Balance	\$ 82,526,755	\$ 77,472,645	\$ 5,054,110

B. Overview of the Financial Statements

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

Government-Wide Financial Statements

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

B. Overview of the Financial Statements, Continued

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

The Statement of Net Position reports all assets, deferred outflows of resources, liabilities owed by the District, and deferred inflows of resources on a full accrual basis. The difference between the assets held and deferred outflows of resources, and the liabilities owed and deferred inflows of resources, is reported as *Net Position*. The net position total is comparable to total stockholder's equity presented on the balance sheet of a private enterprise. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position as of June 30, 2020 is presented on page 13.

The Statement of Activities reports the net cost of the District's activities by category and is also prepared on a full accrual basis. Under the full accrual basis of accounting, revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of the related cash flows. The focus of the Statement of Activities is on the cost of various work programs performed by the District. The statement begins with a column that identifies the total cost of these programs followed by columns that summarize the District's program revenues by major category. The difference between expenses and revenues represents the net cost or benefit of the District's work programs. General revenues are then added to the net cost/benefit to calculate the change in net position. The Statement of Activities is presented on page 14.

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

Fund Financial Statements

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

B. Overview of the Financial Statements, Continued

Governmental Funds

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

Balance Sheets prepared under the modified accrual basis of accounting have a short-term emphasis and, for the most part, measure and account for cash and other assets that can be easily converted to cash. Specifically, cash and receivables that are deemed collectible within a very short period of time are reported on the balance sheet. Capital assets such as land and buildings are not reported in governmental fund financial statements. Fund liabilities include amounts that will be paid within a very short period of time after the end of the fiscal year. Long-term liabilities such as outstanding bonds are not included. The difference between a fund's total assets, deferred outflow of resources, total liabilities, and deferred inflows of resources represents the fund balance. The unassigned portion of fund balance represents the amount available to finance future activities. The District's governmental funds balance sheets can be found on page 15.

The Statement of Revenues, Expenditures, and Changes in Fund Balance include only revenues and expenditures that were collected in cash or paid with cash during the fiscal year or very shortly after the end of the fiscal year. The governmental funds Statements of Revenues, Expenditures, and Changes in Fund Balances can be found on page 17.

Since a different basis of accounting is used to prepare these statements, reconciliation is required to facilitate the comparison between the government-wide statements and the fund financial statements. The reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position is on page 16. The reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities can be found on page 18.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 to 46.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's other post-employment benefit (OPEB) liabilities, retirement pension liabilities held by California Public Employees Retirement System (PERS), general fund and special revenue fund budget comparison schedules, and supplementary information concerning the District's TFCA and Carl Moyer program expenditures on pages 47 to 54.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

C. Government-Wide Financial Analysis

The government-wide financial analyses focus on net position and changes in net position of the District's governmental activities. Table 2 below shows a condensed Statement of Net Position as of June 30, 2020 compared to the fiscal year ended June 30, 2019.

Table 2. Statement of Net Position as of June 30, 2020 and June 30, 2019

	Governmental Activities June 30, 2020	Governmental Activities June 30, 2019	Increase/ (Decrease)
Current & Other Assets	\$ 391,951,663	\$ 324,330,353	\$ 67,621,310
Capital Assets	71,542,917	70,696,145	846,772
Total Assets	<u>463,494,580</u>	<u>395,026,498</u>	<u>68,468,082</u>
Deferred Outflows of Resources	22,867,292	26,624,823	(3,757,531)
Current Liabilities	148,578,743	96,980,498	51,598,245
Noncurrent Liabilities	120,217,761	125,787,760	(5,569,999)
Total Liabilities	<u>268,796,504</u>	<u>222,768,258</u>	<u>46,028,246</u>
Deferred Inflows of Resources	9,588,315	3,763,409	5,824,906
Net Position			
Invested in Capital Assets	52,654,146	50,980,564	1,673,582
Restricted	167,687,961	155,915,850	11,772,111
Unrestricted net position	(12,365,054)	(15,526,760)	3,161,706
Total Net Position	<u>\$ 207,977,053</u>	<u>\$ 191,369,654</u>	<u>\$ 16,607,399</u>

At June 30, 2020 the District's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$208 million, an increase of \$16.6 million over the previous fiscal year.

As noted earlier, total net position may serve over time as a useful indicator of the District's financial position. Restricted net position is to be used for specific programs and purposes according to legal terms and conditions. The remaining portion of the District's net position is unrestricted and at the end of the fiscal year had a negative balance of \$12.4 million which is mainly due to the implementation of GASB Statement 68 and 75; which requires the District to report its current obligations for Pension and Other Post-Employment Benefits.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

C. Government-Wide Financial Analysis, Continued

Table 3 below provides changes in net position for the fiscal year ending June 30, 2020 compared with the fiscal year ended June 30, 2019.

Table 3. Statement of Activities for Fiscal Years 2019-20 and 2018-19

	Governmental Activities FY 2019-20	Governmental Activities FY 2018-19	Dollar Increase / (Decrease)	Percentage Increase / (Decrease)
Revenues:				
Program Revenue:				
Charges for services	\$ 55,722,285	\$ 56,094,102	\$ (371,817)	-1%
Operating grants and contributions	93,896,048	81,116,395	12,779,653	16%
Total Program Revenue	<u>149,618,333</u>	<u>137,210,497</u>	<u>12,407,836</u>	9%
General Revenues:				
County Apportionments	37,558,118	35,823,934	1,734,184	5%
Investment income not restricted for a specific program	1,383,522	1,622,927	(239,405)	-15%
Other	377,239	502,969	(125,730)	-25%
Total General Revenues	<u>39,318,879</u>	<u>37,949,830</u>	<u>1,369,049</u>	4%
Total Revenues	<u>188,937,212</u>	<u>175,160,327</u>	<u>13,776,885</u>	8%
Expenses:				
Primary Government	102,830,973	93,525,653	9,305,320	10%
California Goods Movement Program	9,110,363	7,467,502	1,642,861	22%
Vehicle Settlement	443,295	162,364		
Interest Expense	462,577	550,307	(87,730)	-16%
TFCA/MSIF, CMP, & Other programs:				
TFCA / MSIF & other program distribution	36,335,378	38,262,656	(1,927,278)	-5%
Carl Moyer Program	23,147,227	16,108,629	7,038,598	44%
Total Expenses	<u>172,329,813</u>	<u>156,077,111</u>	<u>16,252,702</u>	10%
Change in Net Position	<u>16,607,399</u>	<u>19,083,216</u>	<u>(2,475,817)</u>	-13%
Net Position-beginning of year	<u>191,369,654</u>	<u>172,286,438</u>	<u>19,083,216</u>	11%
Net Position-ending of year	<u>\$ 207,977,053</u>	<u>\$ 191,369,654</u>	<u>\$ 16,607,399</u>	9%

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

C. Government-Wide Financial Analysis, Continued

Governmental Activities

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

The Statement of Activities presents information showing how the District's net position changed during the fiscal year 2019-2020. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

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

At June 30, 2020, the District's governmental activities reported ending net position of \$207,977,053, an increase of \$16,607,399 in comparison to the prior year. The primary reason is due to increased activities in the following programs: California Goods Movement, Carl Moyer Program, Community Air Protection Implementation Grant (AB617) and Clean Cars for All.

- Overall governmental revenues are \$188,937,212; an increase of \$13,776,885 from the prior year. Of the \$13.8 million increase, approximately \$24 million relates to grant activities for the following programs: California Goods Movement locomotive program, Carl Moyer's AB134 Community Incentive programs, AB617 Implementation program, Clean Cars for All program, Goodwill Program and County apportionment from higher assessed valuations in the Bay Area. The increase is offset by \$10.2 million reductions in TFCA/MSIF programs and permitting fees related to a change in the anniversary date of some fee payers from prior year.
- Overall governmental expenditures are \$172,329,813; an increase of \$16,252,702 over the prior year. Of this \$16.3 million increase, \$7.0 million relates to increase in grant activities in Carl Moyer AB134 Community Incentive, Goodwill Industries Electric Delivery Vehicle Project and Goods Movement programs. The remaining increase of \$9.3 million in the General Government Program primary due to payment associated with the Bay Area Headquarters Authority funding agreement for shared cost towards the construction of the first-floor office space at 375 Beale Street and continued implementation of the AB 617 program.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

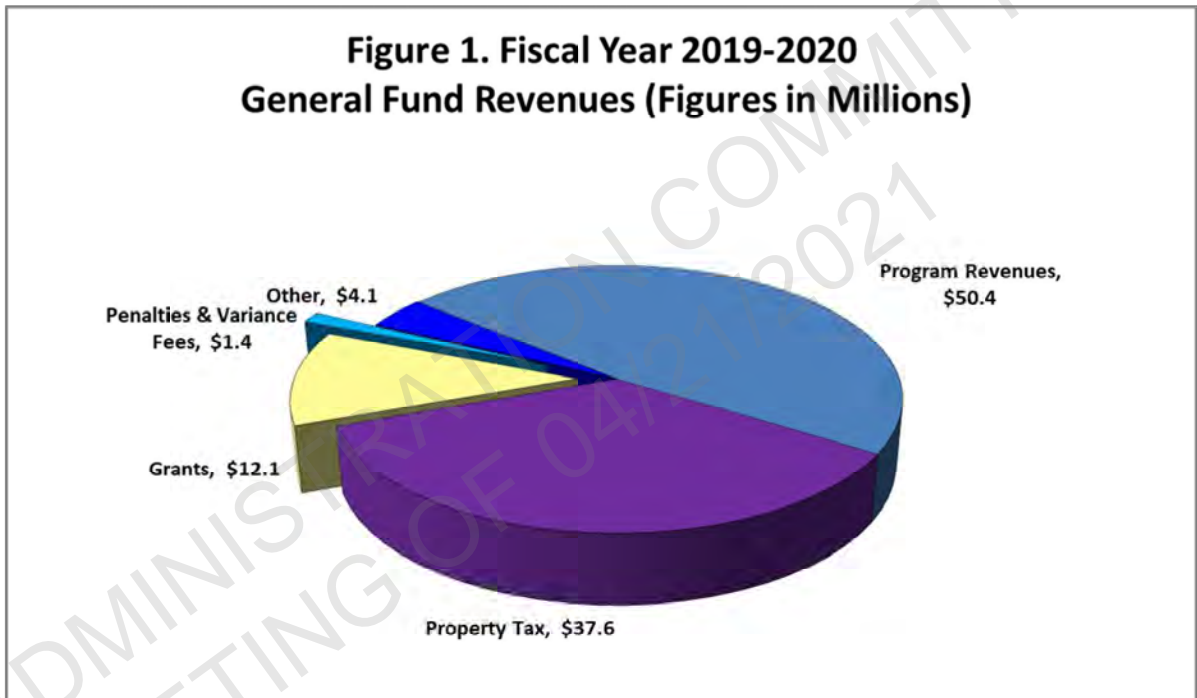
Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

D. General Fund Financial Analysis

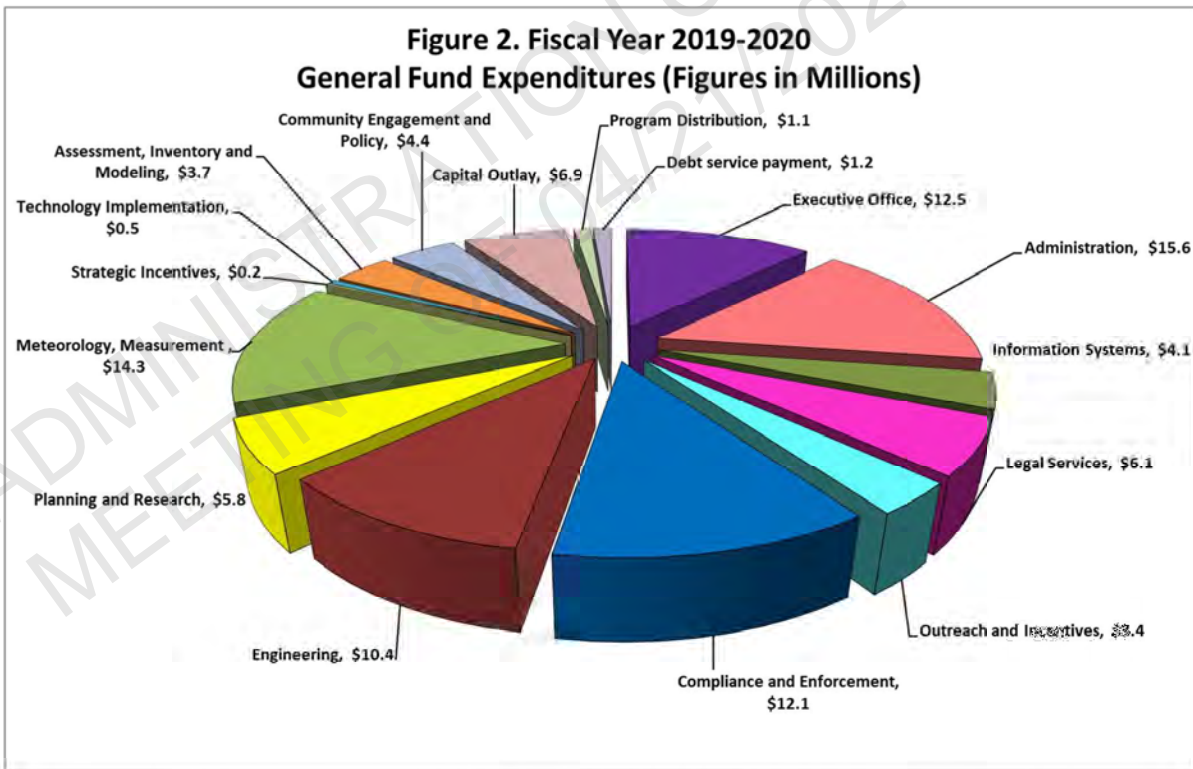
Figure 1 below provides a pie chart of the District's General Fund revenues (net of other financing sources) for fiscal year 2019-2020. The General Fund recognized total revenue of \$105,605,824 in fiscal year 2019-20, an increase of \$1.8 million over fiscal year 2018-19. This increase is mainly comprised of increased revenues in property tax due to increased economic activities, and increased funding from State for AB617 grant program. This increase is offset by reduction permit fees due to change in anniversary date for certain fee payers. Program Revenues includes: Permit, AB2588, Title V, and Asbestos fees. Program revenues are the largest General Fund revenue source in fiscal 2019-20 (\$50.4 million), followed by Property Tax (\$37.6 million), Grants (\$12.1 million), Other revenues (\$4.1 million), and Penalties (\$1.4 million).



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Management's Discussion and Analysis
 Year Ended June 30, 2020
 (Unaudited)

D. General Fund Financial Analysis, Continued

Figure 2 below provides a graph of General Fund operating expenditures (net of other financing uses) for fiscal year 2019-20. General Fund operating expenditures totaled \$102,217,558 which is a decrease of \$753,308 over fiscal year 2018-19. This decrease is mainly related to the purchased office space at 375 Beale Street and a new facility in Richmond in prior year, offset by increased personnel & benefit cost associated with increase in staffing levels and increased professional services across various programs of District and AB617 implementation. General Fund expenditures represent the District's general government operating costs categorized into the following operating divisions: Compliance and Enforcement (\$12.1 million), Engineering (\$10.4 million), Administration (\$15.6 million), Information Systems (\$4.1 million), Meteorology, Measurements and Rules (\$14.3 million), Executive Office (\$12.5 million), Planning & Research (\$5.8 million), Outreach & Incentives (\$3.4 million), Strategic Incentives (\$0.2 million), Assessment, Inventory and Modeling (\$3.7 million), Community Engagement and Policy (\$4.4 million), Technology Implementation (\$0.5 million) and Legal Services (\$6.1 million). Capital Outlay (\$6.9 million), Debt Service Payments (\$1.2 million) and Program Distribution (\$1.1 million) are not operating divisions, but rather categories capturing expenditures related to capital assets, COPs financing and special projects, respectively. General Fund operating revenues exceeded operating expenditures by \$3.4 million in fiscal year 2019-20.



The General Fund is the operating fund of the District and at the end of the fiscal year, the total fund balance of the General Fund was \$82.5 million. The assigned fund balance was \$30.3 million, restricted \$5.7 million, non-spendable \$0.9 million, and the remaining \$45.5 million is unassigned. The unassigned fund balance represents 45% of the total General Fund expenditures, while the total fund balance represents 81% of the total General Fund expenditures. The District has available funds for unanticipated emergencies.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2020

(Unaudited)

D. General Fund Financial Analysis, Continued

The FY 2019-20 amended budget compared to the adopted budget reflect an increase in appropriations of \$26.3 million. The changes to the budget were the result of Governing Board actions that allocated additional funding after the budget was adopted and approved appropriations related to multi-year projects and obligations that will carry over to the next fiscal year. The FY 2019-20 actual revenues were above the final budget by \$6.1 million resulting from increased economic activities related to property tax receipts, asbestos fees and additional grant revenues.

E. Capital Assets

Capital assets include land, buildings, laboratory equipment, air monitoring stations, computers, office furniture and District fleet vehicles. As of June 30, 2020, the District's investment in capital assets was \$75.5 million net of accumulated depreciation, an increase of \$0.9 million or 1.2% from prior year. This increase is comprised of a combination of office improvements, enterprise application and equipment purchases.

F. Long-Term Liabilities

At the end of current fiscal year, the District had total long-term liabilities of \$126.3 million. Of this amount, \$101.8 million comprises of the District's Net Pension Liability and Net OPEB Liability, while \$18.5 million pertains to the District's outstanding Certificate of Participation (COPs). Total Long-Term Liabilities decreased from the prior year by \$7.7 million or 5.7%. This decrease is mainly related to changes in the Net Pension Liability and Net OPEB valuations.

G. Economic Factors and Next Year's Budget

The District receives approximately 36% of its General Fund revenue from property taxes levied in nine Bay Area counties and 44% from permit fees charged to local businesses. Consequently, District revenues are impacted by changes in the state and local economy. The District takes a fiscally conservative approach to its budget and it strives to balance its budget within available current revenues. To address the economic slowdown related to the COVID-19 pandemic, there were no increases to the Air District's Existing Fee Schedules, however, a new Community Health Impact Fee was added. There were no increases to Services and Supplies budgets, building improvements to the Richmond Office was postponed, and \$5.2 million from reserved was used to balance the FYE 2021 budget. The District continues to focus on long term financial planning to ensure the vitality and effectiveness of its programs and recently prepared a Five-Year Financial Plan to project the District's financial health based on key economic assumptions.

H. Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Stephanie Osaze, Finance Manager, at 375 Beale Street, Suite 600, San Francisco, CA 94105.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Statement of Net Position

June 30, 2020

**Governmental
Activities**

Assets:	
Cash and cash equivalents	\$ 82,063,330
Restricted cash and cash equivalents	287,821,848
Receivables	17,059,825
Due from other governments	3,834,300
Prepays, deposits, and other assets	1,172,360
Capital assets:	
Non-depreciable	5,095,406
Depreciable	104,458,187
Less: accumulated depreciation	(38,010,676)
Total capital assets, net of depreciation	<u>71,542,917</u>
Total Assets	<u>463,494,580</u>
Deferred Outflows of Resources	<u>22,867,292</u>
Liabilities:	
Accounts payable	6,002,599
Accrued liabilities	2,165,662
Other liabilities	2,043,945
Unearned revenue	132,307,766
Long-term liabilities	
Portion due within one year:	
Compensated absences	5,270,000
Certificates of participation	400,000
Capital lease obligation	388,771
Portion due after one year:	
Compensated absences	337,675
Certificates of participation	18,100,000
Net pension liability	83,411,702
Net OPEB liability	18,368,384
Total Liabilities	<u>268,796,504</u>
Deferred Inflows of Resources	<u>9,588,315</u>
Net Position:	
Net investment in capital assets	52,654,146
Restricted for:	
Air quality grants and projects	162,620,260
Post-employment benefits	3,520,969
Debt service	1,546,732
Unrestricted	(12,365,054)
Total Net Position	<u>\$ 207,977,053</u>

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Statement of Activities
Year Ended June 30, 2020

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Primary government	\$102,830,973	\$53,483,347	\$13,875,056	\$ (35,472,570)
California Goods Movement Program	9,110,363	-	9,131,584	21,221
Vehicle settlement	443,295	2,238,938	-	1,795,643
Interest expense	462,577	-	-	(462,577)
TFCA / MSIF, CPM & other programs:				
TFCA / MSIF & other program distribution	36,335,378	-	46,998,497	10,663,119
Carl Moyer Program	23,147,227	-	23,890,911	743,684
Total Governmental Activities	<u>\$172,329,813</u>	<u>\$55,722,285</u>	<u>\$93,896,048</u>	<u>(22,711,480)</u>
General revenues:				
County apportionment				37,558,118
Investment income not restricted for a specific program				1,383,522
Other				377,239
Total General Revenues				<u>39,318,879</u>
Change in Net Position				16,607,399
Net Position – Beginning of Year				191,369,654
Net Position – End of Year				<u>\$207,977,053</u>

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	General	Special Revenue	Total Governmental
Assets:			
Cash and cash equivalents	\$ 82,063,330	\$ -	\$ 82,063,330
Restricted cash and cash equivalents	5,067,701	282,754,147	287,821,848
Receivables	9,270,980	7,788,845	17,059,825
Due from other governments	2,928,726	905,574	3,834,300
Due from other funds	6,503,849	-	6,503,849
Prepays, deposits, and other assets	1,131,756	40,604	1,172,360
Total Assets	106,966,342	291,489,170	398,455,512
Liabilities and Fund Balances:			
Accounts payable	3,583,460	2,419,139	6,002,599
Accrued liabilities	2,165,662	-	2,165,662
Due to other funds	-	6,503,849	6,503,849
Other liabilities	2,043,945	-	2,043,945
Unearned revenue	11,711,972	120,595,794	132,307,766
Total Liabilities	19,505,039	129,518,782	149,023,821
Deferred Inflows of Resources:			
Unavailable revenue	4,934,548	-	4,934,548
Fund Balances:			
Nonspendable:			
Prepaid items	954,940	-	954,940
Restricted:			
Air quality grants and projects	649,872	161,970,388	162,620,260
Postemployment benefits	3,520,969	-	3,520,969
Debt service	1,546,732	-	1,546,732
Assigned:			
Pension and postemployment	3,000,000	-	3,000,000
Air quality grants and projects	22,489,782	-	22,489,782
Other assigned	4,834,914	-	4,834,914
Unassigned	45,529,546	-	45,529,546
Total Fund Balances	82,526,755	161,970,388	244,497,143
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 106,966,342	\$ 291,489,170	\$ 398,455,512

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2020

Total Fund balances - Governmental Funds	\$ 244,497,143
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$109,591,167 and accumulated depreciation is \$38,010,676 .	71,542,917
Receivables that will be collected in the following year and therefore are not available soon enough to pay for current period's expenditures and therefore are not reported in the governmental funds.	4,934,548
Long-term liabilities, including legal settlements, compensated absences, COPs liability, and capital lease obligation are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(24,496,446)
Proportionate share of net pension liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	(69,608,015)
Net other post-employment benefits liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	(18,893,094)
Total Net Position - Governmental Activities	<u>\$ 207,977,053</u>

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General	Special Revenue	Total Governmental
Revenues:			
TFCA / MSIF DMV fees	\$ -	\$ 34,752,161	\$ 34,752,161
Permit fees	45,980,721	-	45,980,721
County apportionment	37,558,118	-	37,558,118
California Goods Movement	-	9,131,584	9,131,584
Carl Moyer Program	-	23,890,911	23,890,911
Federal grants	4,324,806	2,081,820	6,406,626
Penalties and variance fees	1,386,571	-	1,386,571
Asbestos fees	4,380,504	-	4,380,504
State subvention	1,743,099	-	1,743,099
State and other grants	7,807,151	10,164,516	17,971,667
Portable equipment registration program (PERP)	660,827	-	660,827
Vehicle settlement	-	2,238,938	2,238,938
Other revenues	377,239	-	377,239
Interest and investment gain (loss)	1,383,522	-	1,383,522
Special environmental projects	3,266	-	3,266
Total Revenues	105,605,824	82,259,930	187,865,754
Expenditures:			
General government:			
Program distribution	1,117,417	-	1,117,417
Executive office	12,498,813	-	12,498,813
Administration	15,578,042	-	15,578,042
Information systems	4,090,080	-	4,090,080
Legal services	6,106,835	-	6,106,835
Outreach and incentives	3,382,302	-	3,382,302
Compliance and enforcement	12,093,780	-	12,093,780
Engineering	10,373,006	-	10,373,006
Planning and research	5,803,846	-	5,803,846
Meteorology, measurement and rules	14,281,482	-	14,281,482
Strategic incentives division	183,027	-	183,027
Technology implementation	549,552	-	549,552
Assessment, Inventory and Modeling	3,662,261	-	3,662,261
Community Engagement and Policy	4,391,626	-	4,391,626
TFCA / MSIF & other programs:			
Program distribution	-	26,355,074	26,355,074
Commuter assistance	-	66,361	66,361
Intermittent control	-	1,764,853	1,764,853
TFCA administration	-	1,285,998	1,285,998
Vehicle buy-back	-	3,476,348	3,476,348
Mobile source incentive	-	179,005	179,005
Miscellaneous incentive program	-	190,356	190,356
Regional electric vehicle deployment	-	1,393,917	1,393,917
Enhanced mobile source inspection	-	17,810	17,810
Carl Moyer Program			
Project funding	-	21,619,168	21,619,168
Grant administration	-	1,528,059	1,528,059
California Goods Movement Program & other			
Project funding	-	9,067,682	9,067,682
Grant administration	-	42,681	42,681
Vehicle settlement			
Project funding	-	1,605,656	1,605,656
Grant administration	-	443,295	443,295
Debt Service:			
Principal	778,445	-	778,445
Interest	462,577	-	462,577
Capital outlay	6,864,467	-	6,864,467
Total Expenditures	102,217,558	69,036,263	171,253,821
Excess of Revenues			
Over Expenditures	3,388,266	13,223,667	16,611,933
Other Financing Sources (Uses):			
Transfers in	1,665,844	-	1,665,844
Transfers out	-	(1,665,844)	(1,665,844)
Total Other Financing Sources (Uses)	1,665,844	(1,665,844)	-
Net Changes in Fund Balances	5,054,110	11,557,823	16,611,933
Fund Balances, July 1, 2019	77,472,645	150,412,565	227,885,210
Fund Balances, June 30, 2020	\$ 82,526,755	\$ 161,970,388	\$ 244,497,143

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
 and Changes in Fund Balances to the Statement of Activities
 Year Ended June 30, 2020

Net Changes in Fund Balances - Governmental Funds	\$16,611,933
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	846,772
Repayment on debt principal are reported as expenditures in the governmental funds, but constitute reductions to liabilities in the statement of net position.	826,810
Legal settlements are recognized in the governmental funds when due and payable but is recognized in the government wide statements as soon as the underlying event has occurred.	3,750,000
In the statement of activities, compensated absences are measured by the amounts the employees earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(527,172)
Because certain revenues will not be collected soon enough to be considered "available" revenues for this year.	1,071,458
Actuarial pension expense is recognized in the government wide statements and actual pension contributions are reclassified in the current year as deferred outflow of resources.	(6,326,573)
Actuarial OPEB revenue is recognized in the government wide statements and actual OPEB contributions are reclassified in the current year as deferred outflow of resources.	354,171
Changes in Net Position of Governmental Activities	<u>\$16,607,399</u>

See accompanying notes to basic financial statements.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies

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

The following summary of the more significant accounting policies of the District is provided to assist the reader in interpreting the basic financial statements presented in this section. These policies, as presented, should be viewed as an integral part of the accompanying basic financial statements.

(a) Reporting Entity

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

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

The Health and Safety Code requires the District to pass-through no less than 40% (forty percent) of the TFCA revenues raised within a particular county to that county's eligible, designated Program Manager. The remaining 60% (sixty percent) is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the District's Board adopted evaluation and scoring criteria. The District may receive reimbursement from TFCA funds, not to exceed 6.25% (six and a quarter percent) of total funds, for administration of the program. TFCA activities are accounted for in the District's Special Revenue Fund.

The District is responsible with regulatory stationary sources of air pollution in seven counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara; and portions of two other counties: Southwestern Solano and Southern Sonoma. The District is governed by a 24 (twenty-four) member Board of Directors that includes representatives from all of the above counties.

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

(b) Government-wide and Fund Financial Statements

The District's basic financial statements consist of fund financial statements and government-wide statements which are intended to provide an overall viewpoint of the District's finances. The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all District funds excluding the effect of interfund activities. Governmental activities are normally supported by taxes and intergovernmental revenues.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column.

(c) *Basis of Accounting*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to pay current liabilities.

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 (sixty) days after year end, with the exception of revenues related to CMAQ Spare the Air, which are included in revenue if received within seven months after year end.

Expenditures for the governmental funds are generally recognized when the related fund liability is incurred, except debt service expenditures and expenditures related to compensated absences which are recognized when payment is due. Governmental capital asset acquisitions are reported as expenditures in the governmental funds.

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

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

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

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

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

(d) *Fund Accounting*

The District's accounting system is organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A description of the activities of the major funds is provided below:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for the specific purpose of the individual funds.

(e) *Cash and Investments*

Cash includes amounts in deposits with the San Mateo County Investment Fund (County Pool).

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County of San Mateo Treasurer. All District investments are stated at fair value based on quoted market prices.

(f) *Receivables*

During the course of normal operations, the District carries various receivable balances for taxes, interest, and permitting operations. The District considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations when that determination is made.

(g) *Short-term Interfund Receivables/Payables*

Occasionally, a fund will not have sufficient cash to meet its financial obligations and a cash transfer will be required to enable that fund to pay its outstanding invoices and other obligations. These temporary borrowings between funds are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. Interfund balances within governmental activities are eliminated on the government-wide statement of net position.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(h) Capital Assets

Capital assets, which include land, depreciable assets, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation, in which case they are recorded at estimated market value at the date of receipt. The District utilizes a capitalization threshold of \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings, grounds & improvements	15 - 20
Equipment	5 - 15

(i) Deferred Outflows / Deferred Inflows

In addition to assets, the financial statements report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District's pension plan after the measurement date but before the fiscal year-end are recorded as a deferred outflow of resources. Additional factors involved in the calculation of the District's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, and differences between projected and actual investment earnings. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 7 for further details related to these pensions deferred outflows and inflows. In the fund financial statements, the District reports unavailable revenues as a deferred inflow of resources.

(j) Compensated Absences

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The District's liability for compensated absences is recorded in the Statement of Net Position. District employees are allowed to accrue no more than four hundred and sixty hours of vacation as of the end of the calendar year. In the event of termination, the employees are reimbursed for all accumulated vacation at the time of separation from the District. There are no restrictions regarding the accumulation of sick leave. On termination, employees are not paid for accumulated sick leave, but the accumulated sick leave is counted as service credit by the CalPERS pension plan administered by the State of California

(k) Pensions

The District participates in the Bay Area Air Quality Management District Miscellaneous Plan (the Plan), an agent multiple-employer defined benefit pension plan maintained by the California Public Employees' Retirement System (CalPERS). For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position, have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(l) Use of Management Estimates

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

(m) Net Position / Fund Balance

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

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

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

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

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

Assigned Fund Balance - This category presents the portion of the fund balance that is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. For the District, balances can be assigned by management or through the budget process. Other assigned balance represents amounts intended to be used for a Wood Burning Device, Abatement Technology, Litigation, Technology Implementation Office, Woodchip Program, and the Marin Wildfire Recovery.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers assigned amounts to be reduced first, before the unassigned amounts.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(2) Cash, Cash Equivalents, and Investments

Cash and Investments

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

Cash, cash equivalents, and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 82,063,330
Restricted cash and cash equivalents	287,821,848
	<hr/>
Total cash, cash equivalents and investments	\$ 369,885,178

Cash, cash equivalents and investments as of June 30, 2020 consist of the following:

Cash and investments in San Mateo	
Pooled Fund Investment Program	\$ 364,817,477
Cash, cash equivalents, and investments with fiscal agent	5,067,701
	<hr/>
Total cash, cash equivalents and investments	\$ 369,885,178

Cash in County Treasury

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

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

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

Investments Authorized by the District's Investment Policy

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Except for investments by trustees of Certificates of Participation (COPs) proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from the website at <http://ttax.co.la.ca.us/>. The table below identifies some of the investment types permitted in the investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Government Agency / Sponsored Enterprise Securities	7 Years	100%	40%
U.S. Treasury Obligations	7 Years	100%	100%
Asset-Backed Securities	5 Years	20%	5%
Banker 's Acceptances	180 Days	15%	5%
Commercial Paper	270 Days	40%	5%
Negotiable Certificates of Deposit	5 Years	30%	5%
Collateralized Certificates of Deposit	1 Year	15%	5%
Repurchase Agreements	92 Days	100%	100%
Mutual Funds	N/A	20%	10%
Corporate Bonds, Medium-Term Notes & Covered Bonds	5 Years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	Up to the state limit	Up to the state limit

Investments Authorized by Debt Agreements

The District's cash, cash equivalents, and investments with fiscal agent in the General Fund in the amount of \$1,546,732 represent funds which are restricted for specific purposes under terms of the debt agreement at June 30, 2020.

Investments of debt proceeds held by the trustee are governed by provisions of the trust agreement rather than the general provisions of the California Government Code or the District 's investment policy.

Derivative Investments

The District did not directly enter into any derivative investments, and the County Pool was not holding derivative investments at June 30, 2020.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Disclosures Related to Interest Rate Risk and Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the District's investment policy limit the District's investments in banker's acceptances, commercial paper, negotiable certificates of deposit collateralized certificates of deposit, and repurchase agreements to the rating of A-1/P-1/F-1 or better by two of the three nationally recognized rating services (Standard & Poor's, Moody's Investors Service, or Fitch Ratings). Corporate securities are required to have a rating of A or better at the time of purchase, and the amount invested in corporate securities in the A rating category shouldn't exceed 90% of permitted corporate allocation. U.S. government securities are required to have a rating of AA, long-term, or A-1, short-term, or better by two of the three rating services. Asset-backed securities are required to have a rating of AAA or higher by two of the three rating services.

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

The District's cash, cash equivalents, and investments were categorized as follows at June 30, 2020:

	Ratings:		Maturities	Fair Value
	Moody's	S&P		
AIG Fixed Annuity	Not Rated	Not Rated	Current	\$ 3,520,969
Dreyfus Treasury Securities	Aaa-mf	AAAm	Current	1,546,732
Investments in San Mateo Pooled Fund Investment Program	Aaa to P-1	AAA to A-1	1.71 Years	364,817,477
Total cash, cash equivalents, and investments				<u>\$ 369,885,178</u>

Restricted Cash, Cash Equivalents, and Investments

The District's restricted cash, cash equivalents, and investments are \$287,821,848 at June 30, 2020.

Included in this restricted balance is \$282,754,147 for air quality grants and projects, \$1,546,732 for debt service, and \$3,520,969 restricted for postemployment benefits.

Fair Value Measurement

GASB 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements
Year Ended June 30, 2020

The investment in San Mateo Pooled Fund Investment Pool is subject to fair value measurement; however, it is not subject to the fair value hierarchy. The Dreyfus Treasury Securities are classified as Level 2 because they are observable but do not have quoted prices in active market. The AIG Fixed Annuity is classified as Level 3 of the fair value hierarchy because it is a contract with AIG related to the restricted portion of OPEB funding and is not available for sale or transfer on any securities exchange.

(3) Receivable

At June 30, 2020, the District had the following accounts receivable:

General Fund:	
Permit and other fees	\$ 7,068,130
County apportionments	422,724
Interest	313,111
Other	1,467,015
Total General Fund	<u>\$ 9,270,980</u>
Special Revenue Fund	
TFCA DMV fees	\$ 4,545,264
MSIF DMV fees	2,150,935
Interest	1,092,646
Total Special Revenue Fund	<u>\$ 7,788,845</u>
Total Receivables	<u><u>\$ 17,059,825</u></u>

(4) Interfund Transactions

Current interfund balances (due to/from other funds) arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. At June 30, 2020, the General Fund was owed \$6,503,849 by the Special Revenue Fund.

With Board approval, resources are transferred from one fund to another. The purpose of the majority of transfers is to move approved administrative revenue charged to restricted programs in the Special Revenue Fund to the General Fund. Interfund transfers for the year ended June 30, 2020 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General Fund	Special Revenue Fund	\$1,665,844

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(5) Capital Assets

The District's capital assets were comprised of the following at June 30, 2020:

	<u>Balance at 7/1/2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance at 6/30/2020</u>
Nondepreciable Assets:				
Land	\$ 3,974,267	\$ -	\$ -	\$ 3,974,267
Construction in progress	3,224,515	1,121,139	(3,224,515)	1,121,139
Total nondepreciable assets	<u>7,198,782</u>	<u>1,121,139</u>	<u>(3,224,515)</u>	<u>5,095,406</u>
Depreciable assets:				
Building	36,950,205	-	-	36,950,205
Building & Grounds	4,665,579	1,804,943	-	6,470,522
Leasehold Improvements	2,908,329	-	-	2,908,329
Office Equipment	419,207	-	-	419,207
Computer & Network Equipment	10,602,697	77,506	-	10,680,203
Enterprise application	25,163,344	5,833,134	-	30,996,478
Motorized Equip (vehicle)	410,702	51,291	-	461,993
Lab & Monitoring Equipment	11,092,420	941,790	-	12,034,210
Communication Equipment	2,943,055	214,160	-	3,157,215
Furniture	158,950	7,445	-	166,395
General Equipment	213,430	-	-	213,430
Total depreciable assets	<u>95,527,918</u>	<u>8,930,269</u>	<u>-</u>	<u>104,458,187</u>
Building	3,538,028	1,847,510	-	5,385,538
Building & Grounds	351,190	262,995	-	614,185
Leasehold Improvements	2,742,168	10,114	-	2,752,282
Office Equipment	366,365	12,968	-	379,333
Computer & Network Equipment	7,468,830	1,091,811	-	8,560,641
Enterprise application	5,119,615	1,891,307	-	7,010,922
Motorized Equip (vehicle)	164,221	72,588	-	236,809
Lab & Monitoring Equipment	9,135,597	661,347	-	9,796,944
Communication Equipment	2,786,357	128,885	-	2,915,242
Furniture	151,202	596	-	151,798
General Equipment	206,982	-	-	206,982
Total accumulated depreciation	<u>32,030,555</u>	<u>5,980,121</u>	<u>-</u>	<u>38,010,676</u>
Total depreciable assets, net	<u>63,497,363</u>	<u>2,950,148</u>	<u>-</u>	<u>66,447,511</u>
Total capital assets, net	<u>\$ 70,696,145</u>	<u>\$ 4,071,287</u>	<u>\$ (3,224,515)</u>	<u>\$ 71,542,917</u>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Depreciation expense by function for capital assets for the year ended June 30, 2020, is as follows:

Primary Government:

Executive	\$ 1,071,489
Administrative services	728,153
Legal services	167,777
Communications Office	62,900
TIO	28,208
Compliance & Enforcement	664,916
Engineering	533,868
AIM	183,417
Planning	214,001
CEP	167,215
Meteorology, Measurements & Rules	1,023,535
Information Systems	1,127,084
Strategic Incentives Division	7,558
Total depreciation expense	<u>\$ 5,980,121</u>

(6) Unearned / Unavailable Revenue

The governmental fund financial statements report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues that are not available when they are not collectible within the current period or soon enough thereafter to pay for liabilities of the current period. The District reports a liability for unearned revenue in connection with resources that have been received, but not yet earned. As of June 30, 2020, the various components of unavailable revenue and unearned revenue reported were as follows:

	<u>Unearned Revenue</u>	<u>Unavailable Revenue</u>	<u>Total</u>
General Fund:			
Permits and licenses	\$ -	\$ 4,934,548	\$ 4,934,548
Community Air Protection Program	11,711,972	-	11,711,972
Total General Fund	<u>11,711,972</u>	<u>4,934,548</u>	<u>16,646,520</u>
Special Revenue Fund:			
GMB - Administration	1,363,311	-	1,363,311
GMB - On-Road Projects	15,345,245	-	15,345,245
Shore Power Projects	4,233,242	-	4,233,242
TRUs	50,746	-	50,746
Locomotive	7,430	-	7,430
Carl Moyer Program	82,000,827	-	82,000,827
Carl Moyer Program Administration	3,310,523	-	3,310,523
Low Carbon Project Funding	9,635,996	-	9,635,996
Low Carbon Program Administration	1,137,434	-	1,137,434
Vehicle Settlement	1,936,819	-	1,936,819
Special Projects	1,574,221	-	1,574,221
Total Special Revenue Fund	<u>120,595,794</u>	<u>-</u>	<u>120,595,794</u>
Total Unearned and Unavailable Revenue	<u>\$ 132,307,766</u>	<u>\$ 4,934,548</u>	<u>\$ 137,242,314</u>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(7) Deferred Outflows and Inflows of Resources

District's deferred outflows and inflows of resources as of June 30, 2020 are comprised of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of assumptions - Pension	\$ 4,377,067	\$ 1,046,100
Changes of assumptions - OPEB	2,360,309	—
Differences between expected and actual experience - Pension	3,304,178	895,476
Differences between expected and actual experience - OPEB	—	6,336,203
Net differences between projected and actual earnings on plan investments - Pension	—	1,310,536
Net differences between projected and actual earnings on plan investments - OPEB	49,715	—
Pension contributions subsequent to measurement date	9,374,554	—
OPEB contributions subsequent to measurement date	3,401,469	—
Total	<u>\$ 22,867,292</u>	<u>\$ 9,588,315</u>

(8) Long-Term Liabilities

(a) Certificate of Participation

On November 7, 2013, the District issued \$30,000,000 through a private placement of taxable Certificates of Participation (COPs) with Bay Area Headquarters Authority (BAHA) to finance its ownership interest of approximately 75,000 square feet of office space at 375 Beale Street. The COPs were held by the Bank of New York Mellon Trust Company, N.A., as Trustee, in an escrow account until the acquisition of the premises by the District which occurred in May 2017. The escrow account paid interest due during the escrow period, at an annual rate of 0.247%, using proceeds of the COPs. Upon acquisition date, the escrow period ended, and the District began making base rental payments of \$100,000 per month beginning July 1, 2017.

The District is subject to mandatory sinking fund account payments as follows:

<u>Payment Date</u> <u>(November 1)</u>	<u>Amount</u>	<u>Payment Date</u> <u>(November 1)</u>	<u>Amount</u>
2020	\$ 400,000	2033	\$ 700,000
2021	400,000	2034	800,000
2022	500,000	2035	800,000
2023	500,000	2036	800,000
2024	500,000	2037	800,000
2025	500,000	2038	800,000
2026	500,000	2039	900,000
2027	600,000	2040	900,000
2028	600,000	2041	900,000
2029	600,000	2042	1,000,000
2030	600,000	2043	1,000,000
2031	700,000	2044	1,000,000
2032	700,000	2045	1,000,000

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The District and BAHA had entered into a financing lease/sublease arrangement whereby at the date of acquisition the District leased its office space to BAHA and BAHA subleased office space back to the District to secure payment on the COPs. Under the terms of the agreement, total monthly payments have been predetermined and the amount of such payments that relates to interest will be calculated based on the Adjustable Rate Mode accrued at the Adjusted Interest Rate as provided in the lease/sublease agreement with BAHA. All payments made into the sinking fund are restricted for debt service.

Total payments of principal and interest are structured as follows:

<u>Fiscal Year</u>	<u>Total Annual Payments</u>
2021	\$ 1,200,000
2022	1,200,000
2023	1,200,000
2024	1,200,000
2025	1,200,000
2026-2030	6,510,000
2031-2035	6,850,000
2036-2040	6,850,000
2041-2045	6,850,000
	<u>\$ 33,060,000</u>

Upon payment of all rental payments under the term of the sublease agreement, the title of the office space will transfer to the District.

(b) Capital Lease

Capital lease is related to hardware, software and services for IT infrastructure located at the new building at 375 Beale Street which includes but is not limited to servers, storage, Voice Over IP, computer networks, and security systems. The capital lease agreement had a total principal amount of \$2,300,000 of which the District borrowed \$2,275,000. The fair value of fixed assets purchased with the capital lease is \$2,275,000. The capital lease expense during the year ended June 30, 2020 was \$426,810.

(c) Summary of Long-Term Liabilities

A schedule of changes in general long-term debt for the year ended June 30, 2020, is shown below:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Certificates of participation (COPs)	\$ 18,900,000	\$ -	\$ (400,000)	\$ 18,500,000	\$ 400,000
Compensated absences	5,080,503	3,915,735	(3,388,563)	5,607,675	5,270,000
Capital lease	815,581	-	(426,810)	388,771	388,771
Total	<u>\$ 24,796,084</u>	<u>\$3,915,735</u>	<u>\$(4,215,373)</u>	<u>\$ 24,496,446</u>	<u>\$ 6,058,771</u>

The certificates of participation and long-term portion of compensated absences is liquidated by the General Fund.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Future annual payments on COPs are as follows:

Year Ending June 30	Certificates of Participation	
	Principal	Interest
2021	\$ 400,000	\$ 246,050
2022	400,000	240,730
2023	500,000	235,410
2024	500,000	228,760
2025	500,000	222,110
2026-2030	2,800,000	1,006,810
2031-2035	3,500,000	803,320
2036-2040	4,100,000	551,950
2041-2045	4,800,000	262,010
2046	1,000,000	13,300
	<u>\$ 18,500,000</u>	<u>\$ 3,810,450</u>

COPs bears a variable interest rate structure with preset interest rate caps. The interest rate is based on an agreed upon spread of 120 basis point or 1.2% plus a commonly used interest rate index published by the Securities Industry and Financial Markets Association (SIFMA). The SIFMA index rate used to calculate the interest rate is determined by the Index Agent on (1) each Index Rate Determination Date determined by the Index Agent, plus (2) the applicable spread of .13%; the sum of which is subject to the preset interest rate cap as follows:

Preset Interest Rate Caps structure:

Year 1-5	3.20%
Year 6-10	4.20%
Year 11-30	5.20%

The District utilized the SIFMA rate as the end of the fiscal year ending June 30, 2020 to calculate the interest based on the predetermined principal payment schedule above.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(9) Operating Leases

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2021	\$ 1,428,659
2022	1,067,269
2023	868,497
2024	688,941
2025	380,075
2026-2030	998,243
2031-2035	762,564
2036-2040	832,588
	<u>\$ 7,026,836</u>

Air-monitoring station leases are renewable with minor escalations.

Rental expense for lease agreements above during the year ended June 30, 2020, was \$1,814,831.

(10) County Apportionment Revenue

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

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

Property taxes levied are recorded as revenue and receivables in the fiscal year of levy, provided that they are collected within the fiscal year or within sixty days after year end to be consistent with the District's collection period used in the measurement of the collection period for when revenues are considered available.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

County apportionment revenue recognized as of June 30, 2020, is as follows:

<u>County</u>	<u>Amount</u>
Alameda	\$ 6,733,882
Contra Costa	4,134,514
Marin	1,648,621
Napa	1,204,466
Santa Clara	5,793,645
San Francisco	5,177,940
San Mateo	10,311,534
Solano	894,376
Sonoma	1,659,140
Total county apportionment revenue	<u>\$ 37,558,118</u>

(11) Pension Plan

Plan Description

All District employees are eligible to participate in the Bay Area Air Quality Management District Miscellaneous Plan (the Plan), an agent multiple-employer defined-benefit pension plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. CalPERS issues a publicly available report that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found online at www.calpers.ca.gov.

Benefits Provided

Benefit provisions under the Plan are established by State statute and District resolution. The benefits are based on members' years of service, age, final compensation, and benefit formula. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the Plan has two benefit structures: 1) CalPERS Miscellaneous Employee "2% at 55" for members first hired prior to January 1, 2013, to perform CalPERS creditable activities (Classic members), and 2) CalPERS Miscellaneous Employee "2% at 62" for members first hired on or after January 1, 2013, to perform CalPERS creditable activities (PEPRA members). The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits, while PEPRA members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, Optional Settlement 2 Death Benefit, Special Death Benefit, or the Alternate Death Benefit for Local Fire Members. The cost of living adjustments for the Plan is applied as specified by the Public Employees' Retirement Law.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Classic	PEPRA
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hiring date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	52
Monthly benefit, as a % of eligible compensation	1.43% - 2.42%	1.00% - 2.50%
Required employee contribution rates	7.00%	6.00%
Required employer contribution rates	23.073%	23.073%

Employees Covered

At June 30, 2020, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	271
Inactive employees entitled to but not yet receiving benefits	95
Active employees	362
	<u>728</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2020, the contributions to the Plan amounted to \$9,374,554.

Net Pension Liability

The District's net pension liability for the Plan of \$83,411,702 at June 30, 2020 is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability of the Plan is shown below.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The total pension liability in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry-Age Normal
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%
Mortality rate table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.00% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increases, mortality and retirement dates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8.0	6.30	7.23
Real assets	13.0	3.75	4.93
Liquidity	1.0	—	(0.92)
Total	<u>100.00%</u>		

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.92% used for this period.

Changes in the Net Pension Liability

The changes in the net pension liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2019	\$ 315,887,816	\$ 239,215,593	\$ 76,672,223
Changes recognized for the measurement period:			
Service cost	5,823,771	—	5,823,771
Interest on the total pension liability	22,580,042	—	22,580,042
Differences between expected and actual experience	4,336,733	—	4,336,733
Changes of assumptions	—	—	—
Plan to plan resource movement	—	—	—
Contributions from the employer	—	7,628,075	(7,628,075)
Contributions from employees	—	2,815,780	(2,815,780)
Net investment income	—	15,727,365	(15,727,365)
Benefit payments, including refunds of employee contributions	(14,663,313)	(14,663,313)	—
Other miscellaneous income (expense)	—	556	(556)
Administrative expense	—	(170,709)	170,709
Net changes	<u>18,077,233</u>	<u>11,337,754</u>	<u>6,739,479</u>
Balance at June 30, 2020	<u>\$ 333,965,049</u>	<u>\$ 250,553,347</u>	<u>\$ 83,411,702</u>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate

The following presents the District's net pension liability for the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1.00% Decrease (6.15%)	Current Discount Rate (7.15%)	1.00% Increase (8.15%)
District's net pension liability	\$ 124,702,274	\$ 83,411,702	\$ 48,873,652

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA 94229-2703, or by calling (888) CalPERS (225-7377).

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the District recognized pension expense of \$6,326,573 for the Plan. As of June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,377,067	\$ 1,046,100
Differences between expected and actual experience	3,304,178	895,476
Net differences between projected and actual earnings on pension plan investments		1,310,536
District contributions subsequent to the measurement date	9,374,554	—
Total	<u>\$ 17,055,799</u>	<u>\$ 3,252,112</u>

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

The \$9,374,554 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ 4,772,549
2022	(1,298,188)
2023	509,781
2024	444,991

Payable to the Pension Plan

The District's contribution for all members to the Plan for the fiscal year ended June 30, 2020 was in accordance with the required contribution rate calculated by the CalPERS actuary. Hence, no payable to the pension plan is recognized for the fiscal year ended June 30, 2020.

(12) Postemployment Benefits – Health and Welfare for Retirees

Plan Description

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

The District established an irrevocable trust to prefund the other postemployment benefit annual required contribution by participating in the California Employers' Retiree Benefit Trust (CERBT) program during the fiscal year ended June 30, 2009. The funds in the CERBT are held in the trust and administered by the California Public Employees' Retirement System (CalPERS).

The CERBT fund, which is an IRC Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other postemployment benefits for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other postemployment benefits in accordance with the terms of the District's OPEB plan. The District's Other Postemployment Benefits (OPEB) financial statements will be included in the CalPERS Comprehensive Annual Financial Report (CAFR). Copies of CalPERS' CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Additionally, the plan maintains a closed group of retirees receiving coverage through a separate life insurance policy with American International Group, Inc. (AIG). The District makes contributions to the AIG Retiree Life Reserve Fund on an annual basis as needed to ensure that Fund's balance is equal to the present value of expected claims for the retirees covered by the policy. The AIG Retiree Reserve Fund can only be applied towards the benefits provided under the program. As of June 30, 2020, the AIG Retiree Life Insurance Fund had a total asset balance of \$520,883, making up 1.0% of the total Plan Fiduciary Net Position of \$53,796,903. All activities of the AIG Retiree Life Reserve Fund are accounted for in the measurement of the District's net OPEB liability.

Employees Covered

As of June 30, 2019, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's OPEB Plan:

Active employees	362
Inactive employees or beneficiaries currently receiving benefits	224
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
Total	<u>586</u>

Contributions

The District contributions to the Plan occur as benefits are paid to retirees (pay-as-you-go basis) and/or to the OPEB trust by means of discretionary funding payments as approved by the Board.

The District's actuary also accounts for the implicit subsidy contribution, which exists when premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. In the District's program, the claims experience for active employees and retirees not covered by Medicare is co-mingled in setting premiums rates for some members and gives rise to an implicit subsidy. The implicit subsidy is determined as the projected difference between (a) retiree medical and life insurance claim costs by age and (b) premiums charged for retiree coverage.

For fiscal year 2019-20, the District contributed a total of \$3,401,469 to the plan that includes \$559,032 identified as implicit contributions.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Net OPEB Liability

The District's net OPEB liability of \$18,368,385 at June 30, 2020 is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured using an annual actuarial valuation as of June 30, 2019. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost
Discount rate	6.50%
Inflation	2.50% per year
Salary increases	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the actuarially determined contributions.
Investment rate of return	6.50%, net of plan investment and trust administrative expenses.
Mortality improvement	MacLeod Watts Scale 2018 applied generationally from 2015.
Healthcare trend rates	Medical plan premiums, claims costs by age, and Medicare Part B premiums are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective as shown below:

2020 - Actual	2060-66	- 4.80%
2021 - 5.40%	2067	- 4.70%
2022 - 5.30%	2068	- 4.60%
2023-26 - 5.20%	2069	- 4.50%
2027-46 - 5.30%	2070-71	- 4.40%
2047 - 5.20%	2072	- 4.30%
2048-49 - 5.10%	2073-74	- 4.20%
2050-53 - 5.00%	2075	- 4.10%
2054-59 - 4.90%	2076 & later	- 4.00%

The Public Employee's Medical and Hospital Care Act (PEMHCA) Minimum Employer Contribution is assumed to increase at 4.0% per year.

Note: Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System (CalPERS) using data from 1997 to 2015, except for mortality improvement as noted above.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Changes of Assumptions

The following changes were recognized during the current measurement period:

- Trust rate of return and discount rate: Decreased from 6.80% to 6.50%, reflecting updated projections of the long term return on trust assets.
- Demographic assumptions: Assumed mortality, termination, and retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS.
- Mortality improvement: Updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018, reflecting continued updates in available information about expected future mortality.
- General inflation rate: Decreased from 2.75% to 2.50%.
- Salary increase: Decreased from 3.25% to 3.0% per year.
- Medical trend: Updated to use the Getzen model.
- Trend on PEMHCA minimum employer contribution (MEC) Benefit: PEMHCA MEC is assumed to increase by 4% per year, rather than the 4.5% per year, following review of recent historical and future expected trends of the medical component of the CPI.
- Excise tax repeal: Exclusion of the excise tax for high cost retiree coverage due to its December 2019 repeal.

Discount Rate

The discount rate used to measure the total OPEB liability 6.50%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was based on CalPERS' expected return for California Employers' Retirement Benefit Trust Strategy 1.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Target Allocation	1-10 Year Expected Real Rate of Return ⁽¹⁾	11-60 Year Expected Real Rate of Return ⁽²⁾
Global equity	59.00%	4.80%	5.98%
Fixed income	25.00	1.10	2.62
Treasury inflation protected securities (TIPS)	5.00	0.25	1.46
Global real estate (REITs)	8.00	3.20	5.00
Commodities	3.00	1.50	2.87
Total	<u>100.00%</u>		

⁽¹⁾ Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.00%.

⁽²⁾ Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.92%.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

Changes in the OPEB Liability

The changes in the net OPEB liability for the plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Beginning Balance at June 30, 2019	\$ 75,721,962	\$ 47,004,063	\$ 28,717,899
Changes recognized for the measurement period			
Service cost	1,801,428	-	1,801,428
Interest on the total OPEB liability	5,164,087	-	5,164,087
Differences between expected and actual experience	(7,536,242)	-	(7,536,242)
Change of assumptions	175,927	-	175,927
Benefit payments	(3,161,874)	(3,161,874)	-
Contributions - employer	-	7,161,874	(7,161,874)
Net investment income	-	2,802,806	(2,802,806)
Other expenses - administrative expense	-	(9,966)	9,966
Net changes	(3,556,674)	6,792,840	(10,349,514)
Balance at June 30, 2020	\$ 72,165,288	\$ 53,796,903	\$ 18,368,385

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability of the District if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for fiscal year ended June 30, 2020:

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB liability	\$ 26,251,888	\$ 18,368,385	\$ 10,218,157

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate, for measurement period ended June 30, 2020:

	1.00% Decrease	Trend Rate ⁽¹⁾	1.00% Increase
Net OPEB liability	\$ 12,498,876	\$ 18,368,385	\$ 22,490,440

⁽¹⁾ Refer above to actuarial assumptions for health trend rates.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$354,171. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,360,309	\$ —
Net difference between expected and actual earnings on OPEB plan investments	49,715	—
Difference between expected and actual experience	—	6,336,203
District contributions subsequent to the measurement date	3,401,469	—
Total	<u>\$ 5,811,493</u>	<u>\$ 6,336,203</u>

The \$3,401,469 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction in net OPEB liability in the year ending June 30, 2021.

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (596,245)
2022	(596,245)
2023	(438,997)
2024	(794,501)
Thereafter	(1,500,191)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2020

(13) Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District manages and finances these risks by purchasing commercial insurance and has a \$1,000 to \$10,000 deductible for general and special property liability with limits of \$10 million and \$350 million, respectively.

The District has had no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the District's commercial insurance coverages.

As of June 30, 2020, the District had no material claims outstanding for general liability or for workers' compensation cases.

(14) Commitments and Contingencies

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

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

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

REQUIRED SUPPLEMENTARY INFORMATION

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Required Supplementary Information
 Schedule of Changes in the Net OPEB Liability and Related Ratios*
 For the Year Ended June 30, 2020
 (unaudited)

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Total OPEB Liability			
Service cost	\$ 1,531,801	\$ 1,581,585	\$ 1,801,428
Interest on the total OPEB liability	4,722,673	4,980,026	5,164,087
Changes of assumptions	-	3,506,193	175,927
Differences between expected and actual experience	-	-	(7,536,242)
Benefit payments	<u>(2,600,577)</u>	<u>(2,908,537)</u>	<u>(3,161,874)</u>
Net change in total OPEB liability	3,653,897	7,159,267	(3,556,674)
Total OPEB liability – beginning	<u>64,908,798</u>	<u>68,562,695</u>	<u>75,721,962</u>
Total OPEB liability – ending (a)	<u>\$ 68,562,695</u>	<u>\$ 75,721,962</u>	<u>\$ 72,165,288</u>
Plan fiduciary net position			
Contributions – employer	\$ 6,600,577	\$ 6,817,699	\$ 7,161,874
Net investment income	3,304,360	3,139,604	2,802,806
Benefit payments	(2,600,577)	(2,908,537)	(3,161,874)
Administrative expense	<u>(17,180)</u>	<u>(73,126)</u>	<u>(9,966)</u>
Net change in plan fiduciary net position	7,287,180	6,975,640	6,792,840
Plan fiduciary net position – beginning	<u>32,741,243</u>	<u>40,028,423</u>	<u>47,004,063</u>
Plan fiduciary net position – ending (b)	<u>40,028,423</u>	<u>47,004,063</u>	<u>53,796,903</u>
Net OPEB liability – ending (a) - (b)	<u>\$ 28,534,272</u>	<u>\$ 28,717,899</u>	<u>\$ 18,368,385</u>
Plan fiduciary net position as a percentage of the total OPEB liability	58.4%	62.1%	74.5%
Covered – employee payroll	\$ 35,433,438	\$ 37,405,253	\$ 40,462,747
Net OPEB liability as percentage of covered – employee payroll	80.53%	76.78%	45.40%

* Fiscal year 2017-18 was the first year of implementation, therefore only three years are shown.

See accompanying independent auditor's report.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Required Supplementary Information
 Schedule of Contributions - OPEB*
 For the Year Ended June 30, 2020
 (unaudited)

	2017-2018	2018-2019	2019-2020
Actuarially determined contribution	\$ 6,081,000	\$ 5,655,362	\$ 4,721,343
Contributions in relation to the actuarially determined contributions	<u>6,817,699</u>	<u>7,161,874</u>	<u>3,401,469</u>
Contribution deficiency (excess)	<u>\$ (736,699)</u>	<u>\$ (1,506,512)</u>	<u>\$ 1,319,874</u>
Covered - employee payroll	\$ 37,405,252	\$ 40,734,161	\$ 44,766,317
Contributions as a percentage of covered employee payroll	18.23%	17.58%	7.60%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

Valuation date	6/30/2015	7/1/2017	6/30/2019
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of pay	Level percentage of pay	Level percentage of pay
Amortization period	10 years	9 years	8 years
Asset valuation method	CERBT - 5-year smoothed market AIG Fund - contract value	Market value of assets	Market value of assets
Inflation	3.00%	2.75%	2.50%
Healthcare cost trend rates	Non-Med - 2015: Actual; 2016: Actual; 2017: 7.0%; 2018: 6.5%; 2019: 6.0%; 2020: 5.5%; 2021+: 5.0% Medicare - 2015: Actual; 2016: Actual; 2017: 7.2%; 2018: 6.7%; 2019: 6.1%; 2020: 5.6%; 2021+: 5.0%	Medical Premium Increase - Effective January 1: 2018: 8.00%, 2019: 7.50%, 2020: 7.00%, 2021: 6.50%, 2022: 6.00%, 2023: 5.50%, 2024: 5.00%, & later: 5.00% Dental and vision premiums are assumed to increase by 3% per year. The PEMHCA Minimum Employer Contribution is assumed to increase at 4.5% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.	Medical Premium Increase - Effective January 1: 2021: 5.40%, 2022: 5.30%, 2023- 26: 5.20%, 2027-46: 5.30%, 2047: 5.20%, 2048-49: 5.10%, 2050-53: 5.00%, 2054-59: 4.90%, 2060-66: 4.80%, 2067: 4.70%, 2068: 4.60%, 2069: 4.50%, 2070-71: 4.40%, 2072: 4.30%, 2073-74: 4.20%, 2075: 4.10%, 2076 & later: 4.00% The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.
Salary increases	3.25%	3.25% per year; used to determine amortization payments if developed on a level percent of pay basis	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the actuarially determined contributions
Investment rate of return	7.25%	7.25%	6.50%
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Fully generational with Scale MP-2014 modified to converge to ultimate improvement rates in 2022 for pre and post-retirement mortality	The representative mortality rates were those published by CalPERS in their 2014 study, adjusted to back out 20 years of Scale BB to central year 2008.	The representative mortality rates were those published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.

* Fiscal year 2017-18 was the first year of implementation, therefore only three years are shown.

See accompanying independent auditor's report.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios *
 California Public Employees' Retirement System (CalPERS) – Miscellaneous Plan
 For the Year Ended June 30, 2020
 (unaudited)

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Total Pension Liability						
Service Cost	\$ 4,509,169	\$ 4,405,494	\$ 4,402,254	\$ 5,251,175	\$ 5,588,151	\$ 5,823,771
Interest on total pension liability	18,144,590	19,019,896	19,929,495	20,568,801	21,332,712	22,580,042
Changes in assumptions	—	(4,479,434)	—	16,314,523	(1,997,101)	—
Differences between expected and actual experience	—	(1,508,680)	(584,236)	(2,082,303)	(643,002)	4,336,733
Benefit payments, including refunds of employee contributions	(9,459,410)	(10,371,769)	(11,526,958)	(12,131,353)	(13,197,195)	(14,663,313)
Net change in total pension liability	13,194,349	7,065,507	12,220,555	27,920,843	11,083,565	18,077,233
Total pension liability – beginning	244,402,997	257,597,346	264,662,853	276,883,408	304,804,251	315,887,816
Total pension liability – ending (a)	257,597,346	264,662,853	276,883,408	304,804,251	315,887,816	333,965,049
Plan fiduciary net position						
Contributions – employer	3,815,653	4,268,315	5,253,802	5,682,917	6,359,880	7,628,075
Contributions – employee	2,622,951	2,372,392	2,502,885	2,429,913	2,514,609	2,815,780
Net investment income	31,178,442	4,871,767	1,102,999	22,856,288	19,071,946	15,727,365
Plan to plan resource movement	—	—	—	—	(556)	—
Benefit payments, including refunds of employee contributions	(9,459,410)	(10,371,769)	(11,526,958)	(12,131,353)	(13,197,195)	(14,663,313)
Other miscellaneous income (expense) ⁽¹⁾	—	—	—	—	(667,255)	556
Administrative expense	—	(236,125)	(127,831)	(305,553)	(351,369)	(170,709)
Net change in plan fiduciary net position	28,157,636	904,580	(2,795,103)	18,532,212	13,730,060	11,337,754
Plan fiduciary net position – beginning	180,686,208	208,843,844	209,748,424	206,953,321	225,485,533	239,215,593
Plan fiduciary net position – ending (b)	208,843,844	209,748,424	206,953,321	225,485,533	239,215,593	250,553,347
Net pension liability – ending (a) - (b)	\$ 48,753,502	\$ 54,914,429	\$ 69,930,087	\$ 79,318,718	\$ 76,672,223	\$ 83,411,702
Plan fiduciary net position as a percentage of the total pension liability	81.07%	79.25%	74.74%	73.98%	75.73%	75.02%
Covered – employee payroll	\$ 32,010,647	\$ 33,133,499	\$ 34,119,169	\$ 35,433,438	\$ 37,405,253	\$ 40,734,161
Net pension liability as percentage of covered – employee payroll	152.30%	165.74%	204.96%	223.85%	204.98%	204.77%

⁽¹⁾ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 and June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2014-15 was the first year of implementation, therefore only six years are shown.

See accompanying independent auditor's report.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Required Supplementary Information
 Schedule of Contributions - Pension *
 California Public Employees' Retirement System (CalPERS) – Miscellaneous Plan
 For the Year Ended June 30, 2020
 (unaudited)

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Actuarially determined contribution	\$ 4,268,315	\$ 5,365,344	\$ 5,685,584	\$ 6,407,096	\$ 7,675,962	\$ 9,374,554
Contributions in relation to the actuarially determined contributions	(4,268,315)	(5,365,344)	(5,685,584)	(6,407,096)	(7,675,962)	(9,374,554)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered – employee payroll	\$ 33,133,499	\$ 34,119,169	\$ 35,433,438	\$ 37,405,253	\$ 40,734,161	\$ 40,734,161
Contributions as a percentage of covered – employee payroll	12.88%	15.73%	16.05%	17.13%	18.84%	23.01%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Actuarial cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Actuarial value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets
Inflation	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.625% compounded annually
Salary increases	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service
Payroll Growth	3.00%	3.00%	3.00%	3.00%	3.00%	2.875%
Investment rate of return	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.375% net of pension plan investment and administrative expenses; includes inflation.	7.25% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
	Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

* Fiscal year 2014-15 was the first year of implementation, therefore only six years are shown.

See accompanying independent auditor's report.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permit fees	\$ 39,143,795	\$ 39,143,795	\$ 39,288,862	\$ 145,067
Title V permit fees	5,982,811	5,982,811	6,111,526	128,715
Asbestos fees	3,250,000	3,250,000	4,380,504	1,130,504
Penalties and variance fees	2,750,000	2,750,000	1,349,478	(1,400,522)
Hearing board fees	15,000	15,000	37,093	22,093
State subvention	1,734,600	1,734,600	1,743,099	8,499
AB 2588 income	65,000	65,000	580,333	515,333
Miscellaneous	100,000	100,000	377,239	277,239
Federal grant -EPA	1,701,565	1,701,565	2,289,072	587,507
Federal grant - DHS	1,349,776	1,349,776	1,209,057	(140,719)
CMAQ Spare The Air	1,000,000	1,000,000	826,677	(173,323)
Other grants	4,800,000	4,800,000	7,807,151	3,007,151
Portable equipment registration program (PERP)/Inspection Fees	450,000	450,000	660,827	210,827
Interest/Investment	979,660	979,660	1,383,522	403,862
County apportionment	36,186,420	36,186,420	37,558,118	1,371,698
Special environmental projects			3,266	3,266
Total revenues	99,508,627	99,508,627	105,605,824	6,097,197
Expenditures:				
Executive office	11,919,426	12,812,229	12,498,813	(313,416)
Administration	11,603,105	16,573,462	15,578,042	(995,420)
Information systems	5,938,608	5,918,633	4,090,080	(1,828,553)
Legal services	3,357,699	6,118,423	6,106,835	(11,588)
Communication & Outreach	3,845,187	4,568,212	3,382,302	(1,185,910)
Compliance and enforcement	15,662,228	15,707,525	12,093,780	(3,613,745)
Engineering	12,728,693	13,692,150	10,373,006	(3,319,144)
Planning and research	4,251,578	7,782,200	5,803,846	(1,978,354)
Assessment, Inventory and Modeling	4,244,310	4,928,851	3,662,261	(1,266,590)
Meteorology, Measurement and Rules	14,619,074	16,249,574	14,281,482	(1,968,092)
Strategic incentives division	571,975	596,975	183,027	(413,948)
Technology Implementation Office	812,066	4,149,160	549,552	(3,599,608)
Community Engagement and Policy	5,120,106	6,648,637	4,391,626	(2,257,011)
Program Distribution	838,391	1,117,417	1,117,417	-
1% Vacancy Savings	(2,297,214)	(2,297,214)	-	2,297,214
Total current expenditures	93,215,232	114,566,234	94,112,069	(20,454,165)
Capital outlay	9,004,737	13,971,067	6,864,467	(7,106,600)
Debt Service: Principal	778,445	778,445	778,445	-
Debt Service: Interest	462,577	462,577	462,577	-
Total expenditures	103,460,991	129,778,323	102,217,558	(27,560,765)
Excess of Revenues				
Over Expenditures	(3,952,364)	(30,269,696)	3,388,266	33,657,962
Other Financing Sources				
Transfers in	1,106,205	1,106,205	1,665,844	559,639
Total other financing sources	1,106,205	1,106,205	1,665,844	559,639
Net Change in Fund Balance	\$ (2,846,159)	\$ (29,163,491)	5,054,110	\$ 34,217,601
Beginning Budgetary Fund Balance			77,472,645	
Ending Budgetary Fund Balance			\$ 82,526,755	

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
TFCA/MSIF DMV fee	\$ 35,488,059	\$ 63,937,065	\$ 23,194,338	\$ (40,742,727)
Carl Moyer Program	48,536,139	54,841,070	23,890,911	(30,950,159)
Other grants/funding	17,094,764	22,879,102	10,164,516	(12,714,586)
Federal grants	-	-	2,081,820	2,081,820
California Goods Movement	197,631	9,267,521	9,131,584	(135,937)
Vehicle settlement	47,573,675	48,864,636	2,238,938	(46,625,698)
Total revenues	148,890,268	199,789,394	70,702,107	(129,087,287)
Expenditures:				
TFCA/MSIF & Other Programs				
Program distribution	38,818,916	64,499,841	26,355,074	(38,144,767)
Intermittent control	1,825,094	3,110,397	1,764,853	(1,345,544)
TFCA administration	1,547,269	1,824,439	1,285,998	(538,441)
Miscellaneous incentive program	154,260	241,729	190,356	(51,373)
Regional electric vehicle deployment	1,528,002	7,224,871	1,393,917	(5,830,954)
Enhanced mobile source inspection	36,271	36,271	17,810	(18,461)
Mobile source incentive	497,683	501,036	179,005	(322,031)
Vehicle buy-back	7,251,950	8,454,209	3,476,348	(4,977,861)
Commuter assistance	167,370	167,370	66,361	(101,009)
Carl Moyer Program				
Project funding	46,666,008	52,961,431	21,619,168	(31,342,263)
Grant administration	1,870,131	1,879,639	1,528,059	(351,580)
California Goods Movement Program				
Project funding	-	9,067,682	9,067,682	
Grant administration	245,266	247,470	42,681	(204,789)
Vehicle settlement				
Project funding	45,840,773	46,970,773	1,605,656	(45,365,117)
Grant administration	1,335,070	1,496,031	443,295	(1,052,736)
Total expenditures	147,784,063	198,683,189	69,036,263	(129,646,926)
Excess of Revenues				
Over Expenditures	1,106,205	1,106,205	1,665,844	559,639
Other Financing Uses				
Transfers out	(1,106,205)	(1,106,205)	(1,665,844)	\$ (559,639)
Total other financing uses				
Net Change in Fund Balance	\$ -	\$ -	-	
Beginning Budgetary Fund Balance				
Ending Budgetary Fund Balance			\$ -	

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Notes to Required Supplementary Information
Year Ended June 30, 2020

Budgetary Principles

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

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

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

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

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

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

	Special Revenue Fund
Revenues - Budgetary Basis	\$ 70,702,107
Revenue recognition adjustments	11,557,823
Revenues - GAAP Basis	\$ 82,259,930

SUPPLEMENTARY INFORMATION

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Transportation Fund for Clean Air (TFCA) Program,
Mobile Source Incentive Fund Program & Other Programs

Schedule of Expenditures
Year Ended June 30, 2020

<u>Programs</u>	<u>Salaries and Benefits</u>	<u>Services and Supplies</u>	<u>Program Distribution</u>	<u>Total</u>
Program distribution	\$ -	\$ -	\$ 26,355,074	\$ 26,355,074
Intermittent control	536,770	1,228,083	-	1,764,853
TFCA administration	1,196,204	89,794	-	1,285,998
Miscellaneous incentive program	146,869	43,494	-	190,363
Regional electric vehicles deployment	855,628	538,289	-	1,393,917
Enhanced mobile source inspection	6,894	10,916	-	17,810
Commuter assistance	66,361	-	-	66,361
Vehicle buy-back	7,427	3,468,921	-	3,476,348
Mobile source incentive	177,044	1,961	-	179,005
Total expenditures	<u>\$2,993,197</u>	<u>\$ 5,381,458</u>	<u>\$ 26,355,074</u>	<u>\$ 34,729,729</u>

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY

MANAGEMENT DISTRICT

Single Audit Reports

For the Year Ended June 30, 2020

(With Independent Auditor's Reports Thereon)

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Single Audit Reports
For the Year Ended June 30, 2020

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors of the
Bay Area Air Quality Management District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Bay Area Air Quality Management District** (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 6, 2021.

Internal Control over Financial Reporting

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

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

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





Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
April 6, 2021

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Directors of the
Bay Area Air Quality Management District

Report on Compliance for Each Major Federal Program

We have audited the **Bay Area Air Quality Management District's** (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.





Report on Internal Control over Compliance

Management of the District's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated April 6, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.



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

Simpson & Simpson

Los Angeles, California
April 6, 2021

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Program Cluster Expenditures	Total Federal Expenditures
U.S. Environmental Protection Agency:					
Air Pollution Control Program Support	66.001	A00905619			\$ 77,623
Air Pollution Control Program Support	66.001	A00905620	\$ 621,452		1,924,593
Subtotal CFDA 66.001			<u>621,452</u>		<u>2,002,216</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act					
	66.034	PM99T08001-B			150,990
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act					
	66.034	PM98T037010			50,866
Community Scale Air Toxics Ambient Monitoring	66.034	XA99T70701			85,000
Subtotal CFDA 66.034					<u>286,856</u>
National Clean Diesel Assistance					
	66.039	DE-99T81801	818,375		826,125
National Clean Diesel Assistance	66.039	DE-99T70001	548,750		552,516
Subtotal CFDA 66.039			<u>1,367,125</u>		<u>1,378,641</u>
Subtotal Direct Program					<u>3,667,713</u>
Total U.S. Environmental Protection Agency					<u>3,667,713</u>
U.S. Department of Homeland Security:					
Homeland Security Biowatch Program	97.091	2006-ST-091-2			1,209,057
Subtotal Direct Program					<u>1,209,057</u>
Total U.S. Department of Homeland Security					<u>1,209,057</u>
U.S. Department of Transportation:					
Passed through California Department of Transportation:					
Highway Planning and Construction	20.205	CML-6297 (008)		\$ 826,677	
Highway Planning and Construction	20.205	CML-6297 (009)		703,179	
Subtotal Expenditures - Highway Planning and Construction Cluster					<u>1,529,856</u>
Subtotal Pass-Through Program					<u>1,529,856</u>
Total U.S. Department of Transportation					<u>1,529,856</u>
Total Expenditures of Federal Awards			<u>\$ 1,988,577</u>	<u>\$ 1,529,856</u>	<u>\$ 6,406,626</u>

See accompanying independent auditor's report and notes to schedule of expenditures of federal awards.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

1. General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Bay Area Air Quality Management District (the District) for the year ended June 30, 2020. The District's reporting entity is defined in Note 1 of the District's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

2. Summary of Significant Accounting Policies

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

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

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

3. Pass-through Entities' Identifying Numbers

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

4. Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial statements:

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | None noted |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | None noted |
| 3. Noncompliance material to financial statements noted? | None noted |

Federal Awards:

- | | |
|--|------------|
| 4. Internal control over major programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| 5. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 6. Identification of major programs: | |

CFDA Number

66.001

Name of Federal Program

Air Pollution Control Program Support

- | | |
|--|-----------|
| 7. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516? | No |
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 9. Auditee qualified as a low-risk auditee? | Yes |

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020

Section II – Financial Statement Finding

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2020

Section II – Financial Statement Finding

There were no audit findings in the prior year.

Section III – Federal Award Findings and Questioned Costs

Finding F-2019-001 – Cost Principles

Program Identification

Highway Planning and Construction, U.S. Department of Transportation, California Department of Transportation, CFDA No. 20.205, Contract No. CML-6297 (003, 007, 008, & 009)

Recommendation

We recommend the District strengthen its controls over the application of indirect cost charges.

Current Status

Implemented.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

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: April 16, 2021

Re: Third Quarter Financial Report – Fiscal Year Ending (FYE) 2021

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Staff will present an update on the Air District's financial results for the third quarter of the 2020-2021 fiscal year. The following information summarizes those results.

GENERAL FUND: STATEMENT OF REVENUES – Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

REVENUE TYPE	3rd QTR FY 2020	3rd QTR FY 2021	FY 2021 - % of BUDGETED REVENUE
County Receipts	\$38,770,162	\$22,588,678	58%
Permit Fee Receipts	\$33,544,227	\$33,083,957	99%
Title V Permit Fees	\$5,085,389	\$4,764,507	94%
Asbestos Fees	\$1,625,000	\$3,013,245	185%
Toxic Inventory Fees	\$628,357	\$1,250,962	199%
Community Health Impact	\$1,000,000	\$309,513	31%
Penalties and Settlements	\$1,500,000	\$1,512,309	101%
Interest Income	\$832,711	\$500,670	60%
Total Revenue	\$82,985,846	\$67,023,840	81%

GENERAL FUND: STATEMENT OF EXPENDITURES - Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

EXPENDITURE TYPE	3rd QTR FY 2020	3rd QTR FY 2021	FY 2021 - % of BUDGETED EXPENDITURES
Personnel - Salaries*	\$52,382,492	\$36,149,108	69%
Personnel - Benefits*	\$28,832,084	\$18,525,802	64%
Operational Services / Supplies	\$27,243,515	\$17,172,872	63%
Capital Outlay	\$4,236,448	\$3,021,616	71%
Total Expenditures	\$112,694,539	\$74,869,398	66%

* Consolidated (includes Special Funds)

CASH INVESTMENTS IN COUNTY TREASURY – Account Balances as of Third Quarter

CASH/INVESTMENTS	3rd QTR FY 2020	3rd QTR FY 2021
General Fund	\$83,962,321	\$87,973,981
TFCA	\$114,830,852	\$121,729,525
MSIF	\$45,867,843	\$50,774,585
Carl Moyer	\$69,142,488	\$83,819,333
CA Goods Movement	\$20,813,933	\$21,132,412
AQ Projects	\$3,152,886	\$1,604,829
Vehicles Mitigation	\$2,536,765	\$7,647,530
Total	\$340,307,088	\$374,682,195

FUND BALANCES	6/30/2019	6/30/2020	6/30/2021
	Audited	Projected	Projected
DESIGNATED: *			
Economic Contingency	\$19,084,769	\$20,082,966	\$21,294,922
Napa/Sonoma Fireplace Replacement Grant	\$1,000,000	0	0
Pension and Post Employment Liability	\$2,000,000	\$3,000,000	\$3,000,000
Technology Implementation Office	0	\$3,350,000	\$3,350,000
Woodsmoke Grant	\$1,000,000	\$1,000,000	\$1,000,000
Total Designated Reserves	\$23,084,769	\$27,432,966	\$28,644,922
Undesignated Fund Balance	\$22,332,894	\$26,401,581	\$20,029,943
TOTAL DESIGNATED & UNDESIGNATED	\$45,417,663	\$53,834,547	\$48,674,865
Building Proceeds	\$209,489	0	0
TOTAL FUND BALANCE	\$45,627,152	\$53,834,547	\$48,674,865
* Designated Fund Balances are subject to change at Board's discretion.			
OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			\$86,309,901
Other Post- Employment Benefits			\$18,368,386
Certificate of Participation Notes			21,556,670
TOTAL OUTSTANDING LIABILITIES			\$126,234,957

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs, such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$100,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$100,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$100,000, but cumulatively exceed \$100,000.

Below is a list of vendors with cumulative payments made through the third quarter of 2020-21 fiscal year that exceeded \$100,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2020-21.

	VENDOR NAME	AMOUNT PAID (July 2020 - March 2021)	Explanation
1	Accountemps	140,013	Temporary Staffing Services
2	Acterra	104,030	Public Outreach & Other Services
3	Alliant Insurance Services	662,501	Various Business Insurance Policies
4	Bay Area Headquarters Authority	1,630,083	Shared Services & Common Areas
5	Benefits Coordinators Corp.	854,773	Life Insurance Plan & LTD Insurance
6	CA Public Employee Retirement System	6,286,616	Health Insurance Plan
7	CA Public Employee Retirement System	11,439,666	Retirement Benefits & 457 Supplemental Plan
8	CAPCOA	635,718	Pass through EPA grants
9	CDW Government	158,477	Computer equipment
10	Ceridian	121,192	Payroll Processing Services
11	Comcast Cable Communications	134,690	Ethernet Services
12	Cubic Transportation Systems	376,083	Clipper Transit Subsidy
13	Denovo Ventures LLC.	150,570	Financial system hosting & support services
14	Enterprise Fleet Services	498,842	Fleet Leasing and Maintenance services
15	EPlus Technology	270,751	Cisco computer network equipment warranty
16	Farella Bruan + Martell LLP	410,019	Legal consulting services
17	Flir Systems, Inc.	111,751	Optical gas imaging camera for inspections/investigations
18	Hartford Life Ins Co.	613,038	457 Supplemental Insurance
19	P&A Administrative Services	216,224	Flexible Spending & Cobra Benefit Services
20	Preferred Benefit Insurance	529,613	Dental Insurance Plan
21	Pacific Gas & Electric	136,812	Utility services
22	Sloan Sakai Yeung & Wong LLP	134,186	Human Resources Consulting Services
23	Wang Brothers Investment LLC	416,189	Richmond Site Lease
24	Verizon Wireless	168,538	Cell phone services

BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

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: April 16, 2021

Re: Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2022 and
Consideration to Recommend Adoption

RECOMMENDED ACTIONS

The Administration Committee (Committee) will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2022 and consider recommending that the Board of Directors (Board):

1. Conduct Public Hearings on the FYE 2022 Proposed Budget; and
2. Adopt the FYE 2022 Proposed Budget.

BACKGROUND

At the March 3, 2021 Board of Directors meeting, the FYE 2022 Proposed Budget document was referred to the Administration Committee for review at the Committee's March 17, 2021 meeting.

On March 17, 2021, staff presented the FYE 2022 Proposed Budget to the Committee. The proposed budget is balanced, with the General Fund totaling \$117.0 million and the Consolidated Funds (including program distributions) totaling \$248.0 million. Proposed capital requests are \$5.2 million.

DISCUSSION

The Committee will continue its discussion of the FYE 2022 Proposed Budget at its April 21, 2021 meeting. The FYE 2022 Proposed Budget includes continuation of the cost recovery policy for fees, and continues discretionary funding of pension and medical retirement obligations.

Staff requests that the Committee at its April 21, 2021 meeting complete its review and recommend adoption of the proposed budget to the Board. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing of the proposed budget to be held on May 5, 2021.

Staff will publish, prior to April 21, 2021, a public notice that the first of two public hearings on the budget will be conducted on May 5, 2021 and that the second hearing will be conducted on June 16, 2021.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2022 is \$247,979,858 and is a balanced budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeffrey McKay

Attachment 6A: FYE 2022 Air District Proposed Budget

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

PROPOSED BUDGET
FOR
FISCAL YEAR ENDING 2022

March 1, 2021

The Bay Area Air Quality Management District
is committed to
PROTECT AND IMPROVE PUBLIC HEALTH, AIR QUALITY, AND
THE GLOBAL CLIMATE

CORE VALUES

- Excellence*** Air District programs and policies are founded on science, developed with technical expertise, and executed with quality.
- Leadership*** The Air District will be at the forefront of air quality improvement and will pioneer new strategies to achieve healthy air and protect the climate.
- Collaboration*** Involving, listening, and engaging all stakeholders, including partner agencies, to create broad acceptance for healthy air solutions.
- Dedication*** Committed staff that live and believe the Air District's mission.
- Equity*** All Bay Area residents have the right to breathe clean air.

Bay Area Air Quality Management District

For Fiscal Year Ending June 30, 2022

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Bay Area Air Quality Management District

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

BUDGET MESSAGE

Jack P. Broadbent, Executive Officer/APCO

EXECUTIVE SUMMARY

This document presents the proposed budget for the Bay Area Air Quality Management District (Air District) for Fiscal Year Ending (FYE) 2022. The Air District continues its commitment to fulfill its mission, goals and objectives, through activities which focus on core and mandated programs, fiscally conservative internal controls, long range financial planning and the development of short and long-term sustainable approaches toward achieving cleaner air to protect the public's health and the environment. However, cuts in funding such as that associated with AB617 would place severe strain on the Air District's ability to maintain current staffing levels.

In the current year, the Air District took several actions to address the economic slowdown related to the COVID-19 pandemic: there were no increases for the Air District's Existing Fee Schedules, however, a new Community Health Impact Fee was added. There were no increases to Services and Supplies budgets, building improvements to the Richmond Office were postponed, and \$5.2 million from reserves was used to balance the FYE 2021 budget. The Air District's current revenue trends for some of its permit revenues are trending higher than its initial projections. We are cautiously optimistic as we approach the next fiscal year budget process.

The FYE 2022 General Fund Proposed Budget increased by \$10.5M over the current year budget. This budget proposes some increases for the Air District's Existing Fee Schedules, a new fee for Criteria Pollutant and Toxic Emissions Reporting (CTR), increased staffing to address the needs of several core programs, and increases to Services and Supplies to address new and enhanced programs.

The proposed budget for FYE 2022 reflects the priorities established by the Board of Directors (Board), which includes maintenance and enhancement of Air District core functions as well as work on the following key policy initiatives:

Assembly Bill 617 Implementation— Assembly Bill (AB) 617, passed by the Legislature and signed by the Governor in 2017, establishes new, comprehensive air quality planning requirements for the California Air Resources Board (CARB) and local air districts. The bill requires CARB and the Air District to engage with communities to analyze and reduce localized cumulative exposure to air pollution to improve health in the most disproportionately impacted communities. CARB and the Air District will: 1) identify impacted communities in the Bay Area; 2) develop and implement monitoring programs to better understand local air pollution sources, air quality and exposures, and; 3) develop and implement community action plans to reduce local emissions and exposures. Air District AB 617 implementation activities cut across all divisions and represent a major focus for the agency in FYE 2019 and beyond.

Diversity, Equity, and Inclusion —The work of the Air District requires diverse perspectives, talents, and life experiences to solve some of the most complex technical air quality issues that we face. The Office of Diversity, Equity & Inclusion (Office) is taking meaningful steps to build an antiracist and inclusive environment. The efforts will be informed by working with the Senior Deputy Executive Officer of Policy & Equity, Board of Directors' Community Health, Equity and Justice Committee and staff to shift long-standing environmental justice inequities throughout the region. Key initiatives for the Office will be the development and implementation of an agency-wide Equity Action Plan and trainings that encompass equity tools to provide a blueprint of systems and structures to operationalize cross-divisional efforts relative to Air District programs. In addition, the Office will work on internal initiatives by applying an equity lens to programs, policies, practices, and procedures related to staffing, recruitment, promotions, inclusive practices in the workplace, contracting for capital projects and services.

Toxics Risk Reduction Rule Implementation – The Air District will continue to implement Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities (Rule 11-18). Under this rule, staff will improve toxic emission inventories and conduct health risk assessments (HRAs) for about 350 facilities. Sites with elevated health risks will be required to implement risk reduction plans that may include abatement devices, material substitutions, operational changes, or other measures that reduce health risks from stationary sources. The Air District is currently evaluating health risks for 34 facilities that are likely to have the highest health impacts. These sites include refineries, cement manufacturing, metal melting, large chemical plants, large power plants, and landfills. Inventory reviews for additional facilities will begin in 2021 and continue in later years as part of the rule implementation plan, followed by HRAs, and risk reduction plans when required.

Wildfire Air Quality Response Program – The Air District aims to finalize program guidelines with CARB to fund ventilation retrofits and air filtration improvements as part of Assembly Bill 836, *Wildfire Smoke Clean Air Center Incentive Program for Vulnerable Communities*. To complement this program, the Air District is pursuing a new home air filtration grant program to provide residential air filtration units and filters to those most vulnerable to wildfire smoke. Additional efforts underway include the launch of a new Wildfire Prevention Chipping Pilot Program to provide an alternative to open burning. Coordination with local and state partners will continue to be a primary focus of the wildfire program including a robust public messaging plan to raise awareness on the health impacts of wildfire smoke and wildfire preparedness.

Climate Tech Finance Loan Program – The Air District's first loan and loan guarantee program supports the Bay Area's industrial and municipal facilities in implementing emerging technologies that can reduce their greenhouse gas emissions, support more efficient operations and lower costs. In FYE 2022, the Air District will continue to leverage partnerships with state agencies and private lenders to identify and fund climate projects through outreach, matchmaking, and technical support.

Clean Cars for All Program – The Air District has continued to support the Clean Cars for All program to provide grants for low-income residents in the Bay Area to access clean transportation options, including plug-in hybrid vehicles, battery electric vehicles, or transit. In FYE2022, this program and other electric vehicle incentive programs, will be complemented by expanded public outreach and partnership activities and include a focus on providing incentives in disadvantaged communities.

Grants for Surplus Emissions Reductions to Complement Other Air District Programs – The Air District's grants programs work to incentivize voluntary emissions reductions, primarily from mobile sources. In FYE 2022, the Air District will be awarding approximately \$138 million to eligible projects that will replace older cars, trucks, and buses, as well as off-road equipment, with newer and cleaner alternatives including zero- and near-zero technologies, and incentivize single-occupancy vehicle trip reduction strategies. Air District funding is prioritized for communities that are identified through the Community Health Protection AB 617 process and for projects that result in permanent reductions in emissions reductions through the adoption of zero- and new-zero emissions technologies.

INCENTIVE REVENUES

Transportation Fund for Clean Air (TFCA)

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within its nine-county jurisdiction to fund projects that reduce on-road motor vehicle emissions. The Air District allocates these funds to eligible projects through the Transportation Fund for Clean Air (TFCA) program. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. The Air District expends a portion of the funds collected for administrative purposes and provides the remainder of the funds to project sponsors that implement eligible projects or programs.

Up to 60% of these funds received are awarded directly by the Air District to a program referred to as the TFCA Regional Fund and to eligible District programs (e.g., Spare the Air). The remaining 40% is forwarded to the designated county transportation agency within each Bay Area county to be distributed through the TFCA

County Program Manager Fund program. TFCA funding may be used to support eligible zero-emissions on-road passenger vehicle, truck, and bus replacement and fleet expansion projects, and single-occupancy vehicle trip reduction strategies including the creation of new bicycle paths and lanes and installation of secure bike parking facilities.

Mobile Source Incentive Fund (MSIF)

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). The Health & Safety Code stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for funding under the following programs: Carl Moyer Program, Lower Emission School Bus Program, Light-Duty Vehicle Scrap Program, and Agricultural Assistance Program. Funds may also be used for alternative fuel and electric infrastructure projects. The Air District provides these incentives to public and private entities for the implementation of eligible projects within the region. The Air District expends a portion of the funds collected for administrative purposes and provides the remainder to project sponsors that implement eligible projects. Funding to continue this program through 2023 was reauthorized in 2013 and new efforts are currently underway to extend this sunset date. Revenues from this funding source are separate from the General Fund budget for accounting purposes.

Carl Moyer Program (CMP)

The Air District has participated in the Carl Moyer Program, in cooperation with the California Air Resources Board, since the program began in 1999. This program provides funding for grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, forklifts, and refueling infrastructure that supports zero emissions vehicles. Funding to continue this program through 2023 was reauthorized in 2013 and new efforts are currently underway to extend this sunset date. Revenues from this funding source are separate from the General Fund budget for accounting purposes.

California Goods Movement Bond (CGMB)

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. On February 28, 2008, The California Air Resources Board approved an allocation of \$140 million from projected bond sales for emission reduction projects in the Bay Area trade corridor. To date, this program has funded projects to reduce emissions from over 2,000 diesel trucks and install shore power infrastructure at 12 berths at the Port of Oakland. The District is currently administering the final round of CGMB funding.

Community Air Protection Grant Program (AB 617/134)

In 2017, AB 617 directed the California Air Resources Board, in conjunction with local air districts to establish the Community Air Protection Program (CAPP). Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending (FYE) 2018 and comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases. This funding is designed to primarily target hyperlocal reductions in emissions from and exposure to diesel particulate and toxic air contaminants.

These funds are primarily distributed through the Air District's Community Health Protection Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also begun working with CARB to expand eligibility to include stationary source projects and projects that are identified as priorities by communities with a State-approved Community Emissions Reduction Program, pursuant to HSC Section 44391.2. To date the Air District has received three cycles of CAPP incentive funding totaling nearly \$118 million. Approximately \$25 million in new revenue is anticipated to be awarded to the Bay Area for the fourth cycle in fiscal year ending 2022.

Volkswagen Environmental Mitigation Trust (VW Trust)

The VW Trust was established subsequent to a settlement with Volkswagen and other parties for their use of illegal defeat devices and is intended to fully mitigate the lifetime excess oxides of nitrogen (NOx) emissions caused by their actions. The California Air Resources Board is the designated Lead Agency acting on the State's behalf as beneficiary to implement California's share of VW Trust funds for eligible project categories. IN 2018 the Air District was been selected by the California Air Resources Board to administer VW Trust funding on a statewide-basis, including \$70 million for zero-emission freight and marine projects and \$10 million for light-duty zero emission vehicle infrastructure projects. VW Trust funds will be awarded, and selected projects will be managed over a ten-year period ending in 2028.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

In 2018 the California Air Resources Board established the FARMER Program that provides grant funding for eligible projects that reduce criteria, toxic, and greenhouse gas emissions from the agricultural sector. The FARMER program targets the voluntary early replacement of older, dirtier equipment that used in agricultural operations, such as harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment. On October 21, 2019, CARB's Executive Officer approved an update to the FARMER Program Guidelines to include eligibility criteria for demonstration projects. Since the program's inception in 2018, the State has allocated approximately \$1 million annually to the Bay Area Air District for its participation in the FARMER program.

FINANCIAL SUMMARY

The Proposed Consolidated Budget Expenditure for FY 2022 is \$248.0 million; an increase of \$6.4 million, or 2.6% over current year. Of the \$248.0 million, \$131.0 million is classified as Special Revenue Funds for various grant related incentive programs and \$117.0 million for General Fund programs.

General Fund Summary

Total FYE 2022 Proposed General Fund Budget is expected to increase by \$10.5 million or 10% over the current year. This increase is partially attributed to several actions taken in FYE 2021 Budget in addressing the economic slowdown related to the COVID-19 pandemic. Some of these actions were modified in developing the FYE 2022 Proposed Budget. The following actions were taken to develop the FYE 2022 Proposed Budget:

- Reinstate fee increases to the District's Existing Fee Schedules
- Proposed adoption of a new fee schedule for the CTR program
- Restore funding of the 415 Full Time Equivalent (FTE) current authorized positions
- Proposed increase from 415 to 441 FTE positions to address the growing demands on core programs
- Assumes a 5% vacancy savings to account for recruitment timeline to fill new positions and attrition due to retirements
- Increases to the Services and Supplies budget for new and enhanced District programs
- Continue building improvements to the Richmond Office using reserves previously approved by the Board
- Proposed Use of \$0.5 million of reserves for Richmond Office Capital Improvements
- Continue to address unfunded liabilities

The FYE 2022 Proposed Budget is balanced, reflecting a \$0.5 million transfer from General Fund reserves to cover the continued capital improvements for the Richmond Office. The proposed budget includes an economic contingency reserve policy of 20% of operating budget. This policy allows for a sound financial footing and provides the District the ability to operate for a minimum of three months in the event of a total loss of projected revenue. See Appendix C for further details on the District's Fund Reserves.

GENERAL FUND REVENUES AND EXPENDITURES

Details of the FYE 2022 General Fund Revenues and Expenditures by major categories are displayed in Appendix D, Figure 1 and Figure 2, including 3 years of prior year actuals and the approved budget for FYE 2021.

Fee Revenue

This budget year, the Air District proposes adoption of a CTR fee schedule and reinstatement of fee increases to existing permitted-fee schedules as allowed under the *Health and Safety Code*. Increases in permit related fees reflects the Board's adoption of a cost recovery policy in accordance with the recommendations of the cost recovery study undertaken in 2010. An independent review of the Air District's cost recovery and containment process was completed in 2018. If proposed fee increases are approved, the proposed fee schedule will become effective on July 1, 2021.

County Revenue

The County revenue budget is based on property values in the nine Bay Area counties. For the FYE 2022 Proposed Budget projects a \$0.6 million or 1.5% increase in property taxes receipts over the FYE 2021 Approved Budget primarily due to slight increase in property valuations.

Other Sources of General Fund Revenue

Federal grants from the Environmental Protection Agency (EPA) and other state/federal agencies show an increase of \$1.8 million or 11.7%. We anticipate continued funding from the State of \$9.0 million for AB 617 implementation efforts. However, this funding is not guaranteed and may be in jeopardy for future years. As in the past, should the Air District receive supplemental Federal grants, the amounts will be presented to the Air District's Board for approval. The State Subvention grant for FYE 2022 is budgeted at \$1.7 million based on actual collections in prior year. Penalties and Settlements fluctuate from time to time; and the FYE 2022 projection is \$2.7 million. Transfer from various grant sources of \$1.3 million will support indirect costs and other eligible activities supporting these grant programs.

Operating Expenditures

The FYE 2022 General Fund Proposed Operating Budget (net personnel & capital) of \$32.1 million increased by \$4.9 million over the FYE 2021 Approved Budget primarily due to necessary increases to address new and enhanced programs of the Air District. A summary of the General Fund Expenditures by Division from FYE 2020 (actual expenditures) through FYE 2022 (projected expenditures) is displayed in Table XI. In addition, the General Fund Expenditures by major categories from FYE 2018 (actuals) through FYE 2022 (projected expenditures) are displayed in Appendix E, Figure 2.

Personnel Expenditures

Currently, the Air District authorized staffing level is 415 FTEs, however; the FYE 2021 Adopted Budget proposed funding only 405 of the 415. During the current year, the Board approved funding an additional 9 FTEs to continue the work related to AB617, as well as, restore and maintain core programs of the Air District. The FYE 2022 budget proposes an authorized staffing level of 441 FTEs, an increase of 26 positions; to meet the growing demands of core Air District programs. The proposed budget also assumes a 5% vacancy savings of \$4.2 million to account for recruitment timeline to fill new positions and attrition due to retirements.

Capital Expenditures

The Proposed Budget for FYE 2022 funds capital expenditures of \$5.2 million. The capital budget is distributed across various General Fund programs. Table XIII provides details of the individual capital items.

PLANNING FOR THE FUTURE AND COST CONTAINMENT

The Air District's Five-year projections anticipate revenue is sufficient to meet projected expenditures within the accuracy level of the projection. Appendix F provides a General Fund Five-Year Projection. Reserves address future capital equipment and facility needs, uncertainties in State funding and external factors affecting the economy that could impact the Air District's ability to balance its budgets. If the economic slowdown remains stable, the forecast assumes the Air District will be well above its 20% reserve policy, with the assumption that

AB617 funding from the state of California persists. If the AB617 funding does not persist, severe strain will be placed on the District's ability to maintain current staffing levels. While there is a healthy reserve to address potential fiscal challenges over the next five years of the financial plan, the Air District must be fiscally prudent with its reserves to weather any potential long-term economic recovery.

The Air District's annual obligation, premiums in employee health benefits, pension costs and OPEB obligations continue to grow. Over the last few years, the Air District has made significant efforts in funding its obligations for OPEB by making additional contributions to fund its unfunded liability. Based on June 30, 2019 actuarial valuation study for OPEB, the Air District's plan is approximately 75% funded: leaving an unfunded liability of 25% or \$18.4 million. As a part of the FYE 2016 Budget, the Board adopted a minimum OPEB funding target policy of 90%. The FYE 2022 Budget includes the continuation of this funding with a \$4.0 million contribution.

The Air District's pension obligation is also growing, especially with recent changes in actuarial assumptions by CalPERS. As a result, CalPERS anticipates increased employer rates over the next few years. Based on the June 30, 2019 CalPERS actuarial valuation study, the Air District is currently funded at approximately 73%; leaving an unfunded liability of 27% or approximately \$91 million. Given these potential impacts, the FYE 2022 Budget includes continuation of \$1.0 million in discretionary contributions, which will be used for the sole purpose of reducing the unfunded liability to minimize the impact of future rate increases for the Air District.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

District-Wide Revenue and Expenditure Budgets

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

TABLE I: Consolidated Expenditures and Revenues by Major Categories

	ACTUALS FYE 2020			APPROVED BUDGET FYE 2021			PROPOSED BUDGET FYE 2022		
	GENERAL FUND	SPECIAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	SPECIAL FUNDS	TOTAL FUNDS	GENERAL FUND	SPECIAL FUNDS	TOTAL FUNDS
REVENUES									
County Revenues	37,558,118		37,558,118	38,770,162		38,770,162	39,335,284		39,335,284
Permits / Fees	50,398,318		50,398,318	41,623,723		41,623,723	53,678,690		53,678,690
Grant Revenues	10,295,247	70,702,290	80,997,537	11,225,783	135,108,099	146,333,882	12,967,612	130,964,735	143,932,347
Other Revenues	5,594,165		5,594,165	4,618,711		4,618,711	6,745,848		6,745,848
	103,845,848	70,702,290	174,548,138	96,238,379	135,108,099	231,346,478	112,727,434	130,964,735	243,692,169
Reimbursements Programs	2,035,734		2,035,734	2,375,664		2,375,664	2,426,500		2,426,500
Transfer In	1,665,844		1,665,844	2,700,886		2,700,886	1,361,189		1,361,189
Transfer from / (to) Reserves	(5,872,253)		(5,872,253)	5,159,682		5,159,682	500,000		500,000
Total REVENUES	101,675,173	70,702,290	172,377,463	106,474,611	135,108,099	241,582,710	117,015,123	130,964,735	247,979,858
EXPENDITURES									
Personnel & Benefits	63,388,071	4,874,811	68,262,882	74,994,648	6,219,921	81,214,569	78,193,804	7,503,256	85,697,060
Services & Supplies	30,583,078	7,119,535	37,702,613	27,243,515	11,989,599	39,233,114	32,092,559	10,398,315	42,490,874
Capital Expenditures	5,744,975		5,744,975	4,236,448		4,236,448	5,187,458		5,187,458
Other Financing Uses	841,643		841,643						
	100,557,767	11,994,346	112,552,113	106,474,611	18,209,520	124,684,131	115,473,821	17,901,571	133,375,392
Program Distributions	1,117,406	57,042,100	58,159,506		114,197,693	114,197,693	1,541,302	111,746,976	113,288,278
Transfer Out		1,665,844	1,665,844		2,700,886	2,700,886		1,316,188	1,316,188
Total EXPENDITURES	101,675,173	70,702,290	172,377,463	106,474,611	135,108,099	241,582,710	117,015,123	130,964,735	247,979,858

TABLE II: Consolidated Revenues

	Approved Program Budget		Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	2021	2022	\$	%
County Revenues					
Alameda	6,733,882	6,761,810	6,897,046	135,236	2.0%
Contra Costa	4,134,514	4,581,797	4,673,433	91,636	2.0%
Marin	1,648,621	1,676,343	1,688,388	12,045	0.7%
Napa	1,204,466	1,171,563	1,227,157	55,594	4.7%
San Francisco	5,793,645	5,843,403	6,199,930	356,527	6.1%
San Mateo	5,177,940	5,021,259	5,121,684	100,425	2.0%
Santa Clara	10,311,534	10,697,367	10,831,380	134,013	1.3%
Solano	894,376	1,133,592	970,760	(162,832)	(14.4)%
Sonoma	1,659,140	1,883,028	1,725,506	(157,522)	(8.4)%
Total County Revenues	37,558,118	38,770,162	39,335,284	565,122	1.5%
Permits / Fees					
Permit Renewal & Application Fees	36,045,517	30,222,640	37,505,080	7,282,440	24.1%
Community Health Impact		1,000,000	918,891	(81,109)	(8.1)%
Criteria Pollutant and Toxics Emissions			1,300,000	1,300,000	
Title V Fees	6,111,526	5,085,389	6,261,936	1,176,547	23.1%
Asbestos Fees	4,380,504	1,625,000	4,000,000	2,375,000	146.2%
Toxics Inventory Fees	580,333	628,357	731,737	103,380	16.5%
Registration Fees	193,460	276,220	190,000	(86,220)	(31.2)%
Hearing Board Fees	37,093	12,750	25,000	12,250	96.1%
Greenhouse Gas Fees	3,049,885	2,773,367	2,746,046	(27,321)	(1.0)%
Total Permit Fees	50,398,318	41,623,723	53,678,690	12,054,967	29.0%
Grant Revenues					
Federal Grant	2,289,072	2,225,783	3,967,612	1,741,829	78.3%
Other Grants	8,006,175	9,000,000	9,000,000		
Total Grant Revenue	10,295,247	11,225,783	12,967,612	1,741,829	15.5%
Other Revenues					
Penalties & Settlements	1,349,478	1,500,000	2,750,000	1,250,000	83.3%
State Subvention	1,743,099	1,736,000	1,736,000		
PERP (Portable Equip Prog)	660,827	450,000	450,000		
Interest Income	1,383,522	832,711	1,609,848	777,137	93.3%
Miscellaneous Income	457,239	100,000	200,000	100,000	100.0%
Total Other Revenues	5,594,165	4,618,711	6,745,848	2,127,137	46.1%
Total Operating Revenues	103,845,848	96,238,379	112,727,434	16,489,055	17.1%
Reimbursement Programs					
CMAQ Funding	826,677	1,000,000	1,000,000		
DHS Biowatch Funding	1,209,057	1,375,664	1,426,500	50,836	3.7%
Total Reimbursement Programs	2,035,734	2,375,664	2,426,500	50,836	2.1%
Transfer from / (to) Reserves	(5,872,253)	5,159,682	500,000	(4,659,682)	(90.3)%
Transfer In	1,665,844	2,700,886	1,361,189	(1,339,697)	(49.6)%
Total General Fund Revenues	101,675,173	106,474,611	117,015,123	10,540,512	9.9%
Special Revenue Funds					
Grant Programs					
Carl Moyer Fund	23,902,428	51,064,990	59,898,128	8,833,138	17.3%
Mobile Source Incentive Fund (MSIF)	10,954,266	12,799,080	12,000,000	(799,080)	(6.2)%
California Goods Movement Bond (CGMB)	9,131,585	10,250,000	21,388,049	11,138,049	108.7%
Transportation Fund for Clean Air (TFCA)	18,424,980	20,320,567	19,313,364	(1,007,203)	(5.0)%
Other Grants Revenues	7,655,750	21,156,449	7,330,194	(13,826,255)	(65.4)%
Vehicle Settlement	633,281	19,517,013	11,035,000	(8,482,013)	(43.5)%
Total Special Revenue Funds	70,702,290	135,108,099	130,964,735	(4,143,364)	(3.1)%
Total Revenues District Wide	172,377,463	241,582,710	247,979,858	6,397,148	2.6%

TABLE III: Consolidated Expenditures

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	361.00	415.00	441.00	26.00	6.3%
Personnel Expenditures					
Permanent Salaries	46,515,128	52,734,079	57,661,665	4,927,586	9.3%
Overtime Salaries	346,378	429,430	449,830	20,400	4.8%
Temporary Salaries	405,575	377,054	269,006	(108,048)	(28.7)%
Payroll Taxes	941,610	753,511	824,677	71,166	9.4%
Pension Benefits	9,374,553	11,666,066	13,453,506	1,787,440	15.3%
FICA Replacement Benefits	717,948	778,723	840,370	61,647	7.9%
Group Insurance Benefits	9,104,696	10,796,422	11,434,519	638,097	5.9%
Employee Transportation Subsidy	588,235	901,382	635,041	(266,341)	(29.5)%
Workers' Compensation	205,559	229,998	229,998		
Other Post Employment Benefits		4,000,000	4,000,000		
Board Stipends	63,200	92,000	92,000		
Vacancy Savings		(1,544,096)	(4,193,552)	(2,649,456)	171.6%
Total Personnel Expenditures	68,262,882	81,214,569	85,697,060	4,482,491	5.5%
Services & Supplies Expenditures					
Travel In-State	137,004	311,867	323,223	11,356	3.6%
Travel Out-of-State	76,817	232,710	288,960	56,250	24.2%
Training & Education	416,344	738,079	847,729	109,650	14.9%
Repair & Maintenance (Equipment)	634,703	1,008,618	1,087,846	79,228	7.9%
Communications	648,598	833,431	842,556	9,125	1.1%
Building Maintenance	433,106	299,853	671,570	371,717	124.0%
Utilities	218,113	261,452	246,315	(15,137)	(5.8)%
Postage	46,976	148,740	100,215	(48,525)	(32.6)%
Printing & Reproduction	119,430	440,103	440,103		
Equipment Rental	62,120	38,000	67,000	29,000	76.3%
Rents & Leases	2,135,955	3,262,464	3,331,153	68,689	2.1%
Professional Services & Contracts	29,926,463	29,080,483	31,388,305	2,307,822	7.9%
General Insurance	451,178	407,036	557,500	150,464	37.0%
Shop & Field Supplies	281,127	587,411	634,957	47,546	8.1%
Laboratory Supplies	131,344	184,537	186,761	2,224	1.2%
Gasoline & Variable Fuel	177,283	265,000	265,000		
Computer Hardware & Software	566,888	819,414	1,047,715	228,301	27.9%
Stationery & Office Supplies	54,393	146,200	100,450	(45,750)	(31.3)%
Books & Journals	60,264	51,313	52,113	800	1.6%
Minor Office Equipment	65,465	116,403	11,403	(105,000)	(90.2)%
Non-capital assets	1,059,042				
Other Financing Resources	841,643				
Total Services & Supplies Expenditures	38,544,256	39,233,114	42,490,874	3,257,760	8.3%
Capital Expenditures					
Leasehold Improvements	1,507,217				
Building & Grounds	209,579		500,000	500,000	
Office Equipment	7,445				
Computer & Network Equipment	2,989,950	2,890,000	3,253,347	363,347	12.6%
Motorized Equipment	37,368	60,000	110,000	50,000	83.3%
Lab & Monitoring Equipment	949,123	886,448	924,111	37,663	4.2%
Communications Equipment		400,000	400,000		
General Equipment	44,293				
Total Capital Expenditures	5,744,975	4,236,448	5,187,458	951,010	22.4%
Total Expenditures	112,552,113	124,684,131	133,375,392	8,691,261	7.0%
Transfer In/Out	1,665,844	2,700,886	1,316,188	(1,384,698)	(51.3)%
Program Distribution	58,159,506	114,197,693	113,288,278	(909,415)	(0.8)%
"Total Expenditures - District Wide"	172,377,463	241,582,710	247,979,858	6,397,148	2.6%

TABLE IV: General Fund

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	331.95	379.58	400.00	20.42	5.4%
Revenues					
Revenues Other Than Transfers	100,009,329	103,773,725	115,653,934	11,880,209	11.4%
Transfer In	1,665,844	2,700,886	1,361,189	(1,339,697)	(49.6)%
Total Revenues - General Fund	101,675,173	106,474,611	117,015,123	10,540,512	9.9%
Personnel Expenditures					
Permanent Salaries	43,055,751	48,577,383	52,696,746	4,119,363	8.5%
Overtime Salaries	249,590	422,430	447,830	25,400	6.0%
Temporary Salaries	357,568	377,054	254,006	(123,048)	(32.6)%
Payroll Taxes	888,327	694,502	754,090	59,588	8.6%
Pension Benefits	8,723,897	10,763,501	12,296,429	1,532,928	14.2%
FICA Replacement Benefits	680,172	712,159	762,223	50,064	7.0%
Group Insurance Benefits	8,635,179	10,206,952	10,671,395	464,443	4.6%
Employee Transportation Subsidy	544,115	824,334	575,989	(248,345)	(30.1)%
Workers' Compensation	190,272	210,339	208,611	(1,728)	(0.8)%
Other Post Employment Benefits		3,658,090	3,628,037	(30,053)	(0.8)%
Board Stipends	63,200	92,000	92,000		
Vacancy Savings		(1,544,096)	(4,193,552)	(2,649,456)	171.6%
Total Personnel Expenditures	63,388,071	74,994,648	78,193,804	3,199,156	4.3%
Services & Supplies Expenditures					
Travel In-State	129,257	235,067	231,823	(3,244)	(1.4)%
Travel Out-of-State	73,033	202,010	194,160	(7,850)	(3.9)%
Training & Education	408,775	703,579	806,229	102,650	14.6%
Repair & Maintenance (Equipment)	634,703	1,008,618	1,087,846	79,228	7.9%
Communications	643,113	826,431	835,556	9,125	1.1%
Building Maintenance	433,106	299,853	671,570	371,717	124.0%
Utilities	217,899	261,452	246,315	(15,137)	(5.8)%
Postage	40,075	139,740	86,215	(53,525)	(38.3)%
Printing & Reproduction	108,680	409,603	409,603		
Equipment Rental	62,120	38,000	67,000	29,000	76.3%
Rents & Leases	2,135,955	3,262,464	3,331,153	68,689	2.1%
Professional Services & Contracts	22,853,153	17,318,723	21,327,530	4,008,807	23.1%
General Insurance	451,178	407,036	557,500	150,464	37.0%
Shop & Field Supplies	280,352	578,911	626,457	47,546	8.2%
Laboratory Supplies	131,344	184,537	186,761	2,224	1.2%
Gasoline & Variable Fuel	177,283	265,000	265,000		
Computer Hardware & Software	564,925	796,915	1,005,215	208,300	26.1%
Stationery & Office Supplies	53,356	141,100	95,350	(45,750)	(32.4)%
Books & Journals	60,264	50,473	51,273	800	1.6%
Minor Office Equipment	65,465	114,003	10,003	(104,000)	(91.2)%
Non-capital assets	1,059,042				
Other Financing Resources	841,643				
Total Services & Supplies Expenditures	31,424,721	27,243,515	32,092,559	4,849,044	17.8%
Capital Expenditures					
Leasehold Improvements	1,507,217				
Building & Grounds	209,579		500,000	500,000	
Office Equipment	7,445				
Computer & Network Equipment	2,989,950	2,890,000	3,253,347	363,347	12.6%
Motorized Equipment	37,368	60,000	110,000	50,000	83.3%
Lab & Monitoring Equipment	949,123	886,448	924,111	37,663	4.2%
Communications Equipment		400,000	400,000		
General Equipment	44,293				
Total Capital Expenditures	5,744,975	4,236,448	5,187,458	951,010	22.4%
Transfer In/Out					
Total Expenditures	100,557,767	106,474,611	115,473,821	8,999,210	8.5%
Program Distribution	1,117,406		1,541,302	1,541,302	
Total Expenditures - General Fund	101,675,173	106,474,611	117,015,123	10,540,512	9.9%

TABLE V: Carl Moyer Fund

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	9.38	11.04	18.82	7.78	70.5%
Revenues					
Admin Revenue	2,283,261	2,293,809	3,760,586	1,466,777	63.9%
Program Income	21,619,167	48,771,181	56,137,542	7,366,361	15.1%
Total Revenue - Carl Moyer	23,902,428	51,064,990	59,898,128	8,833,138	17.3%
Personnel Expenditures					
Permanent Salaries	1,063,186	1,304,746	2,271,087	966,341	74.1%
Overtime Salaries	52				
Temporary Salaries	10,723				
Payroll Taxes	16,424	18,523	32,272	13,749	74.2%
Pension Benefits	205,595	280,794	529,237	248,443	88.5%
FICA Replacement Benefits	11,654	20,721	35,867	15,146	73.1%
Group Insurance Benefits	144,929	182,483	353,206	170,723	93.6%
Employee Transportation Subsidy	13,126	23,985	27,104	3,119	13.0%
Workers' Compensation	4,698	6,120	9,816	3,696	60.4%
Other Post Employment Benefits		106,437	170,720	64,283	60.4%
Board Stipends					
Total Personnel Expenditures	1,470,387	1,943,809	3,429,309	1,485,500	76.4%
Services & Supplies Expenditures					
Travel In-State	1,382	4,000	12,000	8,000	200.0%
Travel Out-of-State		3,000	9,000	6,000	200.0%
Training & Education		1,500	10,000	8,500	566.7%
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction		2,000	2,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	55,424	334,700	285,477	(49,223)	(14.7)%
General Insurance					
Shop & Field Supplies	650	2,000	2,000		
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software		1,000	10,000	9,000	900.0%
Stationery & Office Supplies	216	600	600		
Books & Journals		200	200		
Minor Office Equipment		1,000		(1,000)	(100.0)%
Total Services & Supplies Expenditures	57,672	350,000	331,277	(18,723)	(5.3)%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	755,201				
Total Expenditures	2,283,260	2,293,809	3,760,586	1,466,777	63.9%
Program Distribution	21,619,168	48,771,181	56,137,542	7,366,361	15.1%
Total Expenditures - Carl Moyer	23,902,428	51,064,990	59,898,128	8,833,138	17.3%

TABLE VI: Mobile Source Incentive Fund (MSIF)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	0.36	3.80	2.75	(1.05)	(27.6)%
Revenues					
Admin Revenue	3,750,099	799,080	769,168	(29,912)	(3.7)%
Program Income	7,204,167	12,000,000	11,230,832	(769,168)	(6.4)%
Total Revenues - MSIF	10,954,266	12,799,080	12,000,000	(799,080)	(6.2)%
Personnel Expenditures					
Permanent Salaries	126,913	415,258	331,057	(84,201)	(20.3)%
Overtime Salaries					
Temporary Salaries					
Payroll Taxes	2,002	5,875	4,704	(1,171)	(19.9)%
Pension Benefits	34,047	88,910	77,143	(11,767)	(13.2)%
FICA Replacement Benefits	1,432	7,140	5,240	(1,900)	(26.6)%
Group Insurance Benefits	17,883	61,749	47,935	(13,814)	(22.4)%
Employee Transportation Subsidy	1,636	8,264	3,960	(4,304)	(52.1)%
Workers' Compensation	561	2,108	1,434	(674)	(32.0)%
Other Post Employment Benefits		36,672	24,943	(11,729)	(32.0)%
Board Stipends					
Total Personnel Expenditures	184,474	625,976	496,416	(129,560)	(20.7)%
Services & Supplies Expenditures					
Travel In-State		8,000	8,000		
Travel Out-of-State					
Training & Education	246	5,000	5,000		
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction		3,000	3,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	3,468,920	7,238,300	7,238,301	1	
General Insurance					
Shop & Field Supplies					
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software	1,713	4,000	4,000		
Stationery & Office Supplies		500	500		
Books & Journals		200	200		
Minor Office Equipment		1,000	1,000		
Total Services & Supplies Expenditures	3,470,879	7,260,000	7,260,001	1	
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	94,746	113,104	212,751	99,647	88.1%
Total Expenditures	3,750,099	7,999,080	7,969,168	(29,912)	(0.4)%
Program Distribution	7,204,167	4,800,000	4,030,832	(769,168)	(16.0)%
Total Expenditures - MSIF	10,954,266	12,799,080	12,000,000	(799,080)	(6.2)%

TABLE VII: California Goods Movement Bond (CGMB)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	0.08	0.85	0.94	0.09	10.6%
Revenues					
Admin Revenue	63,903	250,000	223,537	(26,463)	(10.6)%
Program Income	9,067,682	10,000,000	21,164,512	11,164,512	111.6%
Total Revenues - CGMB	9,131,585	10,250,000	21,388,049	11,138,049	108.7%
Personnel Expenditures					
Permanent Salaries	29,195	104,132	123,006	18,874	18.1%
Overtime Salaries					
Temporary Salaries					
Payroll Taxes	424	1,481	1,761	280	18.9%
Pension Benefits	6,798	22,552	28,713	6,161	27.3%
FICA Replacement Benefits	313	1,595	1,799	204	12.8%
Group Insurance Benefits	3,903	15,526	18,345	2,819	18.2%
Employee Transportation Subsidy	557	1,846	1,359	(487)	(26.4)%
Workers' Compensation	129	471	492	21	4.5%
Other Post Employment Benefits		8,193	8,562	369	4.5%
Board Stipends					
Total Personnel Expenditures	41,319	155,796	184,037	28,241	18.1%
Services & Supplies Expenditures					
Travel In-State		2,000	2,000		
Travel Out-of-State					
Training & Education		1,500	1,500		
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities	214				
Postage					
Printing & Reproduction		500	500		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	1,148	65,500	30,000	(35,500)	(54.2)%
General Insurance					
Shop & Field Supplies		3,000	3,000		
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software		1,500	1,500		
Stationery & Office Supplies		1,000	1,000		
Books & Journals					
Minor Office Equipment					
Total Services & Supplies Expenditures	1,362	75,000	39,500	(35,500)	(47.3)%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	21,222	19,204		(19,204)	(100.0)%
Total Expenditures	63,903	250,000	223,537	(26,463)	(10.6)%
Program Distribution	9,067,682	10,000,000	21,164,512	11,164,512	111.6%
Total Expenditures - CGMB	9,131,585	10,250,000	21,388,049	11,138,049	108.7%

TABLE VIII: Transportation Fund for Clean Air (TFCA)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	10.86	9.73	7.37	(2.36)	(24.3)%
Revenues					
Admin Revenue	3,448,337	1,768,618	4,028,520	2,259,902	127.8%
Program Income	14,976,643	18,551,949	15,284,844	(3,267,105)	(17.6)%
Total Revenues - TFCA	18,424,980	20,320,567	19,313,364	(1,007,203)	(5.0)%
Personnel Expenditures					
Permanent Salaries	1,251,600	1,102,681	880,353	(222,328)	(20.2)%
Overtime Salaries	79,460	5,000		(5,000)	(100.0)%
Temporary Salaries	16,060				
Payroll Taxes	19,345	15,670	12,510	(3,160)	(20.2)%
Pension Benefits	233,568	240,995	205,138	(35,857)	(14.9)%
FICA Replacement Benefits	13,709	17,860	13,943	(3,917)	(21.9)%
Group Insurance Benefits	170,307	155,724	130,842	(24,882)	(16.0)%
Employee Transportation Subsidy	16,652	20,674	10,536	(10,138)	(49.0)%
Workers' Compensation	5,531	5,275	3,816	(1,459)	(27.7)%
Other Post Employment Benefits		91,742	66,365	(25,377)	(27.7)%
Board Stipends					
Total Personnel Expenditures	1,806,232	1,655,621	1,323,503	(332,118)	(20.1)%
Services & Supplies Expenditures					
Travel In-State	3,647	19,900	28,000	8,100	40.7%
Travel Out-of-State	3,784	14,400	75,000	60,600	420.8%
Training & Education	2,365	16,500	16,500		
Repair & Maintenance (Equipment)					
Communications	4,539	5,000	5,000		
Building Maintenance					
Utilities					
Postage	6,901	9,000	14,000	5,000	55.6%
Printing & Reproduction	10,241	25,000	25,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	1,296,344	1,730,860	1,709,597	(21,263)	(1.2)%
General Insurance					
Shop & Field Supplies	125	3,500	3,500		
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software	250	13,000	24,000	11,000	84.6%
Stationery & Office Supplies	594	3,000	3,000		
Books & Journals		440	440		
Minor Office Equipment		400	400		
Total Services & Supplies Expenditures	1,328,790	1,841,000	1,904,437	63,437	3.4%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	313,315	2,215,712	800,580	(1,415,132)	(63.9)%
Total Expenditures	3,448,337	5,712,333	4,028,520	(1,683,813)	(29.5)%
Program Distribution	14,976,643	14,608,234	15,284,844	676,610	4.6%
Total Expenditures - TFCA	18,424,980	20,320,567	19,313,364	(1,007,203)	(5.0)%

TABLE IX: Other Grants Revenues

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	6.01	5.72	7.68	1.96	34.3%
Revenues					
Admin Revenue	3,481,310	3,138,171	2,085,076	(1,053,095)	(33.6)%
Program Income	4,174,440	18,018,278	5,245,118	(12,773,160)	(70.9)%
Total Revenues - Other Grants	7,655,750	21,156,449	7,330,194	(13,826,255)	(65.4)%
Personnel Expenditures					
Permanent Salaries	706,077	708,555	909,194	200,639	28.3%
Overtime Salaries	14,608	2,000	2,000		
Temporary Salaries	21,224		15,000	15,000	
Payroll Taxes	10,853	10,048	12,891	2,843	28.3%
Pension Benefits	134,961	157,495	211,776	54,281	34.5%
FICA Replacement Benefits	7,696	11,273	14,640	3,367	29.9%
Group Insurance Benefits	95,526	90,921	146,725	55,804	61.4%
Employee Transportation Subsidy	8,428	13,048	11,062	(1,986)	(15.2)%
Workers' Compensation	3,123	3,330	4,007	677	20.3%
Other Post Employment Benefits		57,902	69,681	11,779	20.3%
Board Stipends					
Total Personnel Expenditures	1,002,496	1,054,572	1,396,976	342,404	32.5%
Services & Supplies Expenditures					
Travel In-State	2,718	15,300	13,800	(1,500)	(9.8)%
Travel Out-of-State		13,300	10,800	(2,500)	(18.8)%
Training & Education	4,958	10,000	8,500	(1,500)	(15.0)%
Repair & Maintenance (Equipment)					
Communications	946	2,000	2,000		
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction	509				
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	2,178,082	2,040,000	650,000	(1,390,000)	(68.1)%
General Insurance					
Shop & Field Supplies					
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software		2,999	3,000	1	
Stationery & Office Supplies	227				
Books & Journals					
Minor Office Equipment					
Total Services & Supplies Expenditures	2,187,440	2,083,599	688,100	(1,395,499)	(67.0)%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
General Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	291,374				
Total Expenditures	3,481,310	3,138,171	2,085,076	(1,053,095)	(33.6)%
Program Distribution	4,174,440	18,018,278	5,245,118	(12,773,160)	(70.9)%
Total Expenditures - Other Grants Revenues	7,655,750	21,156,449	7,330,194	(13,826,255)	(65.4)%

TABLE X: Vehicle Settement

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)	2.36	4.25	3.44	(0.81)	(19.1)%
Revenues					
Admin Revenue	633,281	1,517,013	1,150,872	(366,141)	(24.1)%
Program Income		18,000,000	9,884,128	(8,115,872)	(45.1)%
Total Revenues - VM	633,281	19,517,013	11,035,000	(8,482,013)	(43.5)%
Personnel Expenditures					
Permanent Salaries	282,406	521,324	450,222	(71,102)	(13.6)%
Overtime Salaries	2,668				
Temporary Salaries					
Payroll Taxes	4,235	7,412	6,449	(963)	(13.0)%
Pension Benefits	35,687	111,819	105,070	(6,749)	(6.0)%
FICA Replacement Benefits	2,972	7,975	6,658	(1,317)	(16.5)%
Group Insurance Benefits	36,969	83,067	66,071	(16,996)	(20.5)%
Employee Transportation Subsidy	3,721	9,231	5,031	(4,200)	(45.5)%
Workers' Compensation	1,245	2,355	1,822	(533)	(22.6)%
Other Post Employment Benefits		40,964	31,692	(9,272)	(22.6)%
Board Stipends					
Total Personnel Expenditures	369,903	784,147	673,015	(111,132)	(14.2)%
Services & Supplies Expenditures					
Travel In-State		27,600	27,600		
Travel Out-of-State					
Training & Education					
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction					
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	73,392	352,400	147,400	(205,000)	(58.2)%
General Insurance					
Shop & Field Supplies					
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software					
Stationery & Office Supplies					
Books & Journals					
Minor Office Equipment					
Total Services & Supplies Expenditures	73,392	380,000	175,000	(205,000)	(53.9)%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds					
Office Equipment					
Computer & Network Equipment					
Motorized Equipment					
Lab & Monitoring Equipment					
Communications Equipment					
General Equipment					
PM 2.5 Equipment					
Total Capital Expenditures					
Transfer In/Out	189,986	352,866	302,857	(50,009)	(14.2)%
Total Expenditures	633,281	1,517,013	1,150,872	(366,141)	(24.1)%
Program Distribution		18,000,000	9,884,128	(8,115,872)	(45.1)%
Total Expenditures - VM	633,281	19,517,013	11,035,000	(8,482,013)	(43.5)%

TABLE XI: General Fund Expenditures by Division

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Executive Office					
Executive Office	5,724,981	6,452,419	6,889,315	436,896	6.8%
Bay Area Regional Collaborative (BARC)	351,067	255,000	351,000	96,000	37.6%
Board of Directors	518,768	597,816	586,067	(11,749)	(2.0)%
Hearing Board	38,620	63,588	62,852	(736)	(1.2)%
Advisory Council	67,634	450,561	395,451	(55,110)	(12.2)%
Flex the Commute			410,249	410,249	
Total Executive Office	6,701,070	7,819,384	8,694,934	875,550	11.2%
Diversity, Equity and Inclusion Division					
Office of Diversity Equity & Inclusion	444,134	811,576	924,507	112,931	13.9%
Total Diversity, Equity and Inclusion Division	444,134	811,576	924,507	112,931	13.9%
Finance Office					
Finance	2,193,946	3,028,617	3,674,786	646,169	21.3%
Total Finance Office	2,193,946	3,028,617	3,674,786	646,169	21.3%
Human Resources Office					
Payroll	471,636	487,443	469,766	(17,677)	(3.6)%
Benefits Administration	3,234,691	3,568,597	3,660,226	91,629	2.6%
Organizational Development	371,293	468,316	459,958	(8,358)	(1.8)%
Employment Relations	774,091	694,635	1,067,735	373,100	53.7%
Recruitment & Testing	631,540	764,848	688,925	(75,923)	(9.9)%
Total Human Resources Office	5,483,251	5,983,839	6,346,610	362,771	41.0%
Administrative Resources Division					
Facilities	1,309,869	1,351,009	1,612,121	261,112	19.3%
Communications	670,650	775,747	864,971	89,224	11.5%
Headquarters East (Richmond)	2,424,833	200,000	711,000	511,000	255.5%
Purchasing	839,559	1,002,477	962,807	(39,670)	(4.0)%
Headquarters West (Beale Street)	5,338,408	3,410,000	3,800,000	390,000	11.4%
Fleet Services	1,214,234	1,547,566	1,728,212	180,646	11.7%
Total Administrative Resources Division	11,797,553	8,286,799	9,679,111	1,392,312	305.4%
Legislative Office					
Legislative Program			590,849	590,849	
Total Legislative Office			590,849	590,849	
Legal Services Division					
Legal Counsel	1,968,629	2,360,298	2,287,543	(72,755)	(3.1)%
Hearing Board Proceedings	9,223	3,562	12,949	9,387	263.5%
Penalties Enforcement & Settlement	832,621	877,954	1,093,173	215,219	24.5%
Litigation	3,105,316	458,057	426,743	(31,314)	(6.8)%
Total Legal Services Division	5,915,789	3,699,871	3,820,408	120,537	278.1%
Communications Office					
Media Relations	1,388,473	1,676,002	1,333,083	(342,919)	(20.5)%
Intermittent Control	1,105,294	1,492,866	1,650,281	157,415	10.5%
Spare The Air (CMAQ)	826,678	1,000,000	1,000,000		
Total Communications Office	3,320,445	4,168,868	3,983,364	(185,504)	(4.4)%
Technology Implementation Office					
Greenhouse Gas Technologies	549,552	961,985	745,515	(216,470)	(22.5)%
Total Technology Implementation Office	549,552	961,985	745,515	(216,470)	(22.5)%
Strategic Incentives					
Non-Mobile Source Grant Programs	1,019		147,544	147,544	
Grant Program Development	182,008	664,807	663,479	(1,328)	(0.2)%
Total Strategic Incentives	183,027	664,807	811,023	146,216	22.0%
Compliance & Enforcement					
Enforcement	4,498,330	5,986,617	6,037,452	50,835	0.8%
Compliance Assistance & Operations	2,006,928	2,751,416	3,374,570	623,154	22.6%
Compliance Assurance	5,648,492	6,898,256	6,736,380	(161,876)	(2.3)%

TABLE XI: General Fund Expenditures by Division

	Approved Program Budget		Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	2021	2022	\$	%
Total Compliance & Enforcement	12,153,750	15,636,289	16,148,402	512,113	3.3%
Engineering					
Permit Evaluation	6,634,979	7,655,342	8,906,514	1,251,172	16.3%
Permit Renewals	128,080				
Air Toxics	1,370,083	1,812,531	1,492,604	(319,927)	(17.7)%
Permit Operations	792,560	1,274,958	1,027,578	(247,380)	(19.4)%
Title V	550,629	1,362,671	1,086,037	(276,634)	(20.3)%
Engineering Special Projects	896,675	1,343,090	1,499,284	156,194	11.6%
Total Engineering	10,373,006	13,448,592	14,012,017	563,425	4.2%
Assessment, Inventory & Model					
Source Inventories	1,369,345	1,516,899	1,781,961	265,062	17.5%
Air Quality Modeling Support	719,607	1,127,026	1,182,142	55,116	4.9%
Air Quality Modeling & Research	732,898	805,396	809,837	4,441	0.6%
Community Air Risk Evaluation	899,010	1,105,786	1,154,539	48,753	4.4%
Total Assessment, Inventory & Model	3,720,860	4,555,107	4,928,479	373,372	8.2%
Planning & Climate Protection					
Air Quality Plans	1,668,717	1,595,158	1,874,045	278,887	17.5%
Implement Plans, Policies and Measures	749,173	1,584,718	1,442,301	(142,417)	(9.0)%
Climate Protection	3,385,956	1,975,739	2,004,463	28,724	1.5%
Total Planning & Climate Protection	5,803,846	5,155,615	5,320,809	165,194	3.2%
Rules Division					
Rule Development	1,876,799	1,965,469	2,402,631	437,162	22.2%
Total Rules Division	1,876,799	1,965,469	2,402,631	437,162	22.2%
Community Engagement					
Community Engagement Office	2,425,219	3,703,403	4,850,952	1,147,549	31.0%
Total Community Engagement	2,425,219	3,703,403	4,850,952	1,147,549	31.0%
Information Services					
Information Management Records & Content	496,093	1,038,794	901,688	(137,106)	(13.2)%
IT Engineering & Operations	2,936,218	3,765,753	3,699,684	(66,069)	(1.8)%
User Support Desk			918,574	918,574	
Total Information Services	3,432,311	4,804,547	5,519,946	715,399	(15.0)%
My Air Online					
New Production System	4,325,660	4,208,378	4,348,141	139,763	3.3%
Website Development & Maintenance	1,255,276	1,545,317	1,506,110	(39,207)	(2.5)%
Legacy Systems Support	879,859	1,488,918	1,282,726	(206,192)	(13.8)%
Total My Air Online	6,460,795	7,242,613	7,136,977	(105,636)	(13.0)%
Meteorology, Measurement & Rules					
Air Monitoring – Operations	5,466,022	6,923,072	5,946,697	(976,375)	(14.1)%
Laboratory	1,445,384	1,732,106	2,412,281	680,175	39.3%
Source Test	2,616,121	2,908,587	3,366,406	457,819	15.7%
Meteorology	1,546,371	909,066	997,022	87,956	9.7%
Air Monitoring Instrument Performance Evaluation	497,339	634,654	619,164	(15,490)	(2.4)%
BioWatch Monitoring	1,209,307	1,375,803	1,426,500	50,697	3.7%
Air Monitoring - Projects & Technology	2,430,007	728,103	4,255,037	3,526,934	484.4%
Ambient Air Quality Analysis	4,376	869,935	1,052,946	183,011	21.0%
Total Meteorology, Measurement & Rules	15,214,927	16,081,326	20,076,053	3,994,727	24.8%
Vacancy Savings		(1,544,096)	(4,193,552)	(2,649,456)	171.6%
Other Financing Resources	841,643				
Program Distribution	1,117,406		1,541,302	1,541,302	
Transfer In/Out	1,665,844				
Total Expenditures - General Fund Divisions	101,675,173	106,474,611	117,015,123	10,540,512	(675.0)%

Capital Expenditure

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

**TABLE XII
CAPITAL EXPENDITURE SUMMARY**

The list below includes all capital expenditures budgeted for FYE 2022

<u>Description</u>	<u>PGM</u>	<u>Capital Type</u>	<u>Amount</u>	<u>Program Total</u>	<u>Division Total</u>
1 One (1) Equipment for Advanced Testing & Training Laboratory	802	Lab & Monitoring	257,000		
2 One (1) Air Quality Analyzer	802	Lab & Monitoring	360,685		
3 Two (2) Air Quality Analyzers - PM2.5 equipment	802	Lab & Monitoring	49,026	666,711	
4 Four (4) Source Test Analyzers	804	Motorized Equipment	80,000		
5 One (1) PM Field Testing Van	804	Lab & Monitoring	60,000	140,000	
6 One (1) Computerized Gas Dilution System	807	Lab & Monitoring	20,400	20,400	
7 One (1) Gas Calibration Setup for Mobile & Portable Monitoring Systems	810	Lab & Monitoring	25,000		
8 One (1) Enhancements to Portable Monitoring System	810	Lab & Monitoring	32,000	57,000	<u>884,111</u>
9 One (1) Optical Gas Imaging Camera	403	Lab & Monitoring	100,000	100,000	<u>100,000</u>
10 HQE Seismic Retrofit and Security Assessment	707	Building and Grounds	500,000	500,000	
11 Leasing of Additional Vehicles	710	Motorized Equipment	50,000	50,000	<u>550,000</u>
12 Design and Prototype of new IT/Telecom Infrastructure	726	Communications Equipment	400,000		
13 HQE Business Continuity Site Improvement	726	Computer & Network Equipment	200,000		
14 Replace Key End of Life Computer Networking Components	726	Computer & Network Equipment	200,000	800,000	<u>800,000</u>
15 Public Permitting & Compliance Systems	125	Computer & Network Equipment	2,853,347	2,853,347	<u>2,853,347</u>
Total Capital Expenditures					5,187,459

**TABLE XII
CAPITAL EXPENDITURE DETAILS**

	<u>Item Description</u>	<u>Cost</u>	<u>Program/ Capital Type</u>
1	<u>One (1) Equipment for Advanced Testing & Training Laboratory</u> Equipment for training and advanced monitoring method evaluation.	\$257,000	802/Lab & Monitoring
2	<u>One (1) Air Quality Analyzer</u> Replacements / upgrades for aging air monitoring equipment.	\$360,685	802/Lab & Monitoring
3	<u>Two (2) Air Quality Analyzers - PM2.5 equipment</u> Replacements / upgrades for aging air monitoring equipment.	\$49,026	802/Lab & Monitoring
4	<u>Four (4) Source Test Analyzers</u> Replacements for current equipment that reached the end of its useful life.	\$80,000	804/Motorized Equipment
5	<u>One (1) PM Field Testing Van</u> Replacement field testing van for Particulate Matter (PM) program. Current vehicle has high mileage and is due to be taken out of service.	\$60,000	804/Lab & Monitoring
6	<u>One (1) Computerized Gas Dilution System</u> Conduct dynamic performance evaluations (gas audits).	\$20,400	807/Lab & Monitoring
7	<u>One (1) Gas Calibration Setup for Mobile & Portable Monitoring Systems</u> Air Monitoring's mobile and portable measurement platforms, developed for community scale monitoring projects, utilize a variety of gas analyzers that require proper QA/QC to ensure supportable, high quality data.	\$25,000	810/Lab & Monitoring
8	<u>One (1) Enhancements to Portable Monitoring System</u> Adding measurement of PM 2.5 to a portable measurement platform designed for community scale or other monitoring projects. Addition of solar power and battery back-up will allow system to operate off-the-grid in times or places power is not readily available.	\$32,000	810/Lab & Monitoring
9	<u>One (1) Optical Gas Imaging Camera</u> The Optical Gas Imaging Camera is needed for leak detection and repair (LDAR) program for various compliance programs.	\$100,000	403/Lab & Monitoring
10	<u>HQE Seismic Retrofit and Security Assessment</u> Preparation of space for staff occupancy.	\$500,000	707/Building and Grounds
11	<u>Leasing of Additional Vehicles</u> Leasing of additional vehicles as a result of increasing staff in Compliance and Enforcement and Meteorology and Measurement Divisions.	\$50,000	710/Motorized Equipment
12	<u>Design and Prototype of new IT/Telecom Infrastructure</u> Every 6 years the District modernizes its telecommunications and information systems infrastructure. This project encompasses the initial design work and proof of concept prototyping for the next generation of technology.	\$400,000	726/Communications Equipment
13	<u>HQE Business Continuity Site Improvement</u> The District is working to improve a Business Continuity site for tasks requiring a physical presence (e.g. printing of invoices and permits) should our Beale Street office be unavailable for use. This site, currently being improved at the Richmond HQE office will require some construction remodeling, including electrical wiring and data cabling.	\$200,000	726/Computer & Network Equipment
14	<u>Replace Key End of Life Computer Networking Components</u> Several of the District's key computer networking components will reach end of life and will not be supported in FYE 22. This project is to replace key components with newer like components before they are no longer supported by their manufacturers.	\$200,000	726/Computer & Network Equipment
15	<u>Public Permitting & Compliance Systems</u> Development and implementation of permitting and enforcement software functionality for medium and complex facilities, including data cleanup and consolidation activities.	\$2,853,347	125/Computer & Network Equipment
	Total Capital Expenditures	\$5,187,459	

General Fund Program Narratives and Expenditure Details

Note: Definitions are provided on page 231-233
And are an integral part of this budget document.

Executive Division

Under the leadership and direction of the Executive Officer/APCO and the Board of Directors, the Executive Office guides the Bay Area Air Quality Management District (Air District) in meeting its mission of protecting and improving public health, air quality, and the global climate. To fulfill this mission, the Air District builds its programs and policies on sound science, develops them with technical expertise and rigor, and executes them with quality. Air District programs and policies include both traditional air quality management approaches and new strategies for achieving clean air.

In FYE 2022, the Air District will continue to implement State and Federal regulations and directives, and will also continue to implement and develop the following key initiatives:

- Clean Air Plan Implementation
- Climate Action Work Program
- Assembly Bill (AB) 617 Implementation
- Wildfire Air Quality Response Program
- Diesel Free by '33 Campaign
- Technology Implementation Office
- Wood Smoke Program and Rule Amendments
- My Air Online Program
- Clean Air Foundation
- Spare the Air Everyday Campaign
- Public Participation Plan Implementation
- Diversity, Equity, and Inclusion Office

The Executive Office is responsible for developing and maintaining strategic partnerships to achieve clean air. These partnerships include but are not limited to collaboration with: community groups, non-profits, peer regional agencies (Metropolitan Transportation Commission, Association of Bay Area Governments & Bay Conservation and Development Commission), regulatory agencies (U.S. Environmental Protection Agency and California Air Resources Board), and associations (California Air Pollution Control Officers Association, Air and Waste Management Association & National Association of Clean Air Agencies), as well as the State Legislature. In FYE 2022, these key partnerships will also address regional coordination of climate protection activities, and implementation of State initiatives such as SB1339, SB375, and AB32 at the regional level.

Managing Division:	
Executive Division	
Contact Person:	
Vanessa Johnson	
Program Purpose:	
Administration and Direction of Air District Programs.	
Description of Program:	
This budget program is responsible for providing overall administration and direction to Air District staff. Through this budget program, the Executive Officer/APCO interprets and oversees implementation of Board directives and policies and administers the business of the Air District.	
Justification of Change Request:	
Not Applicable	
Activities	
Implement and develop key initiatives to meet Air District goals and objectives.	
Coordinate development of Air District's legislative agenda and implement strategy for achieving Air District's legislative goals.	
Coordinate Air District activities with staff, stakeholders, and community groups.	
Help sponsor stakeholder events in support of Air District Initiatives.	
Monitor actions of and serve as liaison to regional governmental agencies (e.g. MTC, ABAG, BCDC), federal and statewide governmental organizations (e.g. U.S. EPA, CARB, CAPCOA), as well as the state legislature, and representatives of the regulated community.	
Compliance and enforcement actions.	
Administer and manage the Bay Area Clean Air Foundation.	
Major Objectives	Delivery Date
Rule Development and Amendments	Ongoing
Issue all non-Title V permits on a timely basis (within a 45 day period)	Ongoing
Production System Implementation	Ongoing
Clean Air Plan Implementation	Ongoing
Assembly Bill (AB) 617 Implementation	Ongoing
Public Participation Plan Implementation	Ongoing
Adopt District Budget for FYE 2022	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		17.94	16.88	19.51	2.63	15.6%
Personnel Expenditures						
Permanent Salaries	51100	3,218,277	3,154,527	3,464,614	310,087	9.8%
Overtime Salaries	51150	2,344	2,500	2,500		
Temporary Salaries	51200	12,438				
Payroll Taxes	51300	46,167	47,964	52,840	4,876	10.2%
Pension Benefits	51400	598,493	704,807	813,355	108,548	15.4%
FICA Replacement Benefits	51500	35,065	31,682	37,129	5,447	17.2%
Group Insurance Benefits	51600	435,920	336,667	343,432	6,765	2.0%
Employee Transportation Subsidy	51700	39,748	36,673	28,057	(8,616)	(23.5)%
Workers' Compensation	51800	14,222	9,358	10,162	804	8.6%
Other Post Employment Benefits	51850		162,741	176,726	13,985	8.6%
Board Stipends	51900					
Total Personnel Expenditures		4,402,674	4,486,919	4,928,815	441,896	9.8%
Services & Supplies Expenditures						
Travel In-State	52200	21,232	21,000	18,000	(3,000)	(14.3)%
Travel Out-of-State	52220	31,787	45,000	43,000	(2,000)	(4.4)%
Training & Education	52300	38,512	30,500	30,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500	21,232	5,000	5,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800	53				
Printing & Reproduction	52900	4,720	2,500	2,500		
Equipment Rental	53100					
Rents & Leases	53200	13,976	100,000	100,000		
Professional Services & Contracts	53300	1,444,104	1,760,000	1,760,000		
General Insurance	53400					
Shop & Field Supplies	53500	20				
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,355				
Stationery & Office Supplies	53900	3,910	1,000	1,000		
Books & Journals	54100	4,607	500	500		
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		1,586,508	1,965,500	1,960,500	(5,000)	(0.3)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		(264,201)				
Total Expenditures		5,724,981	6,452,419	6,889,315	436,896	6.8%

Managing Division:	
Executive Division	
Contact Person:	
Gregory Nudd	
Program Purpose:	
The Bay Area Regional Collaborative (BARC) is a consortium of Board/Commission representatives from the Bay Area Air Quality Management District, Metropolitan Transportation Commission, Association of Bay Area Governments, and Bay Conservation and Development Commission. The BARC addresses cross-cutting issues of regional significance through collaboration and coordination.	
Description of Program:	
The BARC has selected Climate Change as the primary focus of its work. The four regional agencies work together to create coordinated policies, increase efficiencies, leverage resources, and provide better services to local governments that are grappling with climate mitigation and adaptation issues. This program includes Air District financial support for the BARC's assistance to coordinate the Bay Area Clean Air Plan and Regional Climate Action Strategy with the climate policies and programs of the other regional agencies.	
Justification of Change Request:	
Not Applicable	
Activities	
Provide support for the BARC Executive Director and Program Associate to implement the BARC work plan	
Provide support for limited professional services as needed for the BARC work plan	
Participate in BARC meetings, Executive Director meetings, and cross-agency staff teams	
Coordinate with BARC and member agency staff on climate change issues	
Major Objectives	Delivery Date
Work with BARC and member agency staff to coordinate implementation of the Clean Air Plan/Regional Climate Action Strategy and the Sustainable Communities Strategy	Ongoing
Work with BARC and member agency staff to integrate the Air District's Planning Healthy Places guidance into the Sustainable Communities Strategy Work with BARC and member agency staff to coordinate technical assistance to cities and counties regarding climate action plans	Ongoing
Work with BARC and member agency staff to coordinate technical assistance to cities and counties regarding climate action plans	Ongoing

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries		51100			
Overtime Salaries		51150			
Temporary Salaries		51200			
Payroll Taxes		51300			
Pension Benefits		51400			
FICA Replacement Benefits		51500			
Group Insurance Benefits		51600			
Employee Transportation Subsidy		51700			
Workers' Compensation		51800			
Other Post Employment Benefits		51850			
Board Stipends		51900			
Total Personnel Expenditures					
Services & Supplies Expenditures					
Travel In-State		52200			
Travel Out-of-State		52220			
Training & Education		52300			
Repair & Maintenance (Equipment)		52400			
Communications		52500			
Building Maintenance		52600			
Utilities		52700			
Postage		52800			
Printing & Reproduction		52900			
Equipment Rental		53100			
Rents & Leases		53200			
Professional Services & Contracts	351,067	255,000	351,000	96,000	37.6%
General Insurance		53400			
Shop & Field Supplies		53500			
Laboratory Supplies		53600			
Gasoline & Variable Fuel		53700			
Computer Hardware & Software		53800			
Stationery & Office Supplies		53900			
Books & Journals		54100			
Minor Office Equipment		54200			
Total Services & Supplies Expenditures					
	351,067	255,000	351,000	96,000	37.6%
Capital Expenditures					
Leasehold Improvements		60100			
Building & Grounds		60105			
Office Equipment		60110			
Computer & Network Equipment		60115			
Motorized Equipment		60120			
Lab & Monitoring Equipment		60125			
Communications Equipment		60130			
General Equipment		60135			
PM 2.5 Equipment		60140			
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures					
	351,067	255,000	351,000	96,000	37.6%

Managing Division:	
Executive Division	
Contact Person:	
Vanessa Johnson	
Program Purpose:	
Oversee Activities of the Board of Directors.	
Description of Program:	
Administration of activities of the Board of Directors.	
Justification of Change Request:	
Not Applicable	
Activities	
Prepare and distribute all meeting materials, including agendas, minutes and correspondence for Board of Directors regular and special meetings, approximately 20 per year.	
Prepare all logistics for Board of Directors regular and special meetings, including scheduling, polling, providing refreshments, preparation of facilities, and legal noticing requirements, approximately 20 per year.	
Prepare and distribute all agenda materials and logistics for Board of Directors Committee meetings, approximately 20 per year. Receive, route, and appropriately address all correspondence directed to the Board.	
Receive, route, and appropriately address all correspondence directed to the Board.	
Track, process and issue monthly travel reimbursement and per diem payments for each member of the Board of Directors.	
Prepare all travel logistics for Board of Directors participation at the Annual Air & Waste Management Association (A&WMA) Conference.	
Maintain archive of Board materials, including minutes, agendas, correspondence and adopted resolutions.	
Maintain the Air District's website as it relates to the Board of Directors membership, calendar, meeting materials and minutes.	
Assure timely filing of Statement of Economic Interests with the California Fair Political Practices Commission.	
Major Objectives	Delivery Date
Coordinate all Board and Committee meetings.	Ongoing
Coordinate Board Ethics Training and Unconscious Bias Training.	Ongoing
Coordinate New Board Member Orientation.	Ongoing
Coordinate transition to new Chair of the Board of Directors.	Annually
Coordinate Board of Directors Annual Retreat.	Annually
Update of Board Committee assignments.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	3	3		
Personnel Expenditures						
Permanent Salaries	51100	270,186	305,807	300,091	(5,716)	(1.9)%
Overtime Salaries	51150	2,104				
Temporary Salaries	51200					
Payroll Taxes	51300	4,151	4,370	4,300	(70)	(1.6)%
Pension Benefits	51400	61,171	64,779	69,889	5,110	7.9%
FICA Replacement Benefits	51500	2,954	4,828	4,864	36	0.7%
Group Insurance Benefits	51600	36,631	45,222	41,766	(3,456)	(7.6)%
Employee Transportation Subsidy	51700	3,613	5,588	3,675	(1,913)	(34.2)%
Workers' Compensation	51800	1,194	1,426	1,331	(95)	(6.7)%
Other Post Employment Benefits	51850		24,796	23,151	(1,645)	(6.6)%
Board Stipends	51900	57,000	60,000	60,000		
Total Personnel Expenditures		439,004	516,816	509,067	(7,749)	(1.5)%
Services & Supplies Expenditures						
Travel In-State	52200	19,708	18,000	15,500	(2,500)	(13.9)%
Travel Out-of-State	52220	157	12,000	10,500	(1,500)	(12.5)%
Training & Education	52300	35,960	28,000	28,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	22,352	23,000	23,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700	25				
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	61				
Books & Journals	54100	1,501				
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		79,764	81,000	77,000	(4,000)	(4.9)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		518,768	597,816	586,067	(11,749)	(2.0)%

Managing Division:	
Executive Division	
Contact Person:	
Vanessa Johnson	
Program Purpose:	
Records, documents, and maintains records of actions of the quasi-judicial Hearing Board.	
Description of Program:	
The Hearing Board is a quasi-judicial body that rules on particular cases that affect only individual facilities. It is authorized to hear requests for variance relief, permit revocation, abatement orders, and appeals by permit applicants, or by interested third parties, concerning the issuance or denial of permits.	
Justification of Change Request:	
Not Applicable	
Activities	
Prepare logistics for all Hearing Board meetings, including scheduling, polling, providing refreshments, preparation of facilities, and legal noticing requirements. Develop and maintain Hearing Board calendar and schedules.	
Develop and maintain Hearing Board calendar and schedules.	
Attend all hearings of the Hearing Board.	
Draft selected Orders for Hearing Board review and signature.	
Print and reproduce Hearing Board notices.	
Maintain Record of Actions (Docket Book).	
Prepare and maintain docket files for each hearing.	
Collect required fees from Applicants.	
Follow-up on actions resulting from Hearing Board Orders/decisions.	
Process incoming documents and inquiries.	
Make arrangements for all off-site and webinar hearings.	
Research, compile and prepare reports for presentation to the Board of Directors and others as requested by the Hearing Board.	
Arrange for Hearing Board members attendance at Hearing Board Conferences and CARB Trainings.	
Track, process and issue monthly travel reimbursement and per diem payments for each member of the Hearing Board.	
Archive Hearing Board Dockets and related documents.	
Maintain the Air District's website as it pertains to the Hearing Board membership, calendar, and decisions/orders.	
Coordinate recruitment and orientation of new Hearing Board members as necessary.	
Major Objectives	Delivery Date
Coordinate Hearing Board Activities	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)						
Personnel Expenditures						
Permanent Salaries	51100	22,871	14,867	14,477	(390)	(2.6)%
Overtime Salaries	51150	120				
Temporary Salaries	51200					
Payroll Taxes	51300	351	211	206	(5)	(2.4)%
Pension Benefits	51400	4,535	3,115	3,379	264	8.5%
FICA Replacement Benefits	51500	255	242	211	(31)	(12.8)%
Group Insurance Benefits	51600	3,177	2,057	1,856	(201)	(9.8)%
Employee Transportation Subsidy	51700	319	280	160	(120)	(42.9)%
Workers' Compensation	51800	101	72	58	(14)	(19.4)%
Other Post Employment Benefits	51850		1,244	1,005	(239)	(19.2)%
Board Stipends	51900	6,200	32,000	32,000		
Total Personnel Expenditures		37,929	54,088	53,352	(736)	(1.4)%
Services & Supplies Expenditures						
Travel In-State	52200	338				
Travel Out-of-State	52220		1,000	1,000		
Training & Education	52300	353	1,000	1,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		1,500	1,500		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300		5,000	5,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900		250	250		
Books & Journals	54100		500	500		
Minor Office Equipment	54200		250	250		
Total Services & Supplies Expenditures		691	9,500	9,500		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		38,620	63,588	62,852	(736)	(1.2)%

Managing Division:	
Executive Division	
Contact Person:	
Vanessa Johnson	
Program Purpose:	
The Advisory Council studies and makes recommendations on specific matters referred from the Board of Directors or the Air Pollution Control Officer. Matters can include technical, social, economic and environmental aspects of air quality issues.	
Description of Program:	
The Advisory Council is comprised of 7 members, appointed by the Board of Directors. SB1415 requires that the Advisory Council members be skilled and experienced in the fields of air pollution, climate change, or the health impacts of air pollution. The Council advises and consults with the Board of Directors and Executive Officer and makes recommendations and reports on matters that affect both policy and the legislative agenda. The Council will meet approximately (4) times per year. The meeting may include presentations by speakers who are experts in a specific topic. Presentations, materials and recommendations received are discussed and a report is prepared for the Board of Directors.	
Justification of Change Request:	
Not Applicable	
Activities	
Prepare and distribute all meeting materials, including agendas and minutes for Advisory Council regular and special meetings, approximately 4 per year.	
Prepare logistics for all Advisory Council regular and special meetings, including scheduling, polling, providing refreshments, preparation of facilities, providing stenographer, and legal noticing requirements, approximately 4 per year.	
Make travel, registration and payment arrangements for Advisory Council participation at the annual Air and Waste Management Association Conference.	
Maintain archive of Advisory Council materials, including minutes, agendas, and presentations.	
Maintain the District's website as it relates to the Advisory Council membership, calendar, meeting materials and minutes.	
Attend all regular and Committee meetings of the Advisory Council.	
Track, process and issue quarterly travel reimbursement for each member of the Advisory Council.	
Coordinate recruitment of new Advisory Council members as necessary.	
Major Objectives	Delivery Date
Coordinate activities of the Advisory Council.	Ongoing
Conduct approximately four (4) meetings, based on the topics selected by the Board of Directors and Executive Officer..	Ongoing
Discuss the presentations, materials and recommendations received at the meetings, and prepare and present a report to the Board of Directors.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	Program Budget 2021	Program Budget 2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100	12,027	18,378	14,991	(3,387) (18.4)%
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300	187	260	212	(48) (18.5)%
Pension Benefits	51400	2,513	3,873	3,484	(389) (10.0)%
FICA Replacement Benefits	51500	126	317	264	(53) (16.7)%
Group Insurance Benefits	51600	1,570	2,642	1,976	(666) (25.2)%
Employee Transportation Subsidy	51700	152	367	199	(168) (45.8)%
Workers' Compensation	51800	53	94	72	(22) (23.4)%
Other Post Employment Benefits	51850		1,630	1,253	(377) (23.1)%
Board Stipends	51900				
Total Personnel Expenditures		16,628	27,561	22,451	(5,110) (18.5)%
Services & Supplies Expenditures					
Travel In-State	52200	4,364	4,000	4,000	
Travel Out-of-State	52220	1,845	10,000	10,000	
Training & Education	52300	1,590	3,000	3,000	
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900		1,000	1,000	
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	43,207	405,000	355,000	(50,000) (12.3)%
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		51,006	423,000	373,000	(50,000) (11.8)%
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures		67,634	450,561	395,451	(55,110) (12.2)%

Managing Division:	
Executive Division	
Contact Person:	
Lisa Fasano	
Program Purpose:	
Program created to advance employer commuter programs to reduce single occupancy driving during employee commutes.	
Description of Program:	
Flex Your Commute is the new program dedicated to helping reshape employee commutes in the Bay Area and to work with Bay Area employers to encourage them to develop effective commute programs in the workplace. Spare the Air survey and focus group data indicates that employees are more willing to make commuting changes when encouraged to do so by their employers. Flex Your Commute will optimize the experiences employees and employers have learned during the 2020 "shelter-in-place" year to help Bay Area companies develop more robust commuter messaging and programs to reduce daily solo driving commutes. Messaging and programs will be tailored by county based on several factors including availability and access to transit, carpool and casual carpool options, multi-county commutes and established localized commute requirements. Flex Your Commute will target employers registered in the Spare the Air and Metropolitan Transportation Commission employer programs as well as registrants of the Air District's Commuter Benefits Program.	
Justification of Change Request:	
N/A	
Activities	
Major Objectives	Delivery Date
Flex Your Commute will advance commuter options and programs for employers and employees in the Bay Area	Ongoing

ADMINISTRATIVE MEETING OF 04/21/2021

	Program Actuals 2020	Approved Program Budget 2021	Proposed Program Budget 2022	FTE/Dollar Change \$	Percent Change %
Number of Positions (FTE)			1.00	1.00	
Personnel Expenditures					
Permanent Salaries	51100		216,391	216,391	
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300		3,221	3,221	
Pension Benefits	51400		50,941	50,941	
FICA Replacement Benefits	51500		1,906	1,906	
Group Insurance Benefits	51600		26,758	26,758	
Employee Transportation Subsidy	51700		1,440	1,440	
Workers' Compensation	51800		522	522	
Other Post Employment Benefits	51850		9,070	9,070	
Board Stipends	51900				
Total Personnel Expenditures			310,249	310,249	
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300		100,000	100,000	
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures			100,000	100,000	
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures			410,249	410,249	

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Diversity, Equity and Inclusion Division

The work of the Air District requires diverse perspectives, talents, and life experiences to solve some of the most complex technical air quality issues that we face. The Office of Diversity, Equity & Inclusion (Office) is taking meaningful steps to build an antiracist and inclusive environment. The efforts will be informed by working with the Senior Deputy Executive Officer of Policy & Equity, Board of Directors' Community Health, Equity and Justice Committee and staff to shift long-standing environmental justice inequities throughout the region. Key initiatives for the Office will be the development and implementation of an agency-wide Equity Action Plan and trainings that encompass equity tools to provide a blueprint of systems and structures to operationalize cross-divisional efforts relative to Air District programs. In addition, the Office will work on internal initiatives by applying an equity lens to programs, policies, practices and procedures related to staffing, recruitment, promotions, inclusive practices in the workplace, contracting for capital projects and services.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Diversity Equity & Inclusion Office	
Contact Person:	
Mary Ann Okpalaugo	
Program Purpose:	
The Air District's Office of Diversity, Equity & Inclusion is responsible for developing initiatives applying an equity lens to programs, policies, practices and procedures. Responsibilities include capacity building related to staffing, recruitment, promotions, inclusive practices in the workplace, contracting for capital projects and services, and equity training. The Office recognized the contributions of all employees and community members and works to sustain an environment where everyone is valued and respected.	
Description of Program:	
The Office of Diversity, Equity & Inclusion (Office) is taking meaningful steps to build an antiracist and inclusive environment. The efforts will be informed by working with the Senior Deputy Executive Officer of Policy & Equity, Board of Directors' Community Health, Equity and Justice Committee and staff to shift long-standing environmental justice inequities throughout the region.	
Justification of Change Request:	
Not Applicable	
Activities	
Work with Board of Directors' Community Equity, Health and Justice Committee on its workplan, meeting agendas, speakers, and community convening meetings	
Manage Employee Resource Teams	
Provide Human Resources guidance on inclusive recruitment and retention strategies (e.g. equity language in job postings, job screenings, panel interviews, promotional opportunities for diverse candidates)	
Work cross-agency on policies, practices and initiatives to mitigate inequities. Review equity aspects within division documents and provide suggested amendment(s)	
Interview departments, outline and create written policy for an Equity Action Plan.	
Leverage Workforce Diversity and Empower Diverse Perspectives throughout Training & Leadership Development	
Major Objectives	Delivery Date
Board of Directors' Community Health, Equity and Justice Committee Support	Ongoing
Development and Implementation of Equity Action Plan	Ongoing
Develop Strategies to Expand Diversity and Inclusion in Human Resources Practices and Processes Applying an Equity Lens	Ongoing
Continue Internal Capacity Building	Ongoing
Creation, Development, and Guidance of Employee Resource Teams	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	Program Budget 2021	Program Budget 2022	\$	%
Number of Positions (FTE)	2	2	2		
Personnel Expenditures					
Permanent Salaries 51100	312,574	327,730	304,542	(23,188)	(7.1)%
Overtime Salaries 51150	2,520	2,000		(2,000)	(100.0)%
Temporary Salaries 51200					
Payroll Taxes 51300	4,822	4,670	4,337	(333)	(7.1)%
Pension Benefits 51400	66,215	75,214	71,308	(3,906)	(5.2)%
FICA Replacement Benefits 51500	3,446	4,174	3,811	(363)	(8.7)%
Group Insurance Benefits 51600	42,925	43,379	41,545	(1,834)	(4.2)%
Employee Transportation Subsidy 51700	3,755	4,832	2,880	(1,952)	(40.4)%
Workers' Compensation 51800	1,381	1,233	1,043	(190)	(15.4)%
Other Post Employment Benefits 51850		21,444	18,141	(3,303)	(15.4)%
Board Stipends 51900					
Total Personnel Expenditures	437,638	484,676	447,607	(37,069)	(7.6)%
Services & Supplies Expenditures					
Travel In-State 52200	48	6,600	6,600		
Travel Out-of-State 52220	5,355	11,600	11,600		
Training & Education 52300	13,573	48,000	48,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	320	6,000	6,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	26,759	254,000	404,000	150,000	59.1%
General Insurance 53400					
Shop & Field Supplies 53500	68				
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900		700	700		
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	46,123	326,900	476,900	150,000	45.9%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out	(39,627)				
Total Expenditures	444,134	811,576	924,507	112,931	13.9%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Finance Office

The Finance Office provides services to internal and external customers and stakeholders, including fee payers, internal divisions, employees, the Clean Air Foundation, and the Richmond Hilltop Commercial Condominium Association.

The Finance Office is responsible for accounting, financial reporting, accounts payable, revenue posting, cost recovery analysis, budget development, budgetary reporting, and asset management.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Finance Office	
Contact Person:	
Stephanie Osaze	
Program Purpose:	
The Finance/Accounting Program is responsible for maintaining the fiscal stewardship and financial accountability of the District.	
Description of Program:	
This program includes receipt and disbursement of District funds, and associated accounting activities. Accounting staff ensure that all receipts and expenditures are consistent with the approved District budget. The program is also responsible for the fiscal maintenance of TFCA, MSIF, CMP, Goods Movement as well as Federal and State grant funding.	
Justification of Change Request:	
Not Applicable	
Activities	
Reconcile various grants and assist in preparation of reimbursement request reports.	
Reconcile receipts and disbursements with County Treasurer's Office Reports.	
Prepare quarterly comparison statements for the Budget and Finance Committee presentation.	
Prepare for the annual audit of the District's financial records.	
Analyze and Prepare the annual cost recovery for permitted sources	
Process receipts (checks/credit card payments) on a daily basis. (avg. 1,200 checks/mo).	
Prepare annual proposed budget book.	
Process vendor invoices on a daily basis	
Major Objectives	Delivery Date
Implement Government Accounting Standards Board Statement No. 87 Leases	December 2021
Provide timely financial reports to Division Directors/Officer using Qwestica	Ongoing
Complete Annual Financial Report.	Annually
Ensure timely payment of accounts payable.	Daily
Record timely processing of check and credit card receipts.	Daily
Continue to improve and enhance budget features in Qwestica Budget Software	December 2021
Develop Desk Manuals for Finance Office Staff	December 2021
Update the Air District's Annual Financial Plan	Annually

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		9	13	17	4	30.8%
Personnel Expenditures						
Permanent Salaries	51100	1,044,630	1,460,006	2,037,983	577,977	39.6%
Overtime Salaries	51150	648	1,000	1,000		
Temporary Salaries	51200	1,312	220,000	20,000	(200,000)	(90.9)%
Payroll Taxes	51300	16,127	20,669	28,880	8,211	39.7%
Pension Benefits	51400	211,012	321,619	474,847	153,228	47.6%
FICA Replacement Benefits	51500	11,443	24,488	32,386	7,898	32.3%
Group Insurance Benefits	51600	142,363	262,674	335,405	72,731	27.7%
Employee Transportation Subsidy	51700	15,846	28,345	24,473	(3,872)	(13.7)%
Workers' Compensation	51800	4,616	7,233	8,864	1,631	22.5%
Other Post Employment Benefits	51850		125,783	154,148	28,365	22.6%
Board Stipends	51900					
Total Personnel Expenditures		1,447,997	2,471,817	3,117,986	646,169	26.1%
Services & Supplies Expenditures						
Travel In-State	52200	3,224	6,700	5,700	(1,000)	(14.9)%
Travel Out-of-State	52220		1,500	1,500		
Training & Education	52300	8,314	5,000	9,800	4,800	96.0%
Repair & Maintenance (Equipment)	52400		800		(800)	(100.0)%
Communications	52500		1,000		(1,000)	(100.0)%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	3,710	8,000	7,000	(1,000)	(12.5)%
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	805,245	532,300	526,800	(5,500)	(1.0)%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	1,708	1,500	3,000	1,500	100.0%
Stationery & Office Supplies	53900	606		1,000	1,000	
Books & Journals	54100	249		1,000	1,000	
Minor Office Equipment	54200	1,051		1,000	1,000	
Total Services & Supplies Expenditures		824,107	556,800	556,800		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	59,098				
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		59,098				
Transfer In/Out		(137,256)				
Total Expenditures		2,193,946	3,028,617	3,674,786	646,169	21.3%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Human Resources Office

The Human Resources Office is responsible for personnel matters including payroll and benefits, labor and employee relations, recruitment and testing, employee engagement, processing personnel actions, employee performance appraisal and recognition programs, organizational development and training, health and safety compliance, workers compensation and special events coordination.

Vision

A work environment in which honesty, integrity, and trust enriches the employee experience.

Mission

Through strategic partnership and collaboration, we attract, retain, support and develop a diverse and inclusive workforce while fostering a fair, healthy and respectful work environment.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Human Resources Office	
Contact Person:	
Judy Yu	
Program Purpose:	
Administer payroll for District employees.	
Description of Program:	
The Payroll Program includes administering all aspects of the Air District's payroll, leave accruals, disability payments, and other related areas dealing with payroll. It includes maintaining and utilizing the current Dayforce payroll system.	
Justification of Change Request:	
Increase funds to improve and add features to payroll system to allow for greater efficiency.	
Activities	
Process biweekly payroll.	
Maintain payroll and time keeping system.	
Monitor leave accruals.	
Audit payroll records.	
Customize payroll system to improve process and workflow.	
Generate payroll reports.	
Respond to employment verifications and other external request for payroll information.	
Monitor and comply with federal, state, and local regulations related to payroll.	
Implement self-service features of payroll system.	
Major Objectives	Delivery Date
Administer and process biweekly payroll in an efficient and effective manner. Assists with problem solving on all aspects of payroll.	Ongoing
Implement new features of the payroll and timekeeping system and customize system to improve process and workflow. Implement self service features.	Ongoing
Implement document management module in payroll system.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	2	2	2		
Personnel Expenditures					
Permanent Salaries 51100	218,299	238,351	188,831	(49,520)	(20.8)%
Overtime Salaries 51150			10,000	10,000	
Temporary Salaries 51200			10,000	10,000	
Payroll Taxes 51300	3,334	3,376	2,678	(698)	(20.7)%
Pension Benefits 51400	31,225	52,815	44,037	(8,778)	(16.6)%
FICA Replacement Benefits 51500	2,365	3,906	2,884	(1,022)	(26.2)%
Group Insurance Benefits 51600	29,303	40,256	29,842	(10,414)	(25.9)%
Employee Transportation Subsidy 51700	2,817	4,521	2,179	(2,342)	(51.8)%
Workers' Compensation 51800	965	1,154	789	(365)	(31.6)%
Other Post Employment Benefits 51850		20,064	13,726	(6,338)	(31.6)%
Board Stipends 51900					
Total Personnel Expenditures	288,308	364,443	304,966	(59,477)	(16.3)%
Services & Supplies Expenditures					
Travel In-State 52200	122				
Travel Out-of-State 52220	2,308	1,400	2,800	1,400	100.0%
Training & Education 52300	2,295	1,600	2,000	400	25.0%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	208,526	120,000	160,000	40,000	33.3%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	213,251	123,000	164,800	41,800	34.0%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out	(29,923)				
Total Expenditures	471,636	487,443	469,766	(17,677)	(3.6)%

Managing Division:	
Human Resources Office	
Contact Person:	
Judy Yu	
Program Purpose:	
Administer benefits, workers' compensation, and safety programs for District employees.	
Description of Program:	
The Benefits Administration Program includes administering all aspect of employee and retiree benefits, workers' compensation, safety, ergonomics and special events. It includes maintaining and utilizing the human resources information systems.	
Justification of Change Request:	
Not Applicable	
Activities	
Administer benefits for employees and retirees in compliance with policies and procedures.	
Administer health, dental, vision, life and long term disability plans.	
Administer retirement and pension plans.	
Administer flexible spending accounts, employee assistance program, and transit subsidy.	
Administer onboarding and separation.	
Maintain human resources information systems.	
Administer workers' compensation program.	
Administer safety and ergonomics program.	
Conduct a variety of benefits, safety, special trainings and events.	
Administer requirements for respiratory fitness medical examinations.	
Monitor and comply with federal, state, and local regulations related to benefits.	
Major Objectives	Delivery Date
Administer employee benefit program.	Ongoing
Develop and administer the worker's compensation, safety and ergonomic program.	Ongoing
Provide management and employee consultation regarding benefits administration.	Ongoing
Review and perform cost benefit analysis of existing benefit contracts and consider alternative plans.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		2	2	2		
Personnel Expenditures						
Permanent Salaries	51100	154,977	242,279	204,785	(37,494)	(15.5)%
Overtime Salaries	51150			10,000	10,000	
Temporary Salaries	51200	262		10,000	10,000	
Payroll Taxes	51300	229,495	3,420	2,902	(518)	(15.1)%
Pension Benefits	51400	32,965	50,791	47,720	(3,071)	(6.0)%
FICA Replacement Benefits	51500	209,225	4,526	3,239	(1,287)	(28.4)%
Group Insurance Benefits	51600	2,776,960	3,006,753	3,128,625	121,872	4.1%
Employee Transportation Subsidy	51700	2,430	5,240	2,448	(2,792)	(53.3)%
Workers' Compensation	51800	685	1,337	887	(450)	(33.7)%
Other Post Employment Benefits	51850		23,251	15,420	(7,831)	(33.7)%
Board Stipends	51900					
Total Personnel Expenditures		3,406,999	3,337,597	3,426,026	88,429	2.6%
Services & Supplies Expenditures						
Travel In-State	52200		2,600	2,800	200	7.7%
Travel Out-of-State	52220	1,432	1,400	1,400		
Training & Education	52300	27,668	54,000	55,000	1,000	1.9%
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	151,715	138,000	140,000	2,000	1.4%
General Insurance	53400					
Shop & Field Supplies	53500	453	35,000	35,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		181,268	231,000	234,200	3,200	1.4%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		(353,576)				
Total Expenditures		3,234,691	3,568,597	3,660,226	91,629	2.6%

Managing Division:	
Human Resources Office	
Contact Person:	
Judy Yu	
Program Purpose:	
Provide appropriate workplace learning and organization development to increase organizational effectiveness and results through training and development activities. Administer wellness events and activities to increase the well-being of the employees.	
Description of Program:	
The District's training and development program includes career developmental training for all non-management employees; and career developmental training, skills enhancement, safety, knowledge transfer, and succession planning for supervisory and management employees. It includes analysis of needs assessments and implementation of workforce development activities as part of an overall strategy to retain a top performing and motivated workforce. The program also includes the administration and coordination of wellness activities and events.	
Justification of Change Request:	
Implementation of learning management system, e-learning, and electronic filing for Form 700.	
Activities	
Provide District-wide and Division-specific trainings as requested or needed.	
Develop leadership development program and mentorship program as part of overall succession planning.	
Provide Ethics, Harassment Prevention, and any required trainings.	
Provide coaching and development support to management and staff as needed.	
Administer the performance evaluation program.	
Administer the educational reimbursement program.	
Coordinate and implement the various wellness activities and events.	
Coordinate the employee engagement program.	
Monitor and comply with federal, state, and local regulations related to training.	
Administer Form 700	
Major Objectives	Delivery Date
Develop and administer the training programs for all staff level focusing in the changing needs and priorities of the Air District.	Ongoing
Develop a leadership and mentorship program as part of succession planning.	Ongoing
Implement a Learning Management System and E-learning.	Ongoing
Develop and administer the wellness program.	Ongoing
Coordinate the employee engagement program	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	Program Budget	Program Budget		
	2020	2021	2022	\$	%
Number of Positions (FTE)	2	2	1	(1)	(50.0)%
Personnel Expenditures					
Permanent Salaries 51100	164,154	194,694	158,818	(35,876)	(18.4)%
Overtime Salaries 51150					
Temporary Salaries 51200			10,000	10,000	
Payroll Taxes 51300	2,550	2,763	2,255	(508)	(18.4)%
Pension Benefits 51400	25,440	42,062	37,071	(4,991)	(11.9)%
FICA Replacement Benefits 51500	1,820	2,908	2,329	(579)	(19.9)%
Group Insurance Benefits 51600	22,656	21,723	23,204	1,481	6.8%
Employee Transportation Subsidy 51700	1,987	3,367	1,760	(1,607)	(47.7)%
Workers' Compensation 51800	725	859	637	(222)	(25.8)%
Other Post Employment Benefits 51850		14,940	11,084	(3,856)	(25.8)%
Board Stipends 51900					
Total Personnel Expenditures	219,332	283,316	247,158	(36,158)	(12.8)%
Services & Supplies Expenditures					
Travel In-State 52200	2,945	1,400	1,400		
Travel Out-of-State 52220		1,200	1,400	200	16.7%
Training & Education 52300	168,791	182,400	210,000	27,600	15.1%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	2,993				
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	174,729	185,000	212,800	27,800	15.0%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out	(22,768)				
Total Expenditures	371,293	468,316	459,958	(8,358)	(1.8)%

Managing Division:	
Human Resources Office	
Contact Person:	
Judy Yu	
Program Purpose:	
Provide management and staff support in the area of employment relations.	
Description of Program:	
The Employment Relations Program includes the following District activities: employee relations, labor relations, classification and compensation, Equal Employment Opportunity (EEO) programs, personnel regulatory compliance, research and recordkeeping.	
Justification of Change Request:	
None	
Activities	
Administer, interpret, and implement the Memorandum of Understanding (MOU) and Personnel Policies and Procedures of the Administrative Code.	
Provide management and staff consultation.	
Administer EEO Policy.	
Meet with Employee Association on appropriate subjects.	
Provide support of grievance/arbitration processes.	
Maintain accurate employment records.	
Provide discipline counseling.	
Monitor and comply with federal, state, and local regulations related to labor.	
Major Objectives	Delivery Date
Administer, interpret, implement and comply with the MOU and Administrative Code.	Ongoing
Continue positive relations with the Employees' Association.	Ongoing
Monitor and comply with federal, state, and local regulations.	Ongoing
Administer the Equal Employment Opportunity policy.	Ongoing
Ensure reliability of employment history and data.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	2	2	3	1	50.00%
Personnel Expenditures					
Permanent Salaries 51100	251,081	258,439	499,474	241,035	93.27%
Overtime Salaries 51150	5,622				
Temporary Salaries 51200	15,002				
Payroll Taxes 51300	3,800	3,679	7,119	3,440	93.5%
Pension Benefits 51400	48,382	58,698	117,057	58,359	99.4%
FICA Replacement Benefits 51500	2,666	3,337	5,941	2,604	78.0%
Group Insurance Benefits 51600	33,201	31,491	53,753	22,262	70.7%
Employee Transportation Subsidy 51700	2,912	3,863	4,489	626	16.2%
Workers' Compensation 51800	1,110	986	1,626	640	64.9%
Other Post Employment Benefits 51850		17,142	28,276	11,134	65.0%
Board Stipends 51900					
Total Personnel Expenditures	363,776	377,635	717,735	340,100	90.1%
Services & Supplies Expenditures					
Travel In-State 52200	1,103	6,000	6,000		
Travel Out-of-State 52220					
Training & Education 52300	10,212	9,000	11,000	2,000	22.2%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	436,304	301,000	332,000	31,000	10.3%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900	406	500	500		
Books & Journals 54100		500	500		
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	448,025	317,000	350,000	33,000	10.4%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out	(37,710)				
Total Expenditures	774,091	694,635	1,067,735	373,100	53.71%

Managing Division:	
Human Resources Office	
Contact Person:	
Judy Yu	
Program Purpose:	
Administer a merit based recruitment and selection process for external and internal candidates to fill vacant positions.	
Description of Program:	
The Recruitment and Testing Program includes the following activities: testing of internal and external candidates, outreaching and advertising the positions as a choice of employment, maintaining the recruiting online system, maintaining equal employment policy, including diversity, equity and inclusion as part of the recruiting process, and compliance with all laws, policies, and requirements.	
Justification of Change Request:	
None	
Activities	
Conduct testing, including application screening, panel and hiring interviews, testing, etc.	
Advertise and outreach vacant positions in various mediums.	
Work with hiring managers to determine recruitment strategies.	
Perform background checks, reference checks, DMV checks and physical abilities checks.	
Participate in local, state and federal job fairs and similar outreach activities.	
Contract professional services for specialized executive management recruitments.	
Maintain online applicant tracking system.	
Monitor and comply with federal, state, and local regulations related to testing	
Major Objectives	Delivery Date
Conduct merit based testing for internal and external candidates.	Ongoing
Comply with all applicable recruitment policies, requirements and law.	Ongoing
Conduct regional, statewide and nationwide outreach to attract quality candidates.	Ongoing
Maintain Air District's Equal Opportunity Policy for recruitment and testing.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	3	3		
Personnel Expenditures						
Permanent Salaries	51100	348,437	424,406	342,203	(82,203)	(19.37)%
Overtime Salaries	51150					
Temporary Salaries	51200	49,098		40,000	40,000	
Payroll Taxes	51300	5,444	6,023	4,851	(1,172)	(19.5)%
Pension Benefits	51400	63,077	95,493	79,768	(15,725)	(16.5)%
FICA Replacement Benefits	51500	3,872	6,380	5,336	(1,044)	(16.4)%
Group Insurance Benefits	51600	48,207	56,806	47,278	(9,528)	(16.8)%
Employee Transportation Subsidy	51700	4,778	7,385	4,032	(3,353)	(45.4)%
Workers' Compensation	51800	1,540	1,884	1,460	(424)	(22.5)%
Other Post Employment Benefits	51850		32,771	25,397	(7,374)	(22.5)%
Board Stipends	51900					
Total Personnel Expenditures		524,453	631,148	550,325	(80,823)	(12.8)%
Services & Supplies Expenditures						
Travel In-State	52200	2,152		2,800	2,800	
Travel Out-of-State	52220	3,879	2,700	2,800	100	3.7%
Training & Education	52300	4,664	1,000	3,000	2,000	200.0%
Repair & Maintenance (Equipment)	52400					
Communications	52500	39,109	50,000	50,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	111,726	80,000	80,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		161,530	133,700	138,600	4,900	3.7%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out		(54,443)				
Total Expenditures		631,540	764,848	688,925	(75,923)	(9.93)%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2024

Administrative Resources Division

The Administrative Resources Division provides administrative and operational support functions for the Air District, and is comprised of the Executive Operations Office, Business Office, Fleet and Facilities Office, Finance Office and the Human Resources Office.

The Executive Operations Office is responsible for providing overall administration and direction to Air District staff. Through this office, the Executive Officer/APCO interprets and oversees implementation of Board directives and policies and administers the business of the Air District.

The Business Office is responsible for contracts, purchasing, non-workers compensation risk management, and office support services.

The Fleet and Facilities Office is responsible for the acquisition and maintenance of the vehicle fleet, planning, maintenance and operations of Air District facilities, and general security/safety. Testing

The Human Resources Office is responsible for personnel matters including payroll and benefits, labor and employee relations, recruitment and testing, processing personnel actions, employee performance appraisal and recognition programs, organizational development and training, health and safety compliance, workers compensation and special events coordination.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Administrative Resources Division	
Contact Person:	
Maricela Martinez	
Program Purpose:	
Facilities Planning and Maintenance of existing Air District owned facilities, leased satellite offices, equipment and supplies.	
Description of Program:	
The Facilities Office provides for the day to day operations of the Air District's offices at 375 Beale Street and 4114 Lakeside Drive and all (80+) leased satellite offices. The development of safety protocols is ongoing, security, and maintenance of existing infrastructure and equipment is ongoing and includes satellite offices.	
Justification of Change Request:	
Not Applicable	
Activities	
Work with BAHA and consultants on facility related projects in reference to shared space and services at 375 Beale Street.	
Respond to emergency facility repair requests.	
Oversee general contractors for the construction of offices and cubicles. Procure furniture and reconfigure cubicle spaces. Oversee electricians and plumbers.	
Routine maintenance at offsite facilities: performing preventive and scheduled maintenance as well as maintenance performed in response to signs of wear and tear observed during planned maintenance activities.	
Special AD events and workshop logistics.	
Major Objectives	Delivery Date
Implement a fire, life and safety preventative maintenance program for all District offices	Ongoing
Work with BAHA and consultants on facility related projects in reference to shared space and services at 375 Beale Street.	Ongoing
Respond to emergency facility repair requests.	Ongoing
Oversee general contractors for the construction of offices and cubicles. Procure furniture and reconfigure cubicle spaces. Oversee electricians and plumbers.	Ongoing
Routine maintenance at offsite facilities: performing preventive and scheduled maintenance as well as maintenance performed in response to signs of wear and tear observed during planned maintenance activities.	Ongoing
Special Air District events and workshop logistics	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	3	4	1	33.33%
Personnel Expenditures						
Permanent Salaries	51100	375,124	343,864	431,728	87,864	25.55%
Overtime Salaries	51150	8,583	9,000	20,000	11,000	122.2%
Temporary Salaries	51200	6,644				
Payroll Taxes	51300	5,742	4,858	6,103	1,245	25.6%
Pension Benefits	51400	62,862	79,018	100,351	21,333	27.0%
FICA Replacement Benefits	51500	4,070	6,250	7,570	1,320	21.1%
Group Insurance Benefits	51600	50,570	60,334	80,643	20,309	33.7%
Employee Transportation Subsidy	51700	4,447	7,235	5,721	(1,514)	(20.9)%
Workers' Compensation	51800	1,658	1,846	2,072	226	12.2%
Other Post Employment Benefits	51850		32,104	36,033	3,929	12.2%
Board Stipends	51900					
Total Personnel Expenditures		519,700	544,509	690,221	145,712	26.8%
Services & Supplies Expenditures						
Travel In-State	52200	517				
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400		30,000		(30,000)	(100.0)%
Communications	52500	952				
Building Maintenance	52600	430,792	205,000	575,000	370,000	180.5%
Utilities	52700	46,390	67,000	50,100	(16,900)	(25.2)%
Postage	52800					
Printing & Reproduction	52900	441	200	200		
Equipment Rental	53100		3,000	2,000	(1,000)	(33.3)%
Rents & Leases	53200	79,278	1,235	65,000	63,765	5,163.2%
Professional Services & Contracts	53300	230,615	390,565	225,000	(165,565)	(42.4)%
General Insurance	53400					
Shop & Field Supplies	53500	793	3,500	3,600	100	2.9%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	847		1,000	1,000	
Books & Journals	54100					
Minor Office Equipment	54200	63,773	106,000		(106,000)	(100.0)%
Total Services & Supplies Expenditures		854,398	806,500	921,900	115,400	14.3%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105	(10,741)				
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		(10,741)				
Transfer In/Out		(53,488)				
Total Expenditures		1,309,869	1,351,009	1,612,121	261,112	19.33%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Satnam Hundel	
Program Purpose:	
Maintenance of the day-to-day communication and reproduction operations of the Air District.	
Description of Program:	
The day-to-day administrative operations include: sorting and distribution of incoming and outgoing mail, and processing reproduction and subscription requests.	
Justification of Change Request:	
Not Applicable	
Activities	
Process incoming and outgoing mail.	
Maintain subscription service for Air District publications.	
Process reproduction requests, including document binding and package preparation.	
Prepare, reproduce and mail board packets, asbestos reports, permits, permit invoices, data update forms, and other materials as requested.	
Receive and deliver incoming packages and deliveries.	
Major Objectives	Delivery Date
Process incoming and outgoing mail as well as packages.	Ongoing
Process reproduction requests.	Ongoing
Manage contracts, RFPs/RFQs, business supplies, and mailroom operations.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	1	1	1		
Personnel Expenditures					
Permanent Salaries 51100	151,247	117,623	183,960	66,337	56.40%
Overtime Salaries 51150	1,700				
Temporary Salaries 51200	25,738				
Payroll Taxes 51300	2,322	1,667	2,627	960	57.6%
Pension Benefits 51400	36,214	25,527	43,188	17,661	69.2%
FICA Replacement Benefits 51500	1,686	1,904	1,967	63	3.3%
Group Insurance Benefits 51600	21,024	16,478	21,844	5,366	32.6%
Employee Transportation Subsidy 51700	1,891	2,204	1,486	(718)	(32.6)%
Workers' Compensation 51800	668	562	538	(24)	(4.3)%
Other Post Employment Benefits 51850		9,782	9,361	(421)	(4.3)%
Board Stipends 51900					
Total Personnel Expenditures	242,490	175,747	264,971	89,224	50.8%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300		2,500	2,500		
Repair & Maintenance (Equipment) 52400					
Communications 52500	230,175	234,500	246,225	11,725	5.0%
Building Maintenance 52600					
Utilities 52700					
Postage 52800	40,000	92,000	38,475	(53,525)	(58.2)%
Printing & Reproduction 52900					
Equipment Rental 53100	62,120	35,000	65,000	30,000	85.7%
Rents & Leases 53200					
Professional Services & Contracts 53300	120,972	236,000	247,800	11,800	5.0%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900	36				
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	453,303	600,000	600,000		
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out	(25,143)				
Total Expenditures	670,650	775,747	864,971	89,224	11.50%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Maricela Martinez	
Program Purpose:	
This program will pay operating and maintenance costs associated with the Air District's office space located in Richmond, CA.	
Description of Program:	
This program will pay for the reconfiguring the Richmond Office and all costs associated with building maintenance of the facility, including shared costs associated with the Condominium Association. This year includes costs associated with building out Phase 2 and 3 of the Richmond Office.	
Justification of Change Request:	
Not Applicable	
Activities	
operating and maintenance costs associated with the Air District's office space located in Richmond, CA	
Major Objectives	Delivery Date
Reconfigure the Richmond Office (Headquarters East) with building out Phase 2 and 3 of the Richmond Office.	Ongoing

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100				
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300				
Pension Benefits	51400				
FICA Replacement Benefits	51500				
Group Insurance Benefits	51600				
Employee Transportation Subsidy	51700				
Workers' Compensation	51800				
Other Post Employment Benefits	51850				
Board Stipends	51900				
Total Personnel Expenditures					
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400	1,780			
Communications	52500				
Building Maintenance	52600				
Utilities	52700	50,224	11,000	11,000	
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	78,264	189,000	200,000	11,000 5.8%
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800	266,386			
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Non-capital assets	54600	284,366			
Total Services & Supplies Expenditures					
	681,020	200,000	211,000	11,000	5.5%
Capital Expenditures					
Leasehold Improvements	60100	1,507,217			
Building & Grounds	60105	220,320	500,000	500,000	
Office Equipment	60110	7,445			
Computer & Network Equipment	60115	8,831			
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
	1,743,813		500,000	500,000	
Transfer In/Out					
Total Expenditures					
	2,424,833	200,000	711,000	511,000	255.50%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Satnam Hundel	
Program Purpose:	
Provide for the purchasing of equipment and supplies and the negotiating of service contracts.	
Description of Program:	
The purchasing section is responsible for the procurement of services, equipment and supplies. The section facilitates the administration of limited access license agreements, lease agreements, professional service contracts, and request for proposals/qualifications. The section is also responsible for the property management administration of various insurance policies, and the coordination of the disposal of surplus equipment.	
Justification of Change Request:	
Not Applicable	
Activities	
Process purchase order requests.	
Approve the purchase of necessary office supplies as requested by District personnel.	
Administer District service contracts and negotiate lease renewals.	
Process service requests on equipment under maintenance.	
Deliver requested office supplies.	
Negotiate best price on sale of surplus equipment.	
Manage District insurance policies	
Major Objectives	Delivery Date
Process purchase order requests.	Daily
Approve the purchase of necessary office supplies as requested by District personnel.	Ongoing
Administer District service contracts, leases, and limited access license agreements.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	2	3	2	(1)	(33.33)%
Personnel Expenditures					
Permanent Salaries	51100	269,802	328,330	218,052	(110,278) (33.59)%
Overtime Salaries	51150	39		20,000	20,000
Temporary Salaries	51200	8,131			
Payroll Taxes	51300	4,243	4,664	3,083	(1,581) (33.9)%
Pension Benefits	51400	64,375	74,489	50,688	(23,801) (32.0)%
FICA Replacement Benefits	51500	2,970	4,721	3,811	(910) (19.3)%
Group Insurance Benefits	51600	36,925	46,464	34,445	(12,019) (25.9)%
Employee Transportation Subsidy	51700	3,221	5,465	2,880	(2,585) (47.3)%
Workers' Compensation	51800	1,192	1,394	1,043	(351) (25.2)%
Other Post Employment Benefits	51850		24,250	18,141	(6,109) (25.2)%
Board Stipends	51900				
Total Personnel Expenditures		390,898	489,777	352,143	(137,634) (28.1)%
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300		1,500	1,500	
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900		44,164	44,164	
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	4,801			
General Insurance	53400	448,678	352,036	500,000	147,964 42.0%
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900	35,765	115,000	65,000	(50,000) (43.5)%
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		489,244	512,700	610,664	97,964 19.1%
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out		(40,583)			
Total Expenditures		839,559	1,002,477	962,807	(39,670) (3.96)%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Maricela Martinez	
Program Purpose:	
This program will pay for sharing of limited business operations and technology functions between the Air District, Metropolitan Transportation Commission, and the Association of Bay Area Governments at 375 Beale Street. This program will also pay for the lease payments associated with the Air District's financing ownership interest of its portion of the facility.	
Description of Program:	
Shared services between the Air District, Metropolitan Transportation Commission and the Association of Bay Area Governments, including personnel and shared business operations, IT license and maintenance agreements required for a shared services component for the agencies and payments related to its lease payments through the issuance of a private placement of Certificate of Participation Notes (COPS) with the Bay Area Housing Authority.	
Justification of Change Request:	
The shared services component includes general services and technology functions: personnel, conference room scheduling, conference room set-up, video conferencing, webcasting, copy/print/mail production and distribution, shared fleet management, wellness center; email, calendaring, telephone systems, wireless network, internet connectivity, printing, electronic file storage, server rooms maintenance. Beginning in FYE 2019, the lease payments associated with paying down the COPS are being paid through this program.	
Activities	
Maintain service level agreements with partner agencies	
Maintain communication plan for building protocols	
Maintain and develop training materials for new technologies and services available at 375 Beale Street	
Maintain Shared Services Budget and Responsibilities	
Major Objectives	Delivery Date
Maintain service level agreements with partner agencies	Ongoing
Maintain communication plan for building protocols	Ongoing
Maintain and develop training materials for new technologies and services available at 375 Beale Street	Ongoing
Maintain Shared Services Budget and Responsibilities	Ongoing

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries		51100			
Overtime Salaries		51150			
Temporary Salaries		51200			
Payroll Taxes		51300			
Pension Benefits		51400			
FICA Replacement Benefits		51500			
Group Insurance Benefits		51600			
Employee Transportation Subsidy		51700			
Workers' Compensation		51800			
Other Post Employment Benefits		51850			
Board Stipends		51900			
Total Personnel Expenditures					
Services & Supplies Expenditures					
Travel In-State		52200			
Travel Out-of-State		52220			
Training & Education		52300			
Repair & Maintenance (Equipment)		52400			
Communications		52500			
Building Maintenance		52600			
Utilities	1,416				
Postage		52800			
Printing & Reproduction		52900			
Equipment Rental		53100			
Rents & Leases	358,357	1,300,000	1,200,000	(100,000)	(7.7)%
Professional Services & Contracts	4,978,635	2,110,000	2,600,000	490,000	23.2%
General Insurance		53400			
Shop & Field Supplies		53500			
Laboratory Supplies		53600			
Gasoline & Variable Fuel		53700			
Computer Hardware & Software		53800			
Stationery & Office Supplies		53900			
Books & Journals		54100			
Minor Office Equipment		54200			
Total Services & Supplies Expenditures					
	5,338,408	3,410,000	3,800,000	390,000	11.4%
Capital Expenditures					
Leasehold Improvements		60100			
Building & Grounds		60105			
Office Equipment		60110			
Computer & Network Equipment		60115			
Motorized Equipment		60120			
Lab & Monitoring Equipment		60125			
Communications Equipment		60130			
General Equipment		60135			
PM 2.5 Equipment		60140			
Biotech Equipment		60145			
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures					
	5,338,408	3,410,000	3,800,000	390,000	11.44%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Maricela Martinez	
Program Purpose:	
Fleet maintenance and inspection to ensure safe and reliable transportation.	
Description of Program:	
<p>The vehicle maintenance section includes the maintenance of the District's 135-vehicle fleet, vehicle financing, tracking and diagnostics fuel records of District vehicles. All vehicle maintenance is outsourced for service. As of FYE 2020/21, one-hundred and five (105) vehicles are leased from Enterprise Fleet Services on a Full Maintenance Program. One (3) Electric vehicle is leased from Nissan Motor Acceptance Corporation where routine services are covered by the vehicle warranty plan; one (3) Hydrogen Fuel Cell vehicle is leased from Anderson Honda Motors Co. Inc; and twenty-seven (23) vehicles are owned by the District and are included in the Enterprise Maintenance Management Program in which Enterprise assists the District in handling all scheduled and non-scheduled repairs. One (1) Diesel vehicle is owned by the District and is service at a local service shop.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
Perform factory-recommended preventive and routine vehicle maintenance.	
Maintain service support for response to emergency calls within one hour.	
Manage insurance contracts on District vehicles; process damage claims.	
Train staff in new technology in vehicle maintenance, evaluation and repairs.	
Modify and maintain up-to-date vehicle maintenance procedures.	
Oversee Enterprise-leased vehicles maintenance appointments.	
Perform yearly smog checks and reports on District vehicles.	
Quarterly Fuel Reporting.	
Vehicle disposal and purchasing.	
Cost management and billing.	
Plan and prepare annual budget, expenditures and analyze all financial objectives	
Create/update fleet policy and procedures, to include vehicle assignment, personal use, replacement policy, accident reporting process, and other procedures	
Major Objectives	Delivery Date
Implement Telematics vehicle management system	Ongoing
Completion of yearly maintenance on all District vehicles.	Annually
Completion of annual smog check for District vehicles.	Annually
Reduce the District vehicles carbon foot print with alternative fuel options such as Hybrid Vehicles, Electric Vehicles (EVs), and Hydrogen Fuel Cell	Ongoing

Fleet Services

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	2	3	3		
Personnel Expenditures					
Permanent Salaries 51100	237,567	299,450	288,149	(11,301)	(3.77)%
Overtime Salaries 51150	1,716		25,000	25,000	
Temporary Salaries 51200	10,208				
Payroll Taxes 51300	3,587	4,233	4,069	(164)	(3.9)%
Pension Benefits 51400	37,662	66,139	66,898	759	1.1%
FICA Replacement Benefits 51500	2,528	5,323	5,287	(36)	(0.7)%
Group Insurance Benefits 51600	31,366	39,344	45,204	5,860	14.9%
Employee Transportation Subsidy 51700	4,104	6,162	3,995	(2,167)	(35.2)%
Workers' Compensation 51800	1,050	1,572	1,447	(125)	(8.0)%
Other Post Employment Benefits 51850		27,343	25,163	(2,180)	(8.0)%
Board Stipends 51900					
Total Personnel Expenditures	329,788	449,566	465,212	15,646	3.5%
Services & Supplies Expenditures					
Travel In-State 52200	13,542				
Travel Out-of-State 52220					
Training & Education 52300	1,890	3,000	3,000		
Repair & Maintenance (Equipment) 52400	3,716	12,500	25,000	12,500	100.0%
Communications 52500	1,468				
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200	679,903	750,000	850,000	100,000	13.3%
Professional Services & Contracts 53300	336	12,500	12,500		
General Insurance 53400	2,500	55,000	57,500	2,500	4.5%
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700	176,962	265,000	265,000		
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	880,317	1,098,000	1,213,000	115,000	10.5%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120	37,368		50,000	50,000	
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures	37,368		50,000	50,000	
Transfer In/Out	(33,239)				
Total Expenditures	1,214,234	1,547,566	1,728,212	180,646	11.67%

Legislative Office

The Legislative Office mission is to advocate for Air District policy and budget priorities at both the state and federal levels. The Legislative Office is responsible for tracking and developing positions on state and federal legislation and budget proposals, meeting with legislators and legislative staff about policy proposals and updating them on Air District activities, representing the Air District at legislative hearings, and interacting with stakeholder groups, state and local agencies, and members of the public. The Legislative Office works closely with other divisions within the Air District to help achieve the Air District's commitment to reducing air pollution in California and the Bay Area region by sharing information on current legislative policy and budget proposals that affect Air District programs and policies.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2022

Managing Division:	
Legislative Office	
Contact Person:	
Alan Abbs	
Program Purpose:	
State and Federal legislative advocacy.	
Description of Program:	
The Legislative Office advocates for Air District policy and budget priorities at the state and federal level. The Legislative Office interacts with legislators and staff, advocate and opposition stakeholders, state and local agencies, and members of the public.	
Justification of Change Request:	
This is a new program.	
Activities	
Legislative Advocacy	
Information sharing with Air District staff	
Outreach to Legislature on Air District activities	
Major Objectives	Delivery Date
Track and develop positions on state and federal legislation.	Bi-weekly
Meet with legislators and legislative staff about policy proposals.	Ongoing
Update legislators and staff on Air District activities.	Ongoing
Publish legislative newsletter.	Monthly
Track and develop positions on state and federal budget proposals.	Ongoing
Attend legislative hearings.	Ongoing
Staff Air District Legislative Committee meetings.	Monthly
Represent District at meetings with stakeholder groups.	Monthly
Staff other Air District Board and Committee meetings as necessary.	Ongoing

	Program Actuals 2020	Approved Program Budget 2021	Proposed Program Budget 2022	FTE/Dollar Change \$	Percent Change %
Number of Positions (FTE)			2.00	2.00	
Personnel Expenditures					
Permanent Salaries	51100		313,666	313,666	
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300		4,546	4,546	
Pension Benefits	51400		73,483	73,483	
FICA Replacement Benefits	51500		3,811	3,811	
Group Insurance Benefits	51600		42,329	42,329	
Employee Transportation Subsidy	51700		2,880	2,880	
Workers' Compensation	51800		1,043	1,043	
Other Post Employment Benefits	51850		18,141	18,141	
Board Stipends	51900				
Total Personnel Expenditures			459,899	459,899	
Services & Supplies Expenditures					
Travel In-State	52200		3,000	3,000	
Travel Out-of-State	52220		3,450	3,450	
Training & Education	52300		750	750	
Repair & Maintenance (Equipment)	52400				
Communications	52500		2,000	2,000	
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300		121,200	121,200	
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900		250	250	
Books & Journals	54100		300	300	
Minor Office Equipment	54200				
Total Services & Supplies Expenditures			130,950	130,950	
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures			590,849	590,849	

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Legal Services Division

The District Counsel provides legal advice, counseling and representation to the Board of Directors and its Committees, the Executive Officer/APCO, District staff, and the Advisory Council in the execution of their respective statutory mandates and responsibilities. The District Counsel also represents, or manages outside counsel, representing the District in all litigation involving the District and in matters before the District's Hearing Board. The District Counsel primarily practices in the areas of general civil law, Federal, State and local air pollution control law, administrative law, Federal and State civil litigation, government law and the California Environmental Quality Act (CEQA).

The District Counsel will continue to implement significant changes in the Mutual Settlement and Civil Penalty Programs; such efforts over the past several fiscal years have been very effective in improving these programs. Efforts by District Counsel's attorneys and the Mutual Settlement Program staff have resulted in a nearly complete effort of resolving the existing inventory of enforcement cases. In addition, implementation of a Small Claims Court program for some enforcement cases in which settlement could not be reached through pre-litigation negotiation has been highly successful. The efforts to be undertaken this fiscal year are once again designed to properly implement legal requirements regarding settlements, deter repeat violations, impose civil penalties commensurate with the nature of the air quality violation involved, remove the economic benefit of violations, and encourage rule compliance by the regulated community. This fiscal year, District Counsel will continue the development and improvement of the Mutual Settlement Program. The District Counsel will also continue to coordinate with, and provide training for, Compliance and Enforcement Division staff regarding case development. These efforts will ensure that effective enforcement cases are built from the beginning of investigations, and will result in more effective settlements and prosecutions. The District Counsel's attorneys will continue their focus on civil penalty enforcement investigations and actions, including civil litigation and, where appropriate, Hearing Board enforcement proceedings.

District Counsel's attorneys will continue to advise District staff on rulemaking, permitting and air quality planning activities. In this regard, District Counsel will continue its efforts to coordinate closely with the District's staff on these issues to minimize challenges to District decision-making. District Counsel will also continue to represent the Executive Officer/APCO before the Hearing Board, counsel the Board of Directors and its Committees as to their legal authority and duties and interact with EPA, CARB, other Air Districts and private attorneys on various matters. District Counsel will continue to use outside labor/employment law firms to handle the specialized practice of labor and employment law counseling, negotiations and litigation. Due in large part to the efforts of attorneys in the District Counsel's office, the vast majority of the litigation pending against the District was resolved in FYE 2005. Cases filed in the intervening years have been more efficiently addressed and resolved. In addition to continuing to provide pre-litigation counseling, and to handle litigation matters internally, the District Counsel will continue to manage the efforts of outside counsel as appropriate in litigation, employment, and specialized counseling matters.

The District Counsel will continue to provide the Board of Directors, the Executive Officer/APCO and District staff with exemplary legal counsel and representation.

Managing Division:	
Legal Services Division	
Contact Person:	
Brian Bunger	
Program Purpose:	
To advise, counsel and assist the Board of Directors, the Executive Officer/APCO, and District staff on all legal matters related to the Air District's clean air mission and operations.	
Description of Program:	
The Air District Counsel provides a wide variety of legal services to the Board of Directors, the Executive Officer/APCO, Advisory Council, and District staff. Those services include advising and counseling on issues arising under Federal and State air pollution laws, the Brown Act, the California Environmental Quality Act (CEQA), the Public Records Act, and conflict of interest laws. Attorneys in the District Counsel's office prepare and review complex contracts, provide legal opinions and advice on rule development, and governmental and general law issues, such as enforcement, permitting and air quality planning matters. Work in the District Counsel's office also includes the development and implementation of legal policy documents for the District.	
Justification of Change Request:	
Not Applicable	
Activities	
Staff all Board of Director and Board Committee meetings and provide legal advice and direction, as necessary, at such meetings.	
Draft all necessary resolutions for adoption by the Board of Directors.	
Provide all legal opinions, reports and correspondence requested by the Board of Directors, the Advisory Council and the Executive Officer/APCO. Provide all legal opinions, reports and correspondence requested by the Board of Directors, the Advisory Council and the Executive Officer/APCO. Review and comment on all legislative proposals affecting the District. Provide legal advice and review of all rule adoptions and amendments including CEQA analysis. Staff all meetings with District staff, members of the public, representatives of other public agencies, environmental groups, industry, the press and legislative representatives involving District permitting, rule development or enforcement. Provide legal advice, direction and contract drafting to administration of TFCA. Advise and assist the Executive Officer/APCO and District staff in legal matters involving contracts, the Public Records Act, conflicts of interest, leases and copyrights. Provide all staff support functions associated with the above activities. Advise Air District staff and the Board of Directors on all issues related to the Federal Clean Air Act, California Clean Air Act and associated State and Federal regulations.	
Provide all legal opinions, reports and correspondence requested by the Board of Directors, the Advisory Council and the Executive Officer/APCO.	
Review and comment on all legislative proposals affecting the District.	
Provide legal advice and review of all rule adoptions and amendments including CEQA analysis.	
Staff all meetings with District staff, members of the public, representatives of other public agencies, environmental groups, industry, the press and legislative representatives involving District permitting, rule development or enforcement.	
Provide legal advice, direction and contract drafting to administration of TFCA.	
Advise and assist the Executive Officer/APCO and District staff in legal matters involving contracts, the Public Records Act, conflicts of interest, leases and copyrights.	
Provide all staff support functions associated with the above activities.	
Advise Air District staff and the Board of Directors on all issues related to the Federal Clean Air Act, California Clean Air Act and associated State and Federal regulations.	
Major Objectives	Delivery Date
Not Applicable	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		8	9	8	(1)	(11.1)%
Personnel Expenditures						
Permanent Salaries	51100	1,507,761	1,562,537	1,541,621	(20,916)	(1.3)%
Overtime Salaries	51150	15				
Temporary Salaries	51200					
Payroll Taxes	51300	23,152	23,099	23,038	(61)	(0.3)%
Pension Benefits	51400	286,169	356,514	362,274	5,760	1.6%
FICA Replacement Benefits	51500	16,396	17,111	15,457	(1,654)	(9.7)%
Group Insurance Benefits	51600	203,462	180,786	148,170	(32,616)	(18.0)%
Employee Transportation Subsidy	51700	18,656	19,806	11,680	(8,126)	(41.0)%
Workers' Compensation	51800	6,663	5,054	4,230	(824)	(16.3)%
Other Post Employment Benefits	51850		87,891	73,573	(14,318)	(16.3)%
Board Stipends	51900					
Total Personnel Expenditures		2,062,274	2,252,798	2,180,043	(72,755)	(3.2)%
Services & Supplies Expenditures						
Travel In-State	52200	4,041	3,000	3,000		
Travel Out-of-State	52220		4,000	4,000		
Training & Education	52300	3,665	6,500	6,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500	3,394	5,000	5,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	617	4,000	4,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	31,418	44,000	44,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	359	1,000	1,000		
Books & Journals	54100	53,907	40,000	40,000		
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		97,401	107,500	107,500		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		(191,046)				
Total Expenditures		1,968,629	2,360,298	2,287,543	(72,755)	(3.1)%

Managing Division:	
Legal Services Division	
Contact Person:	
Brian Bunger	
Program Purpose:	
To represent the Air District in all proceedings involving variances, orders of abatement, permit appeals and permit revocations before the Air District's Hearing Board.	
Description of Program:	
The Air District Counsel provides all necessary legal representation and counsel for the District in variance, order of abatement, permit appeal and permit revocation actions before the Air District's Hearing Board. Permit holders may seek variance relief from the Hearing Board when they are unable to meet a District rule or permit requirement as long as state law requirements are met. The District may seek orders of abatement against facilities for on-going violations, or seek to revoke those facilities' permits. The Air District Counsel also represents the District in appeals by applicants or third parties to permit, emission reduction credit, and interchangeable emission reduction credit decisions made by the District. In addition, the Air District Counsel works with the Hearing Board's members and staff to improve the Hearing Board's rules and procedures.	
Justification of Change Request:	
Not Applicable	
Activities	
Review and advise Air District staff regarding the legal and factual sufficiency of variance requests.	
Prepare and/or review all required written correspondence, pleadings and orders.	
Represent the Air District in all Hearing Board matters, including preparing all written submissions for these cases.	
Prepare Air District witnesses for hearings.	
Provide staff support functions associated with the above activities.	
Major Objectives	Delivery Date
Not applicable.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)						
Personnel Expenditures						
Permanent Salaries	51100	4,888	2,458	8,958	6,500	264.4%
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	77	35	128	93	265.7%
Pension Benefits	51400	3,407	572	2,104	1,532	267.8%
FICA Replacement Benefits	51500	57	23	93	70	304.3%
Group Insurance Benefits	51600	710	321	1,129	808	251.7%
Employee Transportation Subsidy	51700	62	27	70	43	159.3%
Workers' Compensation	51800	22	7	25	18	257.1%
Other Post Employment Benefits	51850		119	442	323	271.4%
Board Stipends	51900					
Total Personnel Expenditures		9,223	3,562	12,949	9,387	263.5%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300					
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		9,223	3,562	12,949	9,387	263.5%

Managing Division:	
Legal Services Division	
Contact Person:	
Brian Bunger	
Program Purpose:	
To remove the economic benefit from, and provide a credible and effective deterrence to, violations of Air District Rules by reaching settlements or pursuing penalty enforcement actions fairly and consistently.	
Description of Program:	
The Air District Counsel, in cooperation with the Enforcement and Compliance Division, enforces the Air District's rules by reaching informal settlements through the Mutual Settlement Program, by pursuing administrative enforcement actions (orders of abatement and revocation of permits), by filing and prosecuting civil penalty actions, or by referring cases to other agencies for consideration of civil or criminal enforcement actions within those agencies' jurisdiction.	
Justification of Change Request:	
Not Applicable	
Activities	
Administer Mutual Settlement Program.	
Pursue Small Claims Court actions to collect civil penalties.	
Provide full time clerical staff support for this program.	
Prepare witnesses and documentary evidence for administrative hearings and civil litigation associated with actions to recover civil penalties.	
Meet and confer with District staff and defendants to discuss settlement or to advance litigation.	
Represent the District in all court hearings, settlement conferences and civil discovery.	
Coordinate the referral of cases for civil and criminal prosecution to District Attorney offices and other agencies with jurisdiction over air quality issues.	
Prepare all correspondence and prepare and file all pleadings in civil and administrative actions.	
Settle or pursue enforcement actions on all Notices of Violation (NOVs).	
Major Objectives	Delivery Date
Not applicable.	Ongoing

Penalties Enforcement & Settlement

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	Program Budget 2021	Program Budget 2022	\$	%
Number of Positions (FTE)	4	4	5	1	25.0%
Personnel Expenditures					
Permanent Salaries 51100	609,692	596,526	743,340	146,814	24.6%
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	9,345	8,604	10,570	1,966	22.8%
Pension Benefits 51400	113,425	135,208	173,797	38,589	28.5%
FICA Replacement Benefits 51500	6,682	7,307	10,051	2,744	37.6%
Group Insurance Benefits 51600	83,194	76,360	91,424	15,064	19.7%
Employee Transportation Subsidy 51700	7,589	8,458	7,596	(862)	(10.2)%
Workers' Compensation 51800	2,694	2,158	2,751	593	27.5%
Other Post Employment Benefits 51850		37,533	47,844	10,311	27.5%
Board Stipends 51900					
Total Personnel Expenditures	832,621	872,154	1,087,373	215,219	24.7%
Services & Supplies Expenditures					
Travel In-State 52200		2,800	2,800		
Travel Out-of-State 52220					
Training & Education 52300		2,000	2,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300					
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900					
Books & Journals 54100		1,000	1,000		
Minor Office Equipment 54200					
Total Services & Supplies Expenditures		5,800	5,800		
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	832,621	877,954	1,093,173	215,219	24.5%

Managing Division:	
Legal Services Division	
Contact Person:	
Brian Bunger	
Program Purpose:	
To represent and oversee the Air District representation in State and Federal courts.	
Description of Program:	
Individuals, corporations and organizations may sue the Air District in State or Federal court over District actions; the District Counsel represents the District in such matters. The District Counsel also directs the efforts of outside counsel handling such litigation and advising the District in specialized legal areas such as labor law, employment law and tort actions.	
Justification of Change Request:	
Not Applicable	
Activities	
Represent Air District in State court actions.	
Represent Air District in Federal court actions.	
Provide litigation status reports to Air District Board of Directors.	
Legal research for litigation matters.	
Monitor and direct activities of outside counsel in general litigation and specialized legal areas such as labor law, employment law and tort actions.	
Provide clerical support for litigation matters.	
Major Objectives	Delivery Date
Not Applicable	Ongoing

ADMINISTRATIVE COMMITTEE MEETING OF 04/21/2021

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	Program Budget	Program Budget		
	2020	2021	2022	\$	%
Number of Positions (FTE)	1	1	1		
Personnel Expenditures					
Permanent Salaries 51100	130,229	148,436	126,160	(22,276)	(15.0)%
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	1,985	2,286	1,947	(339)	(14.8)%
Pension Benefits 51400	41,729	33,914	29,715	(4,199)	(12.4)%
FICA Replacement Benefits 51500	1,438	1,288	1,066	(222)	(17.2)%
Group Insurance Benefits 51600	17,858	16,343	14,383	(1,960)	(12.0)%
Employee Transportation Subsidy 51700	1,595	1,491	806	(685)	(45.9)%
Workers' Compensation 51800	576	381	292	(89)	(23.4)%
Other Post Employment Benefits 51850		6,618	5,074	(1,544)	(23.3)%
Board Stipends 51900					
Total Personnel Expenditures	195,410	210,757	179,443	(31,314)	(14.9)%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300	40	3,000	3,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800		2,300	2,300		
Printing & Reproduction 52900	473				
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	2,908,893	235,000	235,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900					
Books & Journals 54100		4,000	4,000		
Minor Office Equipment 54200	500	3,000	3,000		
Total Services & Supplies Expenditures	2,909,906	247,300	247,300		
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	3,105,316	458,057	426,743	(31,314)	(6.8)%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Communications Office

The Communications Office coordinates all agency media outreach, Air District messaging, crisis communications, media relations as well as print, digital and social media outreach for the Air District. The Office provides media and public outreach about the Air District's programs, operations and emergency response.

The Office manages advertising and outreach for Spare the Air, the Employer Program, and the Commuter Benefits Program. The Office oversees the Air District and Spare the Air social media sites, strategies and programs. The Office maintains the Spare the Air website and related sites and the Spare the Air mobile apps. The Office represents the Air District at community events for Spare the Air throughout the region.

Office functions include production of publications and digital collateral for the general public and target audiences. This includes publishing newsletters, the annual report, videos and collateral materials. The Office also provides and oversees graphic design services, social media content creation, translation services and videography. The Office also provides Air District presentations and tours for international delegations, organizations and school groups.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Communications Office	
Contact Person:	
Kristine Roselius	
Program Purpose:	
Act as the Air District's main point of contact to the public through media and social media. Increase public awareness and understanding of the roles that the public and the Air District have in creating behavior change and reducing air pollution and the impacts of climate change.	
Description of Program:	
Provide proactive media outreach about air quality issues, Air District programs and the purpose and functions of the agency through printed materials, media events, promotional materials, baaqmd.gov website, press releases, publications, videos, podcasts and social media. Develop graphically appealing and compelling images and infographics to better message Air District efforts on social media, presentations and displays.	
Justification of Change Request:	
Not Applicable	
Activities	
Maintain up-to-date and relevant air quality information on the Air District website.	
Develop video and audio podcasts about air quality issues and the Air District's programs and rules.	
Develop wildfire messaging, procedures, graphics, printed and web materials.	
Produce publications including plans, brochures, booklets and other Air District documents.	
Issue press releases and host media events highlighting Air District accomplishments.	
Coordinate the Air District presence at events and fairs throughout the region.	
Develop and implement media, social media and communication strategies around major Air District policies and issues.	
Develop and maintain effective working relationships with members of the media and social media influencers.	
Track and analyze print, internet, radio, social media and television coverage of the Air District.	
Provide development opportunities for staff related to activities and objectives of the Air District.	
Develop emergency response internal, media and social media outreach procedures	
Develop crisis communications internal, media and social media outreach procedures	
Development and management of Air District social media sites	
Support Air District's Emergency Operations Plan	
Major Objectives	Delivery Date
Develop media response / operating procedures, Air District media policy, and social media policy.	Ongoing
Produce Air District Annual Report.	June 2022
Publish quarterly Air Currents newsletter.	June 2022
Conduct media training for public information officers and other Air District staff.	Ongoing
Develop video podcasts, video news releases / statements, infographics and display graphics for Air District programs / events.	Ongoing
Develop and manage Air District social media posts.	Ongoing
Crisis communications and emergency response for air quality incidents.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		6	6	4	(2)	(33.3)%
Personnel Expenditures						
Permanent Salaries	51100	740,894	751,397	496,369	(255,028)	(33.9)%
Overtime Salaries	51150	5,153	7,000	7,000		
Temporary Salaries	51200	34,910				
Payroll Taxes	51300	11,481	10,733	7,043	(3,690)	(34.4)%
Pension Benefits	51400	160,616	170,715	115,805	(54,910)	(32.2)%
FICA Replacement Benefits	51500	8,214	10,923	7,444	(3,479)	(31.9)%
Group Insurance Benefits	51600	102,315	88,758	63,830	(24,928)	(28.1)%
Employee Transportation Subsidy	51700	9,394	12,643	5,625	(7,018)	(55.5)%
Workers' Compensation	51800	3,277	3,226	2,037	(1,189)	(36.9)%
Other Post Employment Benefits	51850		56,107	35,430	(20,677)	(36.9)%
Board Stipends	51900					
Total Personnel Expenditures		1,076,254	1,111,502	740,583	(370,919)	(33.4)%
Services & Supplies Expenditures						
Travel In-State	52200	945	14,000	14,000		
Travel Out-of-State	52220		6,000	6,000		
Training & Education	52300	4,410	16,500	21,500	5,000	30.3%
Repair & Maintenance (Equipment)	52400					
Communications	52500	11,867	47,000	47,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800		4,000	4,000		
Printing & Reproduction	52900	38,941	42,000	42,500	500	1.2%
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	293,900	420,000	441,000	21,000	5.0%
General Insurance	53400					
Shop & Field Supplies	53500	184		500	500	
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	16,751	11,000	11,000		
Stationery & Office Supplies	53900	7,078	4,000	4,000		
Books & Journals	54100					
Minor Office Equipment	54200			1,000	1,000	
Total Services & Supplies Expenditures		374,076	564,500	592,500	28,000	5.0%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	10,075				
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		10,075				
Transfer In/Out		(71,932)				
Total Expenditures		1,388,473	1,676,002	1,333,083	(342,919)	(20.5)%

Managing Division:	
Communications Office	
Contact Person:	
Kristina Chu	
Program Purpose:	
The Spare the Air winter program informs the public about the Wood Burning Rule, the health impacts of wood smoke pollution and alternative, cleaner forms of heat and change-out incentives.	
Description of Program:	
The Wood Burning Rule was passed in 2008 and wood burning is banned when a Spare the Air Alert is called for fine particulate pollution. The Spare the Air winter campaign informs the public about the health impacts of wood smoke both inside and outside the home. A seasonal messaging/advertising campaign is developed and delivered to the public through regional advertising, media outreach, neighborhood events and through seasonal door-to-door outreach and survey campaign.	
Justification of Change Request:	
No change.	
Activities	
Develop and disseminate a Spare the Air winter campaign to inform the public about the health impacts of wood smoke.	
Prepare and issue media releases, respond to media inquiries and plan media events/deskside & editorial board visits.	
Conduct public opinion surveys to evaluate program and measure behavior change.	
Manage and update the sparetheair.org, baaqmd.gov and sparetheairnow.org websites as well as social media sites including Twitter, Linked In, Pinterest and Facebook.	
Manage notification methods for Spare the Air Alerts, including automated phone alerts, text and email alerts, online banners, iPhone/Android app and widget.	
Deliver public outreach, advertising and media relations campaigns.	
Provide public outreach at community events throughout the Bay Area.	
Door to door outreach/surveys	
Provide overview of campaign to Executive Committee and Board of Directors.	
Provide outreach to local government leaders and community organizations and the general public about the Spare the Air winter program.	
Promote cleaner heating options and available incentives.	
Major Objectives	Delivery Date
Launch Spare the Air winter season.	November 2021
Execute and evaluate Spare the Air winter season public outreach campaign.	June 2022
Develop video podcasts, video news releases / statements, displays and infographics for Spare the Air winter programs / events.	Ongoing
Respond to public inquiries, provide informational speeches and presentations.	Ongoing
Update website alerts and Spare the Air app.	Ongoing
Monitor and measure campaign effectiveness via public opinion surveys.	March 2022
Develop Spare the Air winter season summary.	April 2022
Issue Alert advisories when air quality is forecast to reach unhealthy levels.	Ongoing
Provide information about the health impacts of wood smoke to the public, community organizations and local government leaders.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2021	2022	\$	%	
	2020					
Number of Positions (FTE)	1	2	3	1	50.0%	
Personnel Expenditures						
Permanent Salaries	51100	100,761	246,123	349,558	103,435	42.0%
Overtime Salaries	51150	19,191				
Temporary Salaries	51200	7,607				
Payroll Taxes	51300	1,566	3,505	4,953	1,448	41.3%
Pension Benefits	51400	24,887	55,723	81,443	25,720	46.2%
FICA Replacement Benefits	51500	1,127	3,750	5,565	1,815	48.4%
Group Insurance Benefits	51600	14,081	34,051	51,547	17,496	51.4%
Employee Transportation Subsidy	51700	1,433	4,341	4,205	(136)	(3.1)%
Workers' Compensation	51800	445	1,108	1,523	415	37.5%
Other Post Employment Benefits	51850		19,265	26,487	7,222	37.5%
Board Stipends	51900					
Total Personnel Expenditures		171,098	367,866	525,281	157,415	42.8%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	934,097	1,125,000	1,125,000		
General Insurance	53400					
Shop & Field Supplies	53500	99				
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		934,196	1,125,000	1,125,000		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		1,105,294	1,492,866	1,650,281	157,415	10.5%

Managing Division:	
Communications Office	
Contact Person:	
Kristina Chu	
Program Purpose:	
The Spare the Air program encourages the public to reduce their driving, a major source of Bay Area air pollution, and promotes the use of public transit, biking, walking, carpooling, trip reduction and other behavior changes that reduce pollution from transportation sources.	
Description of Program:	
The Spare the Air Program provides health alerts and informs Bay Area residents about air pollution and encourages them to reduce single occupancy driving, especially during their commute to and from work, to improve air quality. The Spare the Air program will also help to promote the Commuter Benefits Program which supports the overall goal of reducing the number of vehicles on Bay Area roads.	
When air quality is forecast to be unhealthy, the Air District issues Spare the Air Alerts. Outreach to the public is conducted through an advertising and media relations campaign as well as through social media sites such as Twitter and Facebook.	
Justification of Change Request:	
No change.	
Activities	
Conduct campaign to educate the public about individual choices to reduce air pollution.	
Prepare and issue media releases, respond to media inquiries and plan media events.	
Conduct public opinion surveys to evaluate program and measure behavior change.	
Manage, re-design and update website landing pages and provide regular updates, measurements and responses for social media sites such as Twitter, Pinterest and Facebook.	
Provide public outreach at community events throughout the Bay Area.	
Notify the public of Spare the Air Alerts through AirAlerts, text alerts, the media, sparettheair.org, baaqmd.gov, the iPhone/Android app and social media sites.	
Manage public outreach campaigns for advertising, social media and media relations.	
Provide overview of campaign to Administrative Committee and Board of Directors.	
Major Objectives	Delivery Date
Develop the Spare the Air campaign.	Ongoing
Launch Spare the Air summer season.	Ongoing
Monitor and measure campaign effectiveness via public opinion surveys.	October 2021
Manage the Spare the Air advertising, media relations and social media campaign.	Ongoing
Promote Spare the Air clean air activities at public events.	Ongoing
Develop video podcasts, video news releases / statements, displays and infographics for Spare the Air program / events.	Ongoing

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100				
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300				
Pension Benefits	51400				
FICA Replacement Benefits	51500				
Group Insurance Benefits	51600				
Employee Transportation Subsidy	51700				
Workers' Compensation	51800				
Other Post Employment Benefits	51850				
Board Stipends	51900				
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900	494			
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	826,184	1,000,000	1,000,000	
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures	826,678	1,000,000	1,000,000		
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	826,678	1,000,000	1,000,000		

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Technology Implementation Office

The Technology Implementation Office (TIO) mission is to advance emerging, cost-effective solutions to achieve greenhouse gas emissions reductions for the transportation and industrial source sectors. TIO will connect climate technologies and customers by providing financial incentives (through grants and loans) as well as technical and matchmaking support. Climate technology areas include zero emissions vehicles and infrastructure, zero emissions energy storage and backup systems, composting, and waste-to-energy projects (co-digestion, waste treatment, anaerobic digestion, combined heat and power). By supporting the scale-up of climate technologies, TIO can help achieve state and regional greenhouse gas emissions targets, reduce emissions in impacted communities, while also making technologies cost-effective even in regions without strong climate policies.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Technology Implementation Office	
Contact Person:	
Derrick Tang	
Program Purpose:	
The Climate Tech Finance program advances emerging and cost-effective solutions to achieve greenhouse gas emissions reduction. The program's goal is to support the 2017 Clean Air Plan goal of a carbon-free Bay Area by 2050 and mainstream technologies so they can be scaled up throughout and beyond the Bay Area.	
Description of Program:	
The program cultivates partnerships and provides financing to incentivize greenhouse gas emissions reductions for public agencies and entrepreneurs.	
Justification of Change Request:	
Not Applicable	
Activities	
Oversee loan and loan guarantee partnership and projects.	
Perform evaluations of climate technologies.	
Identify technologies and customers and provide technical support and financing to implement technologies.	
Convene stakeholders for technology matchmaking and peer-to-peer information exchanges.	
Provide technical resources to partners and the District.	
Major Objectives	Delivery Date
1. Provide loans and loan guarantees for implementing new technologies.	Ongoing
2. Convene stakeholders for regular technology matchmaking events to showcase emerging technologies among potential facility customers.	Quarterly
3. Implement marketing plan and materials to pursue additional partnerships, funding, and programming.	December 2021

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2021	2022	\$	%	
	2020					
Number of Positions (FTE)	3	4	2	(2)	(50.0)%	
Personnel Expenditures						
Permanent Salaries	51100	378,716	481,373	311,043	(170,330)	(35.4)%
Overtime Salaries	51150	425	25,000	25,000		
Temporary Salaries	51200	1,602	50,000	75,000	25,000	50.0%
Payroll Taxes	51300	5,787	6,848	4,421	(2,427)	(35.4)%
Pension Benefits	51400	78,404	103,085	72,691	(30,394)	(29.5)%
FICA Replacement Benefits	51500	4,153	6,590	4,300	(2,290)	(34.7)%
Group Insurance Benefits	51600	51,574	65,266	46,963	(18,303)	(28.0)%
Employee Transportation Subsidy	51700	4,654	7,628	3,250	(4,378)	(57.4)%
Workers' Compensation	51800	1,674	1,946	1,177	(769)	(39.5)%
Other Post Employment Benefits	51850		33,849	20,470	(13,379)	(39.5)%
Board Stipends	51900					
Total Personnel Expenditures		526,989	781,585	564,315	(217,270)	(27.8)%
Services & Supplies Expenditures						
Travel In-State	52200	773	7,000	2,300	(4,700)	(67.1)%
Travel Out-of-State	52220		8,500	3,000	(5,500)	(64.7)%
Training & Education	52300	3,641	10,000	6,000	(4,000)	(40.0)%
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,323	1,500	1,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	584				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	13,386	150,000	165,000	15,000	10.0%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,856	3,000	3,000		
Stationery & Office Supplies	53900		400	400		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		22,563	180,400	181,200	800	0.4%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		549,552	961,985	745,515	(216,470)	(22.5)%

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ADMINISTRATION COMMITTEE
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Strategic Incentives Division

The Strategic Incentives Division administers grant programs to facilitate the execution of projects and programs focused primarily on the reduction of emissions from mobile sources in the Bay Area. The primary grant programs include the Transportation Fund for Clean Air (TFCA), the Carl Moyer Program (CMP), the Mobile Source Incentive Fund (MSIF), the Lower-Emission School Bus Program (LESBP), in addition to other miscellaneous grant programs. These programs support the implementation of transportation and mobile source measures, as well as other incentive-based initiatives that improve air quality in the region. In FYE 2022 the Strategic Incentives Division will administer more than \$100 million in new grant revenue funds.

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Non-Mobile Source Grant Programs

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Managing Division:	
Strategic Incentives Division	
Contact Person:	
Alona Davis	
Program Purpose:	
Administer funding for grant programs related to non-mobile sources.	
Description of Program:	
In 2021, the Air District will implement a program that will provide incentive funding to reduce particulate matter from wood-burning devices in residential homes. The program is funded by a US Environmental Protection Agency (EPA) Targeted Airshed Grant award and funding from the Air District's General Fund as match. On January 20, 2021, the Air District Board of Directors, authorized the District to accept, obligate, and expend up to \$2,120,345 in funding from the US EPA and allocated up to \$500,000 of General Fund from Designated Reserves as match funding. The funding will be awarded on a first-come first-serve basis and is anticipated to have a program duration of two to five years.	
Justification of Change Request:	
Not Applicable	
Activities	
Develop guidelines and policies & procedures for the administration of the woodsmoke reduction program.	
Contract with vendors that wish to participate in the low-income voucher program.	
Conduct workshops and outreach.	
Review and evaluate applications for eligibility with program requirements, and recommend projects to be awarded.	
Prepare and execute contracts and vouchers for projects awarded.	
Monitor status and performance of projects, and conduct inspections.	
Prepare technical, financial, and staff reports.	
Conduct program development for each solicitation cycle	
Major Objectives	Delivery Date
Conduct program development for each solicitation cycle	Ongoing
Open solicitation for first round of woodsmoke program.	July 2021
Issue grant agreements or vouchers for projects awarded.	Ongoing
Process payments, review inspections, and monitor status and performance of projects.	Ongoing
Prepare technical, financial, and staff reports.	Ongoing
Contract with vendors that wish to participate in the low-income voucher program.	November 2022
Review and evaluate applications for eligibility with program requirements, and recommend projects to be awarded.	Ongoing
Open solicitation for second round of program including the voucher option for low-income qualifying residents.	February 2022

Non-Mobile Source Grant Programs

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	Program Actuals 2020	Approved Program Budget 2021	Proposed	FTE/Dollar	Percent
			Program Budget 2022	Change \$	Change %
Number of Positions (FTE)			0.49	0.49	
Personnel Expenditures					
Permanent Salaries	51100		65,097	65,097	
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300		929	929	
Pension Benefits	51400		15,202	15,202	
FICA Replacement Benefits	51500		934	934	
Group Insurance Benefits	51600		9,976	9,976	
Employee Transportation Subsidy	51700		706	706	
Workers' Compensation	51800		256	256	
Other Post Employment Benefits	51850		4,444	4,444	
Board Stipends	51900				
Total Personnel Expenditures			97,544	97,544	
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300	1,019			
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300		50,000	50,000	
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures	1,019		50,000	50,000	
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	1,019		147,544	147,544	

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Chengfeng Wang	
Program Purpose:	
Expand availability of funding for emission reduction projects in the Bay Area by identifying and securing new sources of funding. Manage advanced technology demonstration projects through grants secured.	
Description of Program:	
This program, established in 2010, is focused on identifying and securing new sources of funding for the Bay Area region. In FYE 2022, staff will pursue funding from Federal, State, local governments and other funding sources. Over time, this program aims to expand the availability of grant funding in the region in order to create additional opportunities for Bay Area businesses and residents to implement projects that reduce criteria pollutants, greenhouse gases, and toxic air contaminants from mobile and stationary sources.	
Justification of Change Request:	
Not Applicable	
Activities	
Identify new sources of funding and prepare grant applications to secure new funding sources.	
Form partnerships to leverage Air District funding resources.	
Manage Air District funded programs, e.g., Woodsmoke Reduction Incentive Program: conduct outreach, evaluate applications and award funding to eligible recipients, and process reimbursement requests.	
Major Objectives	Delivery Date
Form partnerships to leverage Air District funding sources.	Ongoing
Identify new sources of funding and prepare grant applications to secure new funding sources.	Ongoing
Conduct outreach, evaluate applications and award Woodsmoke Reduction Incentive Program funding to eligible recipients, and process reimbursement requests.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	1	3	2	(1)	(33.3)%
Personnel Expenditures					
Permanent Salaries	51100	101,472	377,300	345,305	(31,995) (8.5)%
Overtime Salaries	51150	253			
Temporary Salaries	51200				
Payroll Taxes	51300	1,592	5,350	4,927	(423) (7.9)%
Pension Benefits	51400	22,871	82,777	80,708	(2,069) (2.5)%
FICA Replacement Benefits	51500	1,186	6,286	4,745	(1,541) (24.5)%
Group Insurance Benefits	51600	14,856	70,972	50,624	(20,348) (28.7)%
Employee Transportation Subsidy	51700	1,403	7,276	3,586	(3,690) (50.7)%
Workers' Compensation	51800	448	1,857	1,299	(558) (30.0)%
Other Post Employment Benefits	51850		32,289	22,585	(9,704) (30.1)%
Board Stipends	51900				
Total Personnel Expenditures		144,081	584,107	513,779	(70,328) (12.0)%
Services & Supplies Expenditures					
Travel In-State	52200		13,200	13,200	
Travel Out-of-State	52220		8,000	8,000	
Training & Education	52300		7,500	7,500	
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900	14			
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	37,913	51,000	100,000	49,000 96.1%
General Insurance	53400				
Shop & Field Supplies	53500		1,000	1,000	
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800			20,000	20,000
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		37,927	80,700	149,700	69,000 85.5%
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures		182,008	664,807	663,479	(1,328) (0.2)%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Compliance & Enforcement Division

The Compliance & Enforcement Division ensures the Air District will realize the emission reductions achieved by the air quality regulations adopted by the Board of Directors, and permit conditions issued by the Executive Officer/APCO. Compliance with Air District, state, and federal regulations is achieved through a robust Compliance Assurance and Enforcement Program that includes comprehensive inspections and investigations and a complementary Compliance Assistance Program that supports compliance objectives of the Division by maintaining operations and assisting industry with air quality regulations and requirements. The Division works closely with local and state regulatory agencies, regulated industry and members of the community to provide the highest level of service to protect air quality and public health. The Division implements Air District strategies and enforces regulations that pertain to stationary sources, and has some mobile source enforcement authority in collaboration with the California Air Resources Board. Division priorities include conducting Title V and Synthetic Minor facility inspections, locating unpermitted sources of operations, resolving violations at facilities with ongoing non-compliance and responding to and investigating air quality complaints. Staff work collaboratively across Divisions to achieve the Air District's mission and apply the appropriate level of enforcement proportional to the level of non-compliance. The Division vigorously pursues violators who show a disregard for the law and well-being of the public and ensures corrective actions and measures to resolve violations are taken.

The Compliance and Enforcement Division continues to focus on activities that support the Air District's commitment to achieve clean air to protect public health and the environment as follows:

The Compliance Assurance and Enforcement Programs focus on announced and unannounced inspections of air pollution sources to ensure compliance. Targeted strategies are used to guide inspections to identify non-compliance and reduce excess emissions. Sources include: Title V and Synthetic Minors facilities, petroleum refineries, chemical plants, dry cleaners, gasoline dispensing facilities, autobody shops, asbestos renovations and demolitions, agricultural and prescribed burning, and other permitted sources. Other facets of the program requiring Division resources include investigations of Title V deviation reporting, Reportable Compliance Activities, and other inspections pertaining to the Portable Equipment Registration Program (PERP), Asbestos projects (renovations, demolitions and naturally occurring asbestos – NOA), compliance determinations for State Air Toxics Control Measures (ATCMs) and Federal Maximum Available Control Technology (MACTs) for air toxics. Air pollution complaints and incident response and investigations are a high priority in the Division that aim to address and resolve air quality concerns of local communities.

The Compliance Assistance Program develops outreach materials, advisories, policies and procedures and guidance information and implements compliance strategies that complement a wide range of enforcement efforts. The program aims to enhance industry and public understanding of compliance and enforcement programs and regulatory requirements, address compliance concerns and assist in resolving air quality violations. Key programs and projects in Compliance Assistance and Operations include the Air District's Wood Smoke Reduction Program, Air Quality Complaint Program, AB617 Community Health Protection Program in West Oakland and Richmond/San Pablo, Wildfire Air Quality Response Program, Commuter Benefits, Title V, Open Burning, Flare Monitoring, Naturally Occurring Asbestos, Inspector Training, Green Business Certifications, Variance and Hearing Board Activities, and many others involving state, federal and Air District regulations and requirements. The program also maintains online web information, the dispatch operating system and the compliance assistance and complaint phone lines which are all integral interfaces with the public.

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
John Marvin	
Program Purpose:	
Enforce applicable Federal, State, and District air pollution regulations and permit conditions.	
Description of Program:	
<p>The Enforcement Program consists of activities designed to respond when sources are found in violation of applicable Federal, State and Air District regulations and permit conditions. A strong, technically-based enforcement program provides both an essential deterrent to continued or future non-compliance as well as consistency in enforcement practices throughout the regulated community. This program includes all Division activities necessary to address non-compliance, including issuing Notices of Violation (NOV) and Notices to Comply (NTC), identifying causes and solutions for non-compliance, developing enforcement cases for legal action, and providing testimony during hearings and court cases. Other elements of the program include responding to the public's air pollution complaints, returning sources to compliance, and supporting the enforcement of the variance and abatement order process. In addition, the toxic air contaminant activities, such as mobile source enforcement of diesel particulate matter ATCMs and asbestos demolition/renovation enforcement, ensure compliance with Federal, State and District regulations to protect the public from exposure to known carcinogens. Oversight of the Division's Safety Program is coordinated with the training functions in Program 402.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
Investigate and enforce air quality violations; issue and process NOV's and NTC's; re-inspect sources to verify compliance status after issuance. Work with Legal Division to procure penalty settlement and/or successful prosecution.	
Receive and investigate citizen inquiries and general air pollution complaints. Respond to these complaints as soon as possible where highest priority response is given to ongoing complaints alleged against potential nuisance sites.	
Prepare enforcement cases in coordination with Legal Division; conduct/coordinate investigations to support their development for legal actions.	
CARB Mobile Source regulations enforcement in CARE impacted areas with special focus on AB617 communities of West Oakland and Richmond.	
Refinery Flares: review, comment, approve and enforce provisions in Regulation 12, Rules 11 and 12.	
Participate in interagency environmental task force programs to coordinate District enforcement activities with other County/State/Federal governmental agencies.	
Provide staff at community meetings to present information on the complaint process, enforcement activities, etc.	
Major Objectives	Delivery Date
Not applicable	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		29	33	33		
Personnel Expenditures						
Permanent Salaries	51100	3,069,974	3,544,902	3,605,878	60,976	1.7%
Overtime Salaries	51150	41,192	117,000	117,000		
Temporary Salaries	51200	21,694	10,000	10,000		
Payroll Taxes	51300	47,543	50,130	50,977	847	1.7%
Pension Benefits	51400	624,581	784,005	838,168	54,163	6.9%
FICA Replacement Benefits	51500	33,825	62,330	63,171	841	1.3%
Group Insurance Benefits	51600	420,742	626,050	605,071	(20,979)	(3.4)%
Employee Transportation Subsidy	51700	37,145	72,147	47,736	(24,411)	(33.8)%
Workers' Compensation	51800	13,567	18,409	17,289	(1,120)	(6.1)%
Other Post Employment Benefits	51850		320,164	300,682	(19,482)	(6.1)%
Board Stipends	51900					
Total Personnel Expenditures		4,310,263	5,605,137	5,655,972	50,835	0.9%
Services & Supplies Expenditures						
Travel In-State	52200	9,645	18,800	18,800		
Travel Out-of-State	52220		1,450	1,450		
Training & Education	52300	995	6,790	6,790		
Repair & Maintenance (Equipment)	52400	1,109	108,000	91,250	(16,750)	(15.5)%
Communications	52500	94,419	137,000	137,000		
Building Maintenance	52600	390	2,500	2,500		
Utilities	52700	1,716	4,000	4,000		
Postage	52800					
Printing & Reproduction	52900	179	2,000	2,000		
Equipment Rental	53100					
Rents & Leases	53200	59,376	71,850	73,600	1,750	2.4%
Professional Services & Contracts	53300		9,590	23,000	13,410	139.8%
General Insurance	53400					
Shop & Field Supplies	53500	18,899	16,500	18,090	1,590	9.6%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700	266				
Computer Hardware & Software	53800	742	2,000	2,000		
Stationery & Office Supplies	53900	331				
Books & Journals	54100					
Minor Office Equipment	54200		1,000	1,000		
Total Services & Supplies Expenditures		188,067	381,480	381,480		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		4,498,330	5,986,617	6,037,452	50,835	0.8%

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee & Edward Giacometti	
Program Purpose:	
Promote compliance with Air District regulations through program development and industry/source education.	
Description of Program:	
<p>The Compliance Assistance and Operations Program is an essential part of the Compliance & Enforcement Division. This program focuses on the development of outreach materials, advisories, policies and procedures and guidance information and the implementation of compliance strategies that complement a wide range of enforcement efforts. Staff conduct comprehensive program reviews, analyze and process petitions, plans, reportable compliance activities and other notifications received, maintain compliance and enforcement data tracking systems, and coordinate within the division and across other Air District teams to develop program strategies that address compliance concerns. The program also maintains online web information, the dispatch operating system and compliance assistance and complaint phone lines which are all integral interfaces with the public. The Compliance Assistance and Operations Program provides administrative support to enforcement activities, programs and projects and strives to improve consistency and efficiency of the division through staff training, program and policy development and enhancements.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
<p>Provide industry and members of the public with specialized educational and technical assistance to achieve and maintain compliance. Develop Compliance Assistance materials for specific business sectors and the public (woodsmoke). Provide compliance assistance during routine inspections and following enforcement action. Compliance assistance is also provided for all air quality complaints for the public through dispatch or other 1-800 or 1-877 telephone line systems. Outreach is conducted for compliance assistance for several programs, including mass-mailings of woodsmoke reduction program brochures and educational materials in sensitive wood smoke areas. Division staff identify and translate Compliance Assistance materials for small businesses and other industry sectors where non-English speaking operators need additional assistance.</p>	
<p>Develop and maintain Division Policies and Procedures, compliance advisories, and other documents/processes to ensure consistent application of enforcement activities. Build partnerships with other public and community organizations to strengthen compliance assistance activities. Conduct compliance assistance and enforcement activities for the woodsmoke reduction and other stationary sources. Maintain compliance assistance phone lines and dispatch operating system during core business hours.</p>	
<p>Training and Safety: provide staff with pertinent classes, educational materials and a robust safety curriculum to support core activities. Maintain ongoing Safety Training and implement new OSHA requirements as needed.</p>	
<p>Operations: develop and maintain air programs to support Air District and California Air Resources Board (CARB) rule requirements, including but not limited to woodsmoke, flare monitoring, asbestos demolition/renovation, naturally occurring asbestos, boilers, open burning, reportable compliance activities. soil aeration and mobile source(s) compliance. Provide equipment and capital management for communication, computers and related devices. Provide multilingual services to access all Division programs. Review, analyze and process petitions, plans, complaints, Reportable Compliance Activities (RCAs - e.g., breakdowns, Ground-level monitor (GLM) releases, non-operational monitors, pressure relief valve releases) and other notifications received.</p>	
Major Objectives	Delivery Date
Not applicable.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		12	15	18	3	20.0%
Personnel Expenditures						
Permanent Salaries	51100	1,359,722	1,603,894	2,060,331	456,437	28.5%
Overtime Salaries	51150	14,154	5,000	5,000		
Temporary Salaries	51200	4,139	25,000	25,000		
Payroll Taxes	51300	21,169	22,678	29,160	6,482	28.6%
Pension Benefits	51400	323,199	352,050	479,447	127,397	36.2%
FICA Replacement Benefits	51500	15,048	28,261	34,527	6,266	22.2%
Group Insurance Benefits	51600	187,651	316,608	329,523	12,915	4.1%
Employee Transportation Subsidy	51700	16,597	32,712	26,091	(6,621)	(20.2)%
Workers' Compensation	51800	6,007	8,347	9,450	1,103	13.2%
Other Post Employment Benefits	51850		145,166	164,341	19,175	13.2%
Board Stipends	51900					
Total Personnel Expenditures		1,947,686	2,539,716	3,162,870	623,154	24.5%
Services & Supplies Expenditures						
Travel In-State	52200	1,354	9,200	9,200		
Travel Out-of-State	52220		7,000	7,000		
Training & Education	52300	9,456	17,000	17,000		
Repair & Maintenance (Equipment)	52400		4,000	4,000		
Communications	52500	21,529	128,000	128,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800		1,500	1,500		
Printing & Reproduction	52900	5,782	8,000	8,000		
Equipment Rental	53100					
Rents & Leases	53200		500	500		
Professional Services & Contracts	53300	18,627	30,000	30,000		
General Insurance	53400					
Shop & Field Supplies	53500	100				
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	80	1,000	1,000		
Stationery & Office Supplies	53900	2,314	4,000	4,000		
Books & Journals	54100					
Minor Office Equipment	54200		1,500	1,500		
Total Services & Supplies Expenditures		59,242	211,700	211,700		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		2,006,928	2,751,416	3,374,570	623,154	22.6%

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee & Edward Giacometti	
Program Purpose:	
A robust inspection program aimed to ensure facilities operating in the Bay Area comply with all applicable Air District, State and Federal regulations to protect air quality and public health.	
Description of Program:	
The program involves conducting comprehensive compliance inspections and investigations of stationary sources ranging from large industrial facilities such as refineries, chemical plants, wastewater treatment, landfills, power plants and metal facilities to smaller businesses such as gas stations, auto body shops, and dry cleaners. The program also includes enforcement of State Airborne Toxic Control Measures for sources that generate asbestos and diesel particulate. Beyond routine inspections to ensure equipment, emission monitoring, abatement and controls operate in compliance with regulatory requirements, the program involves responding to major incidents and potential air emission releases of hazardous chemicals and pollutants. Facilities discovered to be in violation are required to initiate timely corrective actions, minimize offsite community impacts and take steps to resolve air quality violations. Enforcement actions may require enhanced communications and coordination with other local agencies and first responders that result in joint investigations and enforcement case development.	
Justification of Change Request:	
Not Applicable	
Activities	
Refinery Inspection Program for Regulatory and Title 5 Permit Compliance.	
Title V Inspections Program / EPA Grant / Aerometric Information Retrieval System (AIRS) and audits.	
Synthetic Minor Inspection Program.	
Initiate response to major air pollution incidents as soon as possible, and within minutes of notification, provide technical assistance and support to first response agencies during and after incidents; prepare incident reports.	
Asbestos, Grant, diesel PM, and Refrigeration Management Inspections Program.	
Conduct targeted auto body painting facility inspections.	
State Portable Equipment Inspection Program.	
Gasoline Dispensing Facilities (GDFs) Inspections Program.	
Inspection Communications / Computer Programs.	
Conduct targeted prescribed burns Title 17/ Regulation 5 Open Burning inspections.	
Perform analysis as required to track and analyze existing process safety management (PSM) programs, Federal and State risk management programs (RMP/RMPP); work with other agencies to improve programs.	
Participate in interagency activities, such as County environmental task forces, incident response teams, and other activities relating to prevention, preparedness and emergency response.	
Conduct targeted inspections at refinery/chemical plants and general facilities.	
Staff air quality related community meetings to provide information on District Programs	
Major Objectives	Delivery Date
Refinery Inspection Program: Conduct compliance inspections and program audits of refineries and determine if Title V Permit Compliance are being met.	Annually
Prepare and submit required reports to EPA, Negotiation of EPA 105 Grant Program Outputs.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		34	38	36	(2)	(5.3)%
Personnel Expenditures						
Permanent Salaries	51100	3,807,467	4,216,227	4,150,687	(65,540)	(1.6)%
Overtime Salaries	51150	14,928	8,000	8,000		
Temporary Salaries	51200	6,034				
Payroll Taxes	51300	59,069	59,772	58,883	(889)	(1.5)%
Pension Benefits	51400	825,574	939,421	966,135	26,714	2.8%
FICA Replacement Benefits	51500	42,091	70,802	68,811	(1,991)	(2.8)%
Group Insurance Benefits	51600	524,118	730,863	678,884	(51,979)	(7.1)%
Employee Transportation Subsidy	51700	46,155	81,955	51,999	(29,956)	(36.6)%
Workers' Compensation	51800	16,826	20,912	18,833	(2,079)	(9.9)%
Other Post Employment Benefits	51850		363,686	327,530	(36,156)	(9.9)%
Board Stipends	51900					
Total Personnel Expenditures		5,342,262	6,491,638	6,329,762	(161,876)	(2.5)%
Services & Supplies Expenditures						
Travel In-State	52200	14,902	10,000	10,000		
Travel Out-of-State	52220		2,550	2,550		
Training & Education	52300	2,278	5,168	5,168		
Repair & Maintenance (Equipment)	52400	1,495	60,000	60,000		
Communications	52500	53,835	65,000	65,000		
Building Maintenance	52600		4,000	4,000		
Utilities	52700	9,205	3,000	3,000		
Postage	52800					
Printing & Reproduction	52900	215	1,000	1,000		
Equipment Rental	53100					
Rents & Leases	53200	95,875	89,100	89,100		
Professional Services & Contracts	53300	988	15,500	15,500		
General Insurance	53400					
Shop & Field Supplies	53500	20,628	26,000	26,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700	30				
Computer Hardware & Software	53800	14,805	23,000	23,000		
Stationery & Office Supplies	53900	322	2,300	2,300		
Books & Journals	54100					
Minor Office Equipment	54200	141				
Non-capital assets	54600	31,540				
Total Services & Supplies Expenditures		246,259	306,618	306,618		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	59,971	100,000	100,000		
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		59,971	100,000	100,000		
Transfer In/Out						
Total Expenditures		5,648,492	6,898,256	6,736,380	(161,876)	(2.3)%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Engineering Division

Engineering Division (Division) gives high priority to the timely review of New Source Review permit applications and permit renewals. The typical application evaluation includes analyzing emissions impacts and determining compliance with applicable air quality requirements, including Best Available Control Technology (BACT), 'No Net Increase' offset requirements, New Source Review (NSR) of Toxic Air Contaminants (TACs) and California Environmental Quality Act (CEQA). There are about 10,000 facilities with about 23,000 devices and operations that have Air District permits. The Division processes, reviews, issues, and renews Title V (Major Facility Review) permits for about 83 facilities.

The Division is working on projects associated with the petroleum refineries, including developing improved emission factors for fugitive emission leaks from heavy liquid service components and implementing Regulation 12, Rule 15.

The Division implements Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities. The Division expects to refine toxic emissions and prioritization scores for approximately 350 facilities and expects to conduct refined site-wide health risk assessments (HRAs) for about 200 facilities. HRA results will determine if the facilities are subject to the risk reduction requirements of this rule.

The Division implements the State Air Toxics "Hot Spots" Program, which applies to existing facilities that emit Toxic Air Contaminants (TACs). Based on the annual TACs emissions inventory, the Division calculates prioritization scores for facilities, conducts HRAs for high priority facilities, and reports HRA results to CARB.

In December 2018, CARB adopted a Criteria Air Pollutants and Toxic Air Contaminants Reporting (CTR) Regulation, which became effective on January 1, 2020. The purpose of the regulation is to establish a uniform statewide system of annual reporting of emissions of criteria air pollutants and toxic air contaminants for specified permitted facilities. The Division has been actively working with other agencies in the development of the new regulation and uniform emissions inventory guidelines, and in the implementation of the regulation. The implementation will require significant changes to the Air District's permit renewal process systems and operations.

Due to PG&E Public Safety Power Shutoffs (PSPS), an increase in the number of applications for backup generators and from PG&E for substation backup and distributed generation is expected. The Division participates with other agencies on uniform permitting policies and emission impacts from PSPS events.

The Division is participating in the Air District's Assembly Bill 617 (AB 617) implementation, which includes a Community Health Protection Program to benefit communities most directly affected by air pollution. The Division participates in the workgroups for the CARB BARCT/BACT Technology Clearinghouse, Technical Assessment Coordination, Emissions Inventory with CARB and other air districts, and the community workgroups. Through CAPCOA, a uniform method of calculating emissions inventories is being developed.

The Division continues to help develop and to transition to the Production System, which includes an online system for the regulated community. These tools will increase consistency, efficiency, and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and renew permits through an online interface.

The Division provides technical support to other divisions, agencies, and programs, including rule development, emissions inventory, compliance and enforcement, planning, monitoring and measurement, the Technology Implementation Office, and the Air District's Regional Climate Action Plan. Key rule development efforts include amendments to Regulation 3 (Fees), amendments to Regulation 13 (climate pollutants), amendments to organic recovery rules, amendments to petroleum refining rules, and amendments to rules to implement Expedited Best Available Retrofit Control Technology (BARCT).

Managing Division:	
Engineering Division	
Contact Person:	
Nicolas Maiden	
Program Purpose:	
Evaluate all Non-Title V permit applications. Review and process data updates and permit renewals.	
Description of Program:	
<p>The Permit Evaluation Program involves activities related to the evaluation of permit applications submitted to the District (except Title V permit applications, which are covered under Program 506). This includes applications for: (1) new/modified sources subject to District New Source Review requirements, (2) emissions banking, (3) Interchangeable Emission Reduction Credits (IERCs), and (4) Prevention of Significant Deterioration (PSD) & Acid Rain permits. Staff calculates emissions and evaluates compliance with regulatory requirements, including case-by-case Best Available Control Technology (BACT) and offset determinations. The program includes California Environmental Quality Act (CEQA) review and Climate Protection activities related to permitted sources.</p> <p>The Permit Renewal Program involves activities related to the annual renewal of District permits. The permit renewal process involves collection of data needed to update the Air District's emissions inventory, review of permit conditions, preparation of permit fee invoices, reconciliation of discrepancies and issuance of permit documents. Information gathered during this process is used for planning and rule development may also result in enforcement action or additional permitting.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
Evaluate all non-Title V permit applications (1,500 estimated).	
Complete CEQA-review functions.	
Provide technical support to all divisions including estimating emissions, rule/condition interpretations and rule development.	
Assist other agencies, industry and the public.	
Participate in cross-agency committees such as California Air Pollution Controls Officers Association (CAPCOA). Engineering Managers' Subcommittee and National Association of Clean Air Agencies (NACAA).	
Support implementation of rules (e.g., Refinery Regulations, GHG Regulations).	
Request, enter and review annual data update requests. Review and maintain permit conditions. Review permit renewal invoice program.	
Major Objectives	Delivery Date
Ensure the timely workflow of the permit renewal program	Ongoing
Implement Regulation 12-15 Petroleum Refining Emissions Tracking Emission Inventory Guidelines	June 2022

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		38	38	45	7	18.4%
Personnel Expenditures						
Permanent Salaries	51100	4,638,194	4,803,370	5,648,632	845,262	17.6%
Overtime Salaries	51150	51,810	40,000	40,000		
Temporary Salaries	51200	30,804	64,048		(64,048)	(100.0)%
Payroll Taxes	51300	71,039	68,248	80,183	11,935	17.5%
Pension Benefits	51400	927,129	1,066,004	1,310,784	244,780	23.0%
FICA Replacement Benefits	51500	50,580	70,533	85,544	15,011	21.3%
Group Insurance Benefits	51600	628,703	659,162	826,937	167,775	25.5%
Employee Transportation Subsidy	51700	62,242	81,643	64,643	(17,000)	(20.8)%
Workers' Compensation	51800	20,497	20,832	23,413	2,581	12.4%
Other Post Employment Benefits	51850		362,301	407,177	44,876	12.4%
Board Stipends	51900					
Total Personnel Expenditures		6,480,998	7,236,141	8,487,313	1,251,172	17.3%
Services & Supplies Expenditures						
Travel In-State	52200	1,480	13,000	13,000		
Travel Out-of-State	52220					
Training & Education	52300	149	2,464	2,464		
Repair & Maintenance (Equipment)	52400					
Communications	52500		110	110		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	5,374				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	143,830	401,059	401,059		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	3,148	2,000	2,000		
Stationery & Office Supplies	53900					
Books & Journals	54100		200	200		
Minor Office Equipment	54200		368	368		
Total Services & Supplies Expenditures		153,981	419,201	419,201		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		6,634,979	7,655,342	8,906,514	1,251,172	16.3%

Managing Division:	
Engineering Division	
Contact Person:	
Fred Tanaka	
Program Purpose:	
Not applicable.	
Description of Program:	
Not applicable.	
Justification of Change Request:	
Program 502 was merged with program 501	
Activities	
Not applicable.	
Major Objectives	Delivery Date
Not applicable	Ongoing

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Permit Renewals

502

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)						
Personnel Expenditures						
Permanent Salaries	51100	74,558				
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	1,198				
Pension Benefits	51400	39,458				
FICA Replacement Benefits	51500	842				
Group Insurance Benefits	51600	10,446				
Employee Transportation Subsidy	51700	1,199				
Workers' Compensation	51800	329				
Other Post Employment Benefits	51850					
Board Stipends	51900					
Total Personnel Expenditures		128,030				
Services & Supplies Expenditures						
Travel In-State	52200	50				
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300					
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		50				
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		128,080				

Managing Division:	
Engineering Division	
Contact Person:	
Carol Allen	
Program Purpose:	
To develop and implement an effective air toxics control strategy that integrates Federal, State, and local requirements.	
Description of Program:	
The Air Toxics Program involves the integration of Federal and State air toxics mandates with local goals that have been established by the Air District's Board of Directors. The program includes air toxics new source review (NSR), reduction of risk from existing facilities (Regulation 11, Rule 18), air toxics control measures, the Air Toxics "Hot Spots" Program, which includes maintaining an air toxics emissions inventory and research for alternative methods of reducing emissions. Staff conducts health risk assessments (HRAs), provides guidance on toxic emission calculations, controls, and impacts, maintains the toxic emission inventory, and assists with incident and compliance evaluation, as needed.	
Justification of Change Request:	
Not applicable.	
Activities	
Perform HRAs, as required, for permit applications involving new or modified sources (estimated 300 HRAs per year).	
Prepare refined facility-wide HRAs for facilities subject to Rule 11-18 (approximately 185 facility-wide HRAs over 4 years). Conduct HRAs for alternative scenarios and proposed revisions, as needed, to support implementation and verification of risk reduction measures.	
Review health risk assessments and Prevention of Significant Deterioration (PSD) modeling analyses for major permit applications.	
Maintain and improve air toxics emissions inventory. Support implementation of new CARB toxics emissions reporting requirements. Support District and TARMAC efforts to improve toxic emission factors for various source categories.	
Complete annual air toxics prioritization, Assembly Bill 2588 (AB2588), and conduct or review any new HRAs that may be required for high-priority sites that are exempt from Rule 11-18. Coordinate public notification and risk reduction audits.	
Support rule development efforts to amend Rule 2-5. Provide updates to Table 2-5-1 and gas dispensing facility (GDF) impact data to incorporate new TACs and updated OEHHA health effects data and 2015 OEHHA HRA guidelines for GDFs.	
Conduct studies that reduce toxic air pollution.	
Support rule development efforts for reducing PM2.5 once health effect values for PM2.5 become available from Office of Environmental Health Hazard Assessment (OEHHA).	
Major Objectives	Delivery Date
Implement Phase 1 of Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities.	Ongoing
Conduct HRAs and other modeling analyses for new source review projects that trigger Rule 2-5 or PSD requirements.	Ongoing
Support AIM's preparation of the annual stationary source toxic emissions inventory to California Air Resources Board (CARB) and EPA which includes sitewide HRAs.	August 2021
Update Toxic Emission Factor Guidelines as needed and publish 1-Hour Toxic Inventory Guidelines	December 2021
Support Rule Development amendments for Regulation 2, Rule 5 including changes to GDF HRA procedures and updates to Table 2-5-1.	December 2021
Publish periodic Air Toxic Emissions and Air Toxics Control Program reports.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		7	8	6	(2)	(25.0)%
Personnel Expenditures						
Permanent Salaries	51100	984,493	1,186,241	970,113	(216,128)	(18.2)%
Overtime Salaries	51150	2,797	8,000	8,000		
Temporary Salaries	51200					
Payroll Taxes	51300	15,169	16,912	13,825	(3,087)	(18.3)%
Pension Benefits	51400	184,990	269,617	227,104	(42,513)	(15.8)%
FICA Replacement Benefits	51500	10,845	14,946	12,277	(2,669)	(17.9)%
Group Insurance Benefits	51600	134,962	159,039	130,924	(28,115)	(17.7)%
Employee Transportation Subsidy	51700	11,904	17,300	9,277	(8,023)	(46.4)%
Workers' Compensation	51800	4,351	4,414	3,360	(1,054)	(23.9)%
Other Post Employment Benefits	51850		76,772	58,434	(18,338)	(23.9)%
Board Stipends	51900					
Total Personnel Expenditures		1,349,511	1,753,241	1,433,314	(319,927)	(18.2)%
Services & Supplies Expenditures						
Travel In-State	52200		1,300	1,300		
Travel Out-of-State	52220		750	750		
Training & Education	52300		4,600	4,600		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800		39,940	39,940		
Printing & Reproduction	52900	1,274	7,000	7,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	17,409	1,000	1,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	1,889	4,000	4,000		
Stationery & Office Supplies	53900		300	300		
Books & Journals	54100					
Minor Office Equipment	54200		400	400		
Total Services & Supplies Expenditures		20,572	59,290	59,290		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		1,370,083	1,812,531	1,492,604	(319,927)	(17.7)%

Managing Division:	
Engineering Division	
Contact Person:	
Fred Tanaka	
Program Purpose:	
Develop and maintain permit systems & provide administrative services	
Description of Program:	
The Permit Operations program involves the collection, updating and maintenance of data from permitted sources of air pollution, and the development and maintenance of systems to manage these data. Data include source/device locations, operational data, emission factors, emissions inventory, emissions banking and "no net increase" tracking. Additional program activities include maintaining procedures, coordination & tracking of permit-related activities, general administrative activities and customer support.	
Justification of Change Request:	
Not applicable	
Activities	
Process and maintain data from permitted facilities.	
Update and correct data from permitted facilities.	
Maintain and update database systems.	
Maintain program forms.	
Manage and improve data quality.	
Provide administrative support.	
Maintain permit tracking and management programs.	
Maintain emissions bank and small facility bank.	
Maintain division pages on website.	
Manage division records including metadata and documents.	
Provide customer support.	
Major Objectives	Delivery Date
Produce annual stationary source emissions inventory to California Air Resources Board (CARB) and EPA	July 2021

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	4	8	4	(4)	(50.0)%
Personnel Expenditures					
Permanent Salaries 51100	509,873	756,821	626,872	(129,949)	(17.2)%
Overtime Salaries 51150	779	5,000	5,000		
Temporary Salaries 51200	50,027				
Payroll Taxes 51300	7,887	10,682	8,917	(1,765)	(16.5)%
Pension Benefits 51400	94,163	163,732	146,559	(17,173)	(10.5)%
FICA Replacement Benefits 51500	5,628	14,228	8,499	(5,729)	(40.3)%
Group Insurance Benefits 51600	70,077	138,147	89,936	(48,211)	(34.9)%
Employee Transportation Subsidy 51700	7,052	16,469	6,422	(10,047)	(61.0)%
Workers' Compensation 51800	2,253	4,202	2,326	(1,876)	(44.6)%
Other Post Employment Benefits 51850		73,084	40,454	(32,630)	(44.6)%
Board Stipends 51900					
Total Personnel Expenditures	747,739	1,182,365	934,985	(247,380)	(20.9)%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300	4,351				
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	15,118	75,166	75,166		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	2,040	12,255	12,255		
General Insurance 53400					
Shop & Field Supplies 53500	3,508	4,151	4,151		
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	19,804	1,021	1,021		
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	44,821	92,593	92,593		
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	792,560	1,274,958	1,027,578	(247,380)	(19.4)%

Managing Division:	
Engineering Division	
Contact Person:	
Sanjeev Kamboj	
Program Purpose:	
Implementation of Federal Operating Permit Program for Major Facilities.	
Description of Program:	
The Title V program involves activities related to Title V of the Federal Clean Air Act (CAA), which requires the Air District to issue federally enforceable permits to major and other designated facilities. The program is intended to enhance compliance with the CAA via permits that explicitly include all Federal, State, and Air District requirements applicable to sources of air pollution at subject facilities.	
Justification of Change Request:	
Not applicable.	
Activities	
Evaluate and process Title V applications (initial, renewal, revision, administrative amendment and reopening).	
Conduct Title V outreach activities and public hearings, as needed.	
Provide Title V training to the Air District staff.	
Track EPA rulemaking related to Title V, Section 112, compliance monitoring and acid rain.	
Major Objectives	Delivery Date
Implement streamlining measures and ensure timely issuance of the Title V applications.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	4	3	(1)	(25.0)%
Personnel Expenditures						
Permanent Salaries	51100	343,954	573,371	386,939	(186,432)	(32.5)%
Overtime Salaries	51150	4,218	66,330	66,330		
Temporary Salaries	51200		8,006	8,006		
Payroll Taxes	51300	5,425	8,154	5,501	(2,653)	(32.5)%
Pension Benefits	51400	87,217	129,964	90,307	(39,657)	(30.5)%
FICA Replacement Benefits	51500	3,872	8,017	5,707	(2,310)	(28.8)%
Group Insurance Benefits	51600	48,243	80,872	55,078	(25,794)	(31.9)%
Employee Transportation Subsidy	51700	4,886	9,280	4,313	(4,967)	(53.5)%
Workers' Compensation	51800	1,520	2,368	1,562	(806)	(34.0)%
Other Post Employment Benefits	51850		41,181	27,166	(14,015)	(34.0)%
Board Stipends	51900					
Total Personnel Expenditures		499,335	927,543	650,909	(276,634)	(29.8)%
Services & Supplies Expenditures						
Travel In-State	52200		378	378		
Travel Out-of-State	52220					
Training & Education	52300		907	907		
Repair & Maintenance (Equipment)	52400					
Communications	52500		530	530		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	4,440	28,873	28,873		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	46,854	402,723	402,723		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		919	919		
Stationery & Office Supplies	53900					
Books & Journals	54100		613	613		
Minor Office Equipment	54200		185	185		
Total Services & Supplies Expenditures		51,294	435,128	435,128		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		550,629	1,362,671	1,086,037	(276,634)	(20.3)%

Managing Division:	
Engineering Division	
Contact Person:	
Fred Tanaka	
Program Purpose:	
Develop the infrastructure for consistent and efficient permit evaluation and processing, and complete projects intended to develop and improve programs within the Engineering Division.	
Description of Program:	
<p>The Engineering Special Projects program involves activities that are intended to ensure consistent, efficient, and high-quality, permit evaluation and processing. This includes the development of permit rules, policies, procedures, training and tools within the division. The program involves the deployment of the Production System and other tools including an online portal for customer to submit information electronically. Goals of the program include the reduction of time and effort needed to evaluate and issue permit applications, and the improvement of the quality of permit services provided such as training and tools for internal and external customers. In addition, new programs or changes to existing programs are developed and implemented.</p> <p>The program also implements public noticing, public records fulfillment and other projects not specified in other Division programs. Planning and implementation of AB 617 activities for permitted facilities are also handled in this program.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
Develop and maintain District permit rules, policies and procedures.	
Update permitting tools such as Permit Handbook, Best Available Control Technology (BACT) and Toxic Best Available Control Technology (TBACT) Workbook documents.	
Review and improve the point source emissions inventory.	
Manage training program.	
Coordinate Public Noticing activities.	
Process Public Records Requests for division records.	
Develop/update permitting programs including emissions factors, standard permit conditions, permit handbook chapters, BACT workbook and other manuals to streamline permitting and increase consistency.	
Develop and implement AB 617 work including inventory, rule development, reporting, technology clearinghouse development, community risk reduction and re-envisioning of permitting in impacted communities.	
Major Objectives	Delivery Date
Complete and submit Interchangeable Emission Reduction Credit (IERC) report to California Air Resources Board (CARB).	March 2022
Complete and submit Offset Equivalence report for EPA.	March 2022

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	Program Budget	Program Budget		
	2020	2021	2022	\$	%
Number of Positions (FTE)	5	6	6		
Personnel Expenditures					
Permanent Salaries 51100	616,614	726,736	842,226	115,490	15.9%
Overtime Salaries 51150	2,572	5,000	5,000		
Temporary Salaries 51200	4,064				
Payroll Taxes 51300	9,560	10,341	12,022	1,681	16.3%
Pension Benefits 51400	114,943	162,588	196,858	34,270	21.1%
FICA Replacement Benefits 51500	6,735	10,444	11,562	1,118	10.7%
Group Insurance Benefits 51600	83,817	112,066	117,582	5,516	4.9%
Employee Transportation Subsidy 51700	8,536	12,088	8,737	(3,351)	(27.7)%
Workers' Compensation 51800	2,725	3,084	3,164	80	2.6%
Other Post Employment Benefits 51850		53,643	55,033	1,390	2.6%
Board Stipends 51900					
Total Personnel Expenditures	849,566	1,095,990	1,252,184	156,194	14.3%
Services & Supplies Expenditures					
Travel In-State 52200	378	5,000	5,000		
Travel Out-of-State 52220					
Training & Education 52300	1,457	65,000	65,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500	6,184	5,000	5,000		
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	2,005	52,100	52,100		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	14,341	50,000	50,000		
General Insurance 53400					
Shop & Field Supplies 53500	3,524	10,000	10,000		
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	19,197	60,000	60,000		
Stationery & Office Supplies 53900	23				
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	47,109	247,100	247,100		
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	896,675	1,343,090	1,499,284	156,194	11.6%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Assessment, Inventory & Model Division

The Assessment, Inventory, and Modeling (AIM) Division prepares comprehensive source emission inventories for the Bay Area and conducts air quality modeling at both regional and community scales. AIM prepares technical assessments that evaluate equity in air pollution exposures and health impacts in support of District programs. AIM coordinates and implements programs to improve and report estimates of emissions of criteria pollutants, toxic air contaminants, and climate forcing pollutants. AIM assesses emissions, concentrations, and exposures of toxic air contaminants, particulate matter, ozone and their precursors, to support targeted strategies that reduce impacts of air pollution both regionally and within communities, especially where Assembly Bill (AB) 617 community action plans are being developed. AIM reviews and provides guidance on environmental health risk assessments within environmental review documents prepared pursuant to California Environmental Quality Act (CEQA).

In FYE 2022, AIM will continue to implement the multi-pollutant Bay Area 2017 Clean Air Plan (2017 Plan), which addresses ozone, particulate matter, toxic air contaminants and greenhouse gases (GHGs). The 2017 Plan includes goals to attain all ambient air quality standards, eliminate disparities in health risk from air pollution, and reduce regional GHG emissions 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. To meet the requirements of AB 617, AIM will work to produce technical assessments to support community air quality action plans, including: identifying and prioritizing impacted communities, coordinating with community co-leads Steering Committees to reduce emissions and exposures, and providing tools and products that inform local strategies.

In FYE 2022, in partnership with other Divisions, AIM will analyze aerometric data, conduct regional modeling, and apply statistical analyses to support the District's grant programs, rule development, permitting, climate protection, and planning activities. AIM will conduct source apportionment analyses and hybrid photochemical and dispersion modeling, characterize emissions and air quality, and assess air quality health impacts to support AB 617. AIM will continue to work with CARB, U.S. EPA, NOAA, NASA, Northern California air districts, and other stakeholders on the regional modeling, focused mainly on ozone, air toxics and PM. These studies involve field measurements, use of satellite data, emissions inventory development, modeling, and analysis of air quality and pollutant transport in North Central California. AIM will further improve modeling emissions estimates and continue conducting data analysis and modeling to better understand formation of fine and ultrafine PM, ozone and air toxics, and their health impacts in the Bay Area. AIM will investigate transport of pollutants between the Bay Area and neighboring regions and intercontinental transport of pollutants.

In FYE 2022, AIM will continue work with other Divisions on the technical analysis, outreach, and risk reduction components of the CARE Program. AB 617 will require an expansion of the CARE program's technical work, including: updates to regional-scale air toxics emissions estimates and modeling; an expanded program focused on local-scale emissions inventory development and modeling of air toxics and fine particulate matter; assessment via measurements and analyses in impacted communities of fine particulate matter and air toxic emissions and modeling; identifying impacted communities; and working with State agencies, cities, counties, local stakeholders and others to develop and implement community action plans. AIM supports the work of other Divisions in reviewing health risk assessments within CEQA documents to provide comments where assessments are inconsistent with Air District guidance.

Many District programs are supported by updating and reporting inventories of air pollutant emissions. In FYE 2022, AIM will work with other Divisions to review emissions inventory products and develop a quality assurance plan for them. Updated emissions methods and databases are needed for assessing impacts of pollution sources and to meet reporting and rule development requirements of the District. New requirements from CARB, posed by AB 617 and the Criteria and Toxic Report Rule, require annual emissions reports for toxics and criteria pollutants for major emitters and improved consistency in methods for estimating emissions across California's air districts. In FYE 2022, AIM will conduct measurement studies of methane and other GHGs to support rule-making and compliance and enforcement efforts; and refine and maintain the Bay Area GHG emission inventory. AIM will coordinate with other Divisions to develop improved methane emissions from the waste sector, including composting.

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Song Bai	
Program Purpose:	
Compile source inventories for criteria pollutants, toxic air contaminants (TACs) and greenhouse gases (GHGs) for planning, rule development, exposure assessments, and public information; assess emissions estimates to support programs to reduce health risks from air pollution and to reduce levels of climate-forcing pollutants.	
Description of Program:	
Staff assigned to this program compiles inventories of air pollution emissions (criteria pollutants, TAC, and GHGs) from industrial sources, motor vehicles, commercial and agricultural activities, consumer products, and natural sources, which are used for air quality planning, rules development, and air quality progress tracking. To meet State requirements, the Source Inventories Program reports permitted source emissions to the California Air Resources Board (CARB) annually; CARB's newly adopted Criteria and Toxics Reporting (CTR) Regulation requires additional staff time and resources to report emissions from permitted facilities using methods standardized across California air districts. Staff estimates emissions for local-scale exposure assessments and Community Action Plans required by Assembly Bill (AB) 617. Staff also prepares and maintains GHG emission inventories and forecasts for the region, with near-term focus on volatile organic compounds (VOC) and methane from permitted facilities.	
Justification of Change Request:	
Not Applicable	
Activities	
Develop emissions inventories and improve the District's ability to assess emissions estimates.	
Prepare and improve emissions estimates to report to CARB; coordinate with Engineering Division to ensure consistent reporting under state requirements and the new CTR regulation.	
Refine and evaluate emissions estimates to support Air District programs, with emphasis on methane, TAC, and fine particulate matter and incorporation of new measurement and analysis techniques.	
Provide inventory information to support Air District staff in various programs, including assessment of AB 617 communities and development of local air quality Action Plans.	
Provide inventory information and emissions estimates under public record request.	
Major Objectives	Delivery Date
Develop activity datasets and methods for hyper-local emissions estimates to support AB 617.	June 2022
Prepare and transmit source emissions estimates to meet State annual reporting requirements.	June 2022
Improve emissions methods by incorporating measurements and/or new models to develop VOC and methane emissions estimates for Bay Area refinery sector and waste sector.	June 2022

Source Inventories

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		6	6	7	1	16.7%
Personnel Expenditures						
Permanent Salaries	51100	865,465	898,869	1,072,916	174,047	19.4%
Overtime Salaries	51150		5,000	5,000		
Temporary Salaries	51200					
Payroll Taxes	51300	13,264	12,817	15,297	2,480	19.3%
Pension Benefits	51400	149,127	197,397	251,119	53,722	27.2%
FICA Replacement Benefits	51500	9,335	11,439	13,729	2,290	20.0%
Group Insurance Benefits	51600	115,981	141,500	169,623	28,123	19.9%
Employee Transportation Subsidy	51700	11,430	13,241	10,374	(2,867)	(21.7)%
Workers' Compensation	51800	3,824	3,379	3,757	378	11.2%
Other Post Employment Benefits	51850		58,757	65,346	6,589	11.2%
Board Stipends	51900					
Total Personnel Expenditures		1,168,426	1,342,399	1,607,161	264,762	19.7%
Services & Supplies Expenditures						
Travel In-State	52200	62	3,900	3,900		
Travel Out-of-State	52220		3,100	3,100		
Training & Education	52300	6,654	23,000	23,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	186,972	120,700	121,000	300	0.2%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	7,231	22,000	22,000		
Stationery & Office Supplies	53900		200	200		
Books & Journals	54100		600	600		
Minor Office Equipment	54200		1,000	1,000		
Total Services & Supplies Expenditures		200,919	174,500	174,800	300	0.2%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		1,369,345	1,516,899	1,781,961	265,062	17.5%

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Saffet Tanrikulu	
Program Purpose:	
Provide technical support to the District's initiatives and collaborative activities through modeling and air quality analyses.	
Description of Program:	
This program provides technical support to various District activities, including: Assembly Bill 617 related programs, the Air Quality Planning Program, Strategic Incentives Division programs, the Climate Protection Program, the Spare the Air Program, the ambient data Quality Assurance (QA)/Quality Control (QC) Program, the Central California Air Quality Studies (CCAQS), and the California Baseline Ozone Transport Study (CABOTS). It also manages the District's modeling- and data analysis-related contracts; participates in the District's rule development, permit modeling, air monitoring and emissions inventory/exposure assessment activities; and responds to requests from District staff and the public for ambient data. It also collaborates with federal and state agencies to assess pollutant exposure, health impacts and international pollutant transport.	
Justification of Change Request:	
Not Applicable	
Activities	
Support Assembly Bill 617: perform PM and air toxics modeling; assess air quality and health impacts.	
Perform air quality modeling and data analysis to support the District's rulemaking activities.	
Support District's Air Quality Planning Program: conduct data analysis and modeling.	
Support permitting activities: Prepare meteorological inputs for AERMOD to support permit modeling.	
Support the Strategic Incentives Division: create and update pollutant concentration maps.	
Perform quality assurance and quality control on District's meteorological data.	
Manage the District's data analysis and modeling-related contracts.	
Participate in CARB's Central California Air Quality Study programs.	
Participate in NASA's effort to estimate wildfire ambient and health impacts.	
Major Objectives	Delivery Date
Perform air quality dispersion modeling for selected AB 617 communities.	Ongoing
Perform regional and local air quality modeling and analyses to support the District's rule development efforts.	Ongoing
Perform regional PM and air toxics modeling and analyses to assess pollutant formation in the Bay Area.	Ongoing
Perform source apportionment analyses to quantify the contribution of various emission sources.	Ongoing
Update emissions modeling data, e.g., conduct modeling with improved condensable PM emissions estimates.	Ongoing
Update health impact analyses of ozone and PM; update health risk analyses for air toxics and other pollutants.	Ongoing
Update assessment of regional and local pollutant transport and impacts of primary vs secondary PM.	Ongoing
Assess contribution of locally generated vs transported as well as primary vs secondary PM exposure.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	4	4		
Personnel Expenditures						
Permanent Salaries	51100	441,533	531,902	571,691	39,789	7.5%
Overtime Salaries	51150		5,000		(5,000)	(100.0)%
Temporary Salaries	51200					
Payroll Taxes	51300	6,806	7,582	8,180	598	7.9%
Pension Benefits	51400	87,562	117,522	133,803	16,281	13.9%
FICA Replacement Benefits	51500	4,849	6,943	7,324	381	5.5%
Group Insurance Benefits	51600	60,315	71,667	78,081	6,414	8.9%
Employee Transportation Subsidy	51700	5,810	8,036	5,535	(2,501)	(31.1)%
Workers' Compensation	51800	1,951	2,051	2,005	(46)	(2.2)%
Other Post Employment Benefits	51850		35,663	34,863	(800)	(2.2)%
Board Stipends	51900					
Total Personnel Expenditures		608,826	786,366	841,482	55,116	7.0%
Services & Supplies Expenditures						
Travel In-State	52200	4,652	1,380	1,380		
Travel Out-of-State	52220	2,442	3,780	3,780		
Training & Education	52300	3,075	7,000	7,000		
Repair & Maintenance (Equipment)	52400		8,000	8,000		
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	124				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	41,889	280,000	320,000	40,000	14.3%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		52,182	300,660	340,660	40,000	13.3%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	58,599	40,000		(40,000)	(100.0)%
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		58,599	40,000		(40,000)	(100.0)%
Transfer In/Out						
Total Expenditures		719,607	1,127,026	1,182,142	55,116	4.9%

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Saffet Tanrikulu	
Program Purpose:	
Perform air quality modeling and data analyses to evaluate emission control strategies to attain and maintain air quality standards.	
Description of Program:	
This program maintains and applies state-of-the-science meteorological, emissions inventory and air quality models to investigate the formation of ozone, fine and ultrafine particulate matter (PM2.5 and PM0.1), and toxic air contaminants in the Bay Area; assesses the attainment status of the Bay Area with respect to Federal and State standards; supports Federal and State air quality plan development activities; quantifies the transport of ozone, PM and toxic air contaminants and their precursors within the Bay Area as well as between the Bay Area and neighboring districts; and quantifies the health impacts of ozone, PM, and toxic air contaminants. This program also includes analyses of ambient data, preparation of model inputs, monetary valuation of air pollution impacts in the Bay Area, maintenance of the District's cluster computer system, development of graphics and statistical programs to evaluate model inputs and outputs, and collaboration with modeling and air quality planning staff of CARB, U.S. EPA, NOAA, NASA, neighboring districts, industry, academia and other stakeholders.	
Justification of Change Request:	
Not applicable.	
Activities	
Analyze the Bay Area's status relative to national and state ambient air quality standards.	
Conduct ambient data analyses for ozone, PM2.5, PM0.1 and toxic air contaminants.	
Evaluate and improve model performance for multi-pollutant applications.	
Maintain and apply air pollution health impacts and monetary valuation models.	
Maintain and apply emissions inventory models to prepare inputs to air quality models.	
Conduct source apportionment studies and trend analyses.	
Prepare ambient data for model inputs and evaluation of model outputs.	
Maintain the District's cluster computer system on which models are run.	
Develop in-house staff expertise related to modeling and air quality analysis.	
Major Objectives	Delivery Date
Evaluate and improve regional air quality model performance.	Ongoing
Maintain and evaluate air quality dispersion models.	Ongoing
Evaluate and improve WRF meteorological model performance.	Ongoing
Evaluate and update BenMAP for assessing health impacts of pollutants.	Ongoing
Maintain the meteorological and air quality database for modeling.	Ongoing
Update analysis of regional air quality model sensitivity to emission reductions for PM and toxics.	Ongoing
Update and improve emissions estimates for modeling.	Ongoing
Maintain modeling computers, update modeling software and computer libraries.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	Program Budget	Program Budget		
	2020	2021	2022	\$	%
Number of Positions (FTE)	4	4	4		
Personnel Expenditures					
Permanent Salaries 51100	524,334	517,615	516,642	(973)	(0.2)%
Overtime Salaries 51150	548	5,000		(5,000)	(100.0)%
Temporary Salaries 51200					
Payroll Taxes 51300	8,106	7,373	7,353	(20)	(0.3)%
Pension Benefits 51400	106,941	114,667	120,901	6,234	5.4%
FICA Replacement Benefits 51500	5,772	6,755	6,670	(85)	(1.3)%
Group Insurance Benefits 51600	71,799	73,293	80,480	7,187	9.8%
Employee Transportation Subsidy 51700	6,681	7,819	5,040	(2,779)	(35.5)%
Workers' Compensation 51800	2,317	1,995	1,825	(170)	(8.5)%
Other Post Employment Benefits 51850		34,699	31,746	(2,953)	(8.5)%
Board Stipends 51900					
Total Personnel Expenditures	726,498	769,216	770,657	1,441	0.2%
Services & Supplies Expenditures					
Travel In-State 52200		1,600	1,600		
Travel Out-of-State 52220		2,080	2,080		
Training & Education 52300		2,000	2,000		
Repair & Maintenance (Equipment) 52400	5,440	10,000	12,000	2,000	20.0%
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900		3,500	3,500		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300		9,500	10,000	500	5.3%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	960	7,500	8,000	500	6.7%
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	6,400	36,180	39,180	3,000	8.3%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	732,898	805,396	809,837	4,441	0.6%

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Song Bai	
Program Purpose:	
Evaluate community health risks from ambient toxic air contaminants (TACs), fine particulate matter (PM) and other pollutants. Develop mitigation strategies and measures for local sources and locations with higher exposures and risk levels and vulnerable populations.	
Description of Program:	
The District's CARE program targets community risk reduction activities and actively supports the development of local air quality Action Plans required by Assembly Bill 617. The CARE program coordinates emissions estimation, air modeling and monitoring, analysis of health records and socio-economic datasets, and exposure and health assessments to identify areas with vulnerable populations and relatively high air pollution. Information derived from these activities is used for risk reduction activities, such as rulemaking, grant and incentive programs, local air quality plans, collaboration with public health professionals, advocacy of State and local regulatory programs, and community engagement processes.	
Justification of Change Request:	
Not Applicable	
Activities	
Conduct local-scale modeling and analyses to support assessment of AB 617 communities and development of action plans.	
Develop and improve modeling methods to identify emission sources affecting impacted communities and improve data analysis.	
Compile demographic, business, and activity data; enhance data visualization/analysis for community partnerships and local planning guidance.	
Develop mitigation strategies for development near busy roadways and other air pollution sources.	
Participate in outreach and assist in evaluating community risks and hazards, through measurement and modeling programs.	
Major Objectives	Delivery Date
Conduct community-scale assessments in Richmond/San Pablo and other communities; collaborate with other District Divisions to develop community prioritization methods.	June 2022
Develop and document improved methodology/tools for community-scale modeling to support AB 617 Community Action Plan development.	June 2022
Work collaboratively across Air District Divisions to build Technical Assessments Teams and perform community-level technical assessment work.	June 2022

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	4	3	(1)	(25.0)%
Personnel Expenditures						
Permanent Salaries	51100	556,413	549,743	590,874	41,131	7.5%
Overtime Salaries	51150		5,000	5,000		
Temporary Salaries	51200					
Payroll Taxes	51300	8,554	7,860	8,488	628	8.0%
Pension Benefits	51400	108,815	118,419	138,627	20,208	17.1%
FICA Replacement Benefits	51500	6,092	6,576	6,589	13	0.2%
Group Insurance Benefits	51600	75,776	71,461	73,118	1,657	2.3%
Employee Transportation Subsidy	51700	6,637	7,611	4,979	(2,632)	(34.6)%
Workers' Compensation	51800	2,459	1,942	1,803	(139)	(7.2)%
Other Post Employment Benefits	51850		33,774	31,361	(2,413)	(7.1)%
Board Stipends	51900					
Total Personnel Expenditures		764,746	802,386	860,839	58,453	7.3%
Services & Supplies Expenditures						
Travel In-State	52200		2,300	2,300		
Travel Out-of-State	52220	1,224	2,600	2,600		
Training & Education	52300	1,788	8,500	8,500		
Repair & Maintenance (Equipment)	52400		5,000	5,000		
Communications	52500	2,928	3,000	3,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	36	2,000	2,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	116,583	260,200	250,500	(9,700)	(3.7)%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	11,705	19,000	19,000		
Stationery & Office Supplies	53900		200	200		
Books & Journals	54100		500	500		
Minor Office Equipment	54200		100	100		
Total Services & Supplies Expenditures		134,264	303,400	293,700	(9,700)	(3.2)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		899,010	1,105,786	1,154,539	48,753	4.4%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Planning & Climate Protection Division

The Planning and Climate Protection Division develops and implements local community emissions reduction plans per AB 617, prepares plans to meet State and Federal air quality standards, and coordinates and implements climate protection activities. Division staff analyze ambient conditions and local and regional toxic air contaminants, particulate matter, ozone and their precursors, and greenhouse gas emissions to develop and implement programs to reduce impacts on people and the planet. Division staff works with cities, counties and other agencies to encourage transportation and land use decisions that improve air quality and protect the climate, and prepares, reviews and provides guidance on environmental documents prepared pursuant to California Environmental Quality Act (CEQA).

In FYE 2022, staff will continue to implement the multi-pollutant Bay Area 2017 Clean Air Plan (2017 Plan), which addresses ozone, particulate matter, toxic air contaminants and greenhouse gases (GHGs). To meet the requirements of AB 617 staff will work in close coordination with community partners and steering committees in West Oakland and the Richmond-San Pablo Area to identify and prioritize pollution and exposure reduction strategies, conduct community engagement, implement measures to reduce emissions and exposure, and provide land use guidance. Staff will update and continue implementing the CEQA Thresholds and Guidelines in partnership with local lead agencies, regional agencies, and others. Staff will provide technical assistance to cities and counties on advancing climate protection activities and improving local plans to address air quality and environmental justice elements per SB 1000. Staff will track the development of new national ambient air quality standards and address any associated planning requirements as needed. Staff will continue to work with Cal EPA, the California Air Resources Board (CARB), and Federal, State, regional and local agencies to reduce emissions associated with ports and goods movement and implement other mobile source programs.

In FYE 2022, staff will implement GHG emission reduction measures identified in the 2017 Plan. Staff will: administer the Climate Protection Grant Program, including elevating and expanding best practices identified through the Program; continue to lead and expand a regional Building Decarbonization Program; support the Diesel Free by '33 initiative; complete an update to CEQA Thresholds for GHGs; work with local governments and community choice energy programs to develop low-carbon alternatives for emergency back-up power and use of battery storage and microgrids; work with local governments and stakeholders to expand messaging on low-carbon diets and reducing food waste; develop best practices and resources for local governments related to VMT reduction and organic waste diversion per SB 1383; support the development of rules and rule amendments to reduce GHGs, including improving the GHG emissions inventory; work with CARB to coordinate state and regional climate programs; assist local governments with the development and implementation of climate action plans and local GHG reduction strategies; develop model ordinances and best practices to accelerate local policy adoption for reducing GHGs; collaborate with regional agency partners to develop a strong Plan Bay Area 2050; work with partner agencies to implement regional GHG reduction strategies through the Bay Area Regional Collaborative.

Managing Division:	
Planning & Climate Protection Division	
Contact Person:	
Wendy Goodfriend	
Program Purpose:	
Prepare and track regional plans to attain and maintain State and National ambient air quality standards and lead development of community emission reduction plans per AB 617.	
Description of Program:	
Historically, this program has focused on preparing regional air quality plans to attain or maintain State and National air quality standards. This work has included preparation and submission of State Triennial Updates (i.e., Clean Air Plan) and SIP related documents. Currently, this program is working closely with the most overburdened communities and impacted neighborhoods across the region to implement Assembly Bill 617 through the Air District's Community Health Protection Program. District staff are working closely with community co-leads, Steering Committees and community members to develop community emission reduction plans that incorporate local scale emissions and exposure analyses and diverse and varied strategies to improve community health by reducing exposure to air pollutants. Preparing regional and local air quality plan requires collaboration across the Air District, and trusted partnerships with local, regional and State agencies, community groups and community members. As part of this program, District staff prepare and obtain certification of CEQA documents as necessary; track the effectiveness of air quality plans; track, comment and ensure compliance with State and National air quality planning requirements; and report to CARB and EPA on status and progress.	
Justification of Change Request:	
Not Applicable	
Activities	
Lead the development of community emission reduction plans in AB 617 communities.	
Prepare and obtain certification of CEQA documents for any AB 617 community action plans.	
Support capacity building in high priority AB 617 communities, including the development of initial community profiles and land use maps for select communities.	
Participate in Statewide planning activities related to AB 617 implementation.	
Prepare documents or technical analyses to meet any new or amended State or Federal planning requirements for ozone and PM2.5.	
Track development of new or amended State or Federal ambient air quality standards.	
Maintain the Air District website with current air quality planning requirements and/or information related to proposed revisions to State or Federal ambient air quality standards.	
Major Objectives	Delivery Date
Lead the development of a community emission reduction plan for the Richmond-San Pablo area.	Ongoing
Lead the preparation of CEQA documents for the Richmond-San Pablo area community emission reduction plan.	June 2022
Lead the development of initial community profiles and land use maps for select high priority AB 617 communities.	June 2022
Prepare and submit planning documents to CARB and EPA as required.	June 2022
Work with cities and counties to implement SB 1000, incorporate EJ and health equity into plans and programs.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	9	7	8	1	14.3%
Personnel Expenditures					
Permanent Salaries 51100	1,179,444	920,324	1,128,590	208,266	22.6%
Overtime Salaries 51150	2,841	3,000		(3,000)	(100.0)%
Temporary Salaries 51200					
Payroll Taxes 51300	17,943	13,118	16,108	2,990	22.8%
Pension Benefits 51400	212,747	206,804	263,891	57,087	27.6%
FICA Replacement Benefits 51500	12,695	12,788	15,201	2,413	18.9%
Group Insurance Benefits 51600	157,484	134,759	143,655	8,896	6.6%
Employee Transportation Subsidy 51700	14,320	14,802	11,487	(3,315)	(22.4)%
Workers' Compensation 51800	5,212	3,777	4,160	383	10.1%
Other Post Employment Benefits 51850		65,686	72,353	6,667	10.1%
Board Stipends 51900					
Total Personnel Expenditures	1,602,686	1,375,058	1,655,445	280,387	20.4%
Services & Supplies Expenditures					
Travel In-State 52200	1,664	2,100	2,100		
Travel Out-of-State 52220		2,000	2,000		
Training & Education 52300	881	2,400	3,000	600	25.0%
Repair & Maintenance (Equipment) 52400					
Communications 52500	6,453	2,100		(2,100)	(100.0)%
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900		11,000	11,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	56,958	200,000	200,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900	75	500	500		
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	66,031	220,100	218,600	(1,500)	(0.7)%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	1,668,717	1,595,158	1,874,045	278,887	17.5%

Managing Division:	
Planning & Climate Protection Division	
Contact Person:	
Wendy Goodfriend	
Program Purpose:	
Implement regional and local air quality, land use, mobile source and transportation plans, policies and measures.	
Description of Program:	
This program focuses on working with state, regional and local agencies and community organizations to facilitate implementation of mobile source and transportation measures to attain and maintain ambient air quality standards and reduce emissions and exposure to fine particulate matter and toxic air contaminants in overburdened communities. On an ongoing basis, potential air quality and greenhouse gas impacts of land use and transportation plans and projects disclosed through CEQA are reviewed and comments are provided to lead agencies. The program also works closely with state, regional and local agencies, community organizations and the private sector to reduce emissions and exposure from ports and goods movement operations, including participation in AB 617 and relevant CARB rulemaking as well as implementing relevant guidelines, plans and programs.	
Justification of Change Request:	
Not Applicable	
Activities	
Track review priority CEQA projects and provide comments to lead agencies. Maintaining up to date CEQA Thresholds of Significance and easy to use Guidelines.	
Lead plan implementation in AB 617 designated communities, including working with state, local and regional agency staff and community members.	
Implement transportation, building and energy measures in the 2017 Clean Air Plan in collaboration with MTC, ABAG, BARC and other regional and local entities.	
Collaborate with MTC to implement Plan Bay Area 2050 to encourage TDM, TOD and smart growth strategies that have air quality improvement co-benefits.	
Participate in Transportation Conformity and provide consultation to Federal agencies regarding general conformity review of non-transportation projects.	
Work with CAPCOA to update land use guidance and the CalEEMod emissions model.	
Work with EPA, CARB, and Federal, State, regional and local agencies to reduce impacts from mobile sources, e.g., ports, goods movement, railroads, shipping.	
Major Objectives	Delivery Date
Update the Air District's CEQA Thresholds of Significance and develop updated CEQA Air Quality Guidelines	December 2021
Continue to track and prioritize CEQA projects for review and comment and provide technical support and assistance on air quality and greenhouse gas environmental analysis.	Ongoing
Lead the implementation of the Owing our Air: The West Oakland Community Action Plan	June 2022
Work with MTC on Plan Bay Area 2050 Implementation to advance AB 617 and 2017 Clean Air Plan goals and objectives.	June 2022

Implement Plans, Policies and Measures

605

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2021	2022	\$	%
	2020				
Number of Positions (FTE)	3	7	6	(1)	(14.3)%
Personnel Expenditures					
Permanent Salaries 51100	397,328	928,123	813,467	(114,656)	(12.4)%
Overtime Salaries 51150	1,605	3,000		(3,000)	(100.0)%
Temporary Salaries 51200			46,000	46,000	
Payroll Taxes 51300	6,130	13,218	11,595	(1,623)	(12.3)%
Pension Benefits 51400	118,137	208,967	190,252	(18,715)	(9.0)%
FICA Replacement Benefits 51500	4,350	12,572	10,827	(1,745)	(13.9)%
Group Insurance Benefits 51600	54,059	142,645	111,579	(31,066)	(21.8)%
Employee Transportation Subsidy 51700	4,736	14,552	8,182	(6,370)	(43.8)%
Workers' Compensation 51800	1,756	3,713	2,963	(750)	(20.2)%
Other Post Employment Benefits 51850		64,578	51,536	(13,042)	(20.2)%
Board Stipends 51900					
Total Personnel Expenditures	588,101	1,391,368	1,246,401	(144,967)	(10.4)%
Services & Supplies Expenditures					
Travel In-State 52200	651	2,100	2,100		
Travel Out-of-State 52220		1,700	1,700		
Training & Education 52300	5,029	5,000	5,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500	769				
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	72	600	600		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	154,426	182,450	185,000	2,550	1.4%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		1,000	1,000		
Stationery & Office Supplies 53900	125	500	500		
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	161,072	193,350	195,900	2,550	1.3%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110					
Computer & Network Equipment 60115					
Motorized Equipment 60120					
Lab & Monitoring Equipment 60125					
Communications Equipment 60130					
General Equipment 60135					
PM 2.5 Equipment 60140					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	749,173	1,584,718	1,442,301	(142,417)	(9.0)%

Managing Division:	
Planning & Climate Protection Division	
Contact Person:	
Abby Young	
Program Purpose:	
Set the strategic direction for and coordinate agency-wide efforts to accelerate the reduction of climate pollutants and integrate climate protection into Air District programs to reduce criteria and toxic air pollutants.	
Description of Program:	
Air District climate protection activities for FYE 2022 coordinated by the Climate Protection Section will include: supporting the development of proposed rules to reduce GHGs; continuing to lead and expand a regional campaign to decarbonize new and existing buildings, including supporting local initiatives, building upon Climate Protection Grant projects, coordinating efforts among community choice energy (CCE) programs and supporting rulemaking; supporting local implementation of GHG reductions by developing model policies, best practices and toolkits through efforts such as the Building Decarbonization program and the Diesel Free By '33 initiative; working with local governments and CCEs to develop low-carbon alternatives for emergency back-up power and use of battery storage and microgrids; implementing priority actions to reduce F-gas emissions; developing tools and guidance for the implementation of updated CEQA thresholds; collaborating with MTC to develop a strong implementation plan for Plan Bay Area; working with local governments and stakeholder groups to expand messaging on low-GHG diets and reducing food waste; continued collaboration with local, regional, state, and national agencies on climate protection efforts; and continued integration of climate protection strategies in existing Air District programs, such as AB 617.	
Justification of Change Request:	
Not Applicable	
Activities	
Provide local governments with policy resources to accelerate local building decarbonization efforts.	
Lead outreach, develop tools to support local government implementation of updated CEQA GHG thresholds	
Provide leadership through convening events, providing networking and information-sharing for local governments and stakeholders.	
Lead the implementation of the Diesel Free By '33 initiative.	
Complete implementation and assess results of 2018 Climate Protection Grant projects for potential replicability.	
Collaborate with other divisions on emissions studies to support rule-making and policy development.	
Convene regional events and develop materials promoting low-GHG diet alternatives and reduce food waste.	
Work with community choice energy programs and others in developing low-carbon emergency power alternatives.	
Coordinate the integration of climate protection strategies into existing Air District programs.	
Participate in Statewide and regional climate protection programs with BARC, MTC, ABAG, and BCDC.	
Major Objectives	Delivery Date
Implement GHG reduction strategies identified in the 2017 Clean Air Plan.	June 2022
Expand the Building Decarbonization Program by focusing regional action on vulnerable communities.	June 2022
Finalize GHG thresholds of significance for CEQA and develop supporting guidance and tools.	June 2022
Redesign and strengthen approach to delivering support to local climate planning and implementation efforts.	June 2022
Complete implementation and assess results from the 2018 Climate Protection Grant Program.	June 2022
Convene region-wide series of events on climate-friendly food and food waste reduction.	June 2022
Develop guidance for local governments and businesses on adopting alternatives to diesel back-up power.	June 2022

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2021	2022	\$	%	
	2020					
Number of Positions (FTE)	7	8	7	(1)	(12.5)%	
Personnel Expenditures						
Permanent Salaries	51100	1,060,978	1,118,505	1,121,882	3,377	0.3%
Overtime Salaries	51150	313				
Temporary Salaries	51200					
Payroll Taxes	51300	16,447	15,961	16,014	53	0.3%
Pension Benefits	51400	220,521	243,845	262,627	18,782	7.7%
FICA Replacement Benefits	51500	11,678	14,262	14,215	(47)	(0.3)%
Group Insurance Benefits	51600	145,238	129,176	146,922	17,746	13.7%
Employee Transportation Subsidy	51700	13,351	16,509	10,742	(5,767)	(34.9)%
Workers' Compensation	51800	4,689	4,212	3,890	(322)	(7.6)%
Other Post Employment Benefits	51850		73,259	67,661	(5,598)	(7.6)%
Board Stipends	51900					
Total Personnel Expenditures		1,473,215	1,615,729	1,643,953	28,224	1.7%
Services & Supplies Expenditures						
Travel In-State	52200	3,586	5,160	5,160		
Travel Out-of-State	52220	3,556	6,750	6,750		
Training & Education	52300	3,018	6,100	6,600	500	8.2%
Repair & Maintenance (Equipment)	52400	91				
Communications	52500	1,907				
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	921	1,200	1,200		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	1,899,298	340,000	340,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	364	500	500		
Books & Journals	54100		100	100		
Minor Office Equipment	54200		200	200		
Total Services & Supplies Expenditures		1,912,741	360,010	360,510	500	0.1%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		3,385,956	1,975,739	2,004,463	28,724	1.5%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Rules Division

The Rules Division is responsible for the development of regulations to implement Air District plans to attain federal and State air quality standards, and to protect public health. In addition to development of rules derived from planning documents, staff assists with the preparation of air quality plans. Other measures are developed under the direction of the Board of Directors to further protect public health and safety and reduce emissions of greenhouse gases. In addition, staff reviews existing regulations and develops revisions to improve clarity, efficiency and effectiveness. For each control measure, staff assesses potential emission reductions, technological feasibility, socioeconomic impacts, cost-effectiveness, and environmental impacts under CEQA. Staff conducts public workshops and other public involvement processes, prepares staff reports, and makes presentations and recommendations to the Board of Directors at public hearings and committee meetings. Staff also manages and coordinates the rule development process for other Divisions. In this fiscal year, the program will continue to develop rules pursuant to the 2017 Clean Air Plan, AB 617 BARCT Schedule, Methane and PM Strategies as directed by the Board of Directors.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Rules Division	
Contact Person:	
Victor Douglas	
Program Purpose:	
The primary purpose of this program is to develop control measures and regulations to reduce air pollutant emissions in the Bay Area.	
Description of Program:	
The Rule Development Program is responsible for the development of regulations to implement Air District plans to attain Federal and State air quality standards, and to protect public health. In addition, staff reviews existing regulations and develops revisions to improve clarity, efficiency and effectiveness.	
Justification of Change Request:	
Not Applicable	
Activities	
Develop amendments to Rule 6-5: Refinery Fluid Catalytic Cracking Units to reduce PM	
Develop amendments to Rule 8-5: Organic Liquid Storage Tanks and Rule 8-8: Refinery Wastewater Treatment to reduce VOCs and toxic emissions	
Develop amendments to Rule 9-14: Petroleum Coke Calcining Operations to reduce NOx emissions	
Finalize a new Rule 13-5: Refinery Hydrogen Systems to reduce methane and VOCs.	
Finalize new rules to reduce methane and VOCs from organic materials handling and composting (Rules 13-2 & 13-3)	
Develop suite of rulemaking actions to reduce sulfur emissions from the refining sector.	
Develop rules to reduce methane and VOC emissions from landfills (Rule 8-34) and sewage treatment (Rule 13-4)	
Manage rule development process led by staff in other Sections and Divisions.	
Major Objectives	Delivery Date
Develop amendments to Rule 6-5: Refinery Fluid Catalytic Cracking Units	November 2021
Develop amendments to Rule 8-5: Organic Liquid Storage Tanks	September 2021
Develop amendments to Rule 8-8: Refinery Wastewater Treatment Operations	September 2021
Develop amendments to Rule 9-14: Petroleum Coke Calcining to reduce NOx emissions	Ongoing
Finalize Rules 13-2 & 13-3 to reduce methane and VOCs from organic materials handling / composting	Ongoing
Finalize a new Rule 13-5: Refinery Hydrogen Systems to reduce methane and VOCs.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		9	9	12	3	33.3%
Personnel Expenditures						
Permanent Salaries	51100	1,295,015	1,190,803	1,445,904	255,101	21.4%
Overtime Salaries	51150	6,772	12,000	12,000		
Temporary Salaries	51200					
Payroll Taxes	51300	19,932	16,956	20,593	3,637	21.4%
Pension Benefits	51400	259,777	262,688	338,135	75,447	28.7%
FICA Replacement Benefits	51500	14,257	16,023	19,331	3,308	20.6%
Group Insurance Benefits	51600	177,441	140,445	174,108	33,663	24.0%
Employee Transportation Subsidy	51700	15,983	18,546	14,608	(3,938)	(21.2)%
Workers' Compensation	51800	5,723	4,732	5,291	559	11.8%
Other Post Employment Benefits	51850		82,301	92,011	9,710	11.8%
Board Stipends	51900					
Total Personnel Expenditures		1,794,900	1,744,494	2,121,981	377,487	21.6%
Services & Supplies Expenditures						
Travel In-State	52200	478	8,250	8,250		
Travel Out-of-State	52220		3,650	3,650		
Training & Education	52300	1,186	8,200	8,200		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	1,679	35,000	35,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	76,473	161,325	221,000	59,675	37.0%
General Insurance	53400					
Shop & Field Supplies	53500		500	500		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,083	3,000	3,000		
Stationery & Office Supplies	53900		750	750		
Books & Journals	54100		300	300		
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		81,899	220,975	280,650	59,675	27.0%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		1,876,799	1,965,469	2,402,631	437,162	22.2%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Community Engagement Division

The Community Engagement and Policy Division engages the public in Air District programs and policies. The Community Engagement Program is the Air District's main point of contact with the public and employs inclusive and equitable community engagement strategies to increase awareness, foster relationships, and ensure opportunities for stakeholder participation in planning and decision-making. Staff particularly seek opportunities for those that have been historically excluded, discriminated against, under-represented, or under-resourced to participate and shape Air District decisions that impact their lives and improve public health. The Rule Development Program is responsible for the development of regulations to implement Air District plans to attain Federal and State air quality standards, and to protect public health. Additionally, staff review existing regulations and develop revisions to improve clarity, efficiency and effectiveness.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Community Engagement Division	
Contact Person:	
Kristen Law	
Program Purpose:	
<p>The Community Engagement Office is committed to providing meaningful engagement opportunities for the communities we serve. We strive to improve air quality for every person who lives in the Bay Area. To do that, we connect with our community members, work to understand their values and identify community-informed solutions that work for all of us. The Office is the Air District’s main point of contact with the public to increase awareness, foster relationships, and ensure opportunities for stakeholder participation to inform Air District planning and decision-making.</p>	
Description of Program:	
<p>The Community Engagement Office is specially tasked with coordinating engagement across departments and with the community to ensure we meet our shared mission to create a healthy breathing environment for every Bay Area resident. The Office develops collaborative relationships with diverse communities and seeks opportunities for those that have been historically excluded, discriminated against, under-represented, or under-resourced to participate and shape Air District decisions to enable policy solutions that bolster community power, promote equity, improve regional conditions and improve public health. The Office coordinates and facilitates stakeholder engagement in Air District programs; plays a key role in convening Community-Agency partnerships; develops and deploys community engagement best practices; oversees the Community Grant Program to support capacity-building of impacted communities to engage in air quality issues; convenes issue-specific advisory groups and convenes Resource Teams.</p>	
Justification of Change Request:	
<p>Executive leadership directed an increased Professional Services budget for Community Engagement in response to the Board of Directors’ request to establish a Community Advisory Council and to implement Community Engagement and Environmental Justice Training for Air District staff and partners. A small increase to subscriptions accounts for the growing need for virtual community engagement platforms.</p>	
Activities	
AB 617: Partner with community groups and Air District divisions to implement AB 617	
Bay Air Center: Support communities with technical guidance, training, and relevant resources to build capacity.	
Youth Engagement: Develop and implement a youth engagement plan.	
Community Grant Program: Administer grants to build community capacity and foster community participation	
Training: Develop curriculum and train Air District staff on Community Engagement and Environmental Justice.	
Spare the Air: Provide direction and support to the Air District’s Spare the Air Resource teams.	
General Engagement: Facilitate workshops and support youth organizations, schools, and other groups.	
Community Engagement Guidelines: Develop and support implementation of Community Engagement Guidelines	
Community Advisory Council: Convene a CAC to increase community leadership in District decisions	
PM Design Team: Convene and support community advocates to inform and prioritize PM reduction strategies	
Major Objectives	Delivery Date
Implement multiple aspects of AB 617 and track progress.	Ongoing
Support community capacity building through a Community Grant Program	June 2022
Increase Air District Staff trained in community engagement and environmental justice	June 2022
Develop and implement Community Engagement Guidelines, including youth strategy	June 2022
Coordinate District presence at public events and support community leadership in District decisions	June 2022
Ensure Air District engagement activities are high quality, accessible and culturally appropriate.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		7	13	14	1	7.7%
Personnel Expenditures						
Permanent Salaries	51100	950,006	1,558,350	2,091,289	532,939	34.2%
Overtime Salaries	51150	13,326	15,000	15,000		
Temporary Salaries	51200	10,188				
Payroll Taxes	51300	14,821	22,182	29,794	7,612	34.3%
Pension Benefits	51400	203,423	337,165	488,305	151,140	44.8%
FICA Replacement Benefits	51500	10,487	23,744	30,188	6,444	27.1%
Group Insurance Benefits	51600	130,390	232,205	309,813	77,608	33.4%
Employee Transportation Subsidy	51700	11,825	27,483	22,812	(4,671)	(17.0)%
Workers' Compensation	51800	4,198	7,013	8,262	1,249	17.8%
Other Post Employment Benefits	51850		121,961	143,689	21,728	17.8%
Board Stipends	51900					
Total Personnel Expenditures		1,348,664	2,345,103	3,139,152	794,049	33.9%
Services & Supplies Expenditures						
Travel In-State	52200	943	5,500	5,500		
Travel Out-of-State	52220		4,800	4,800		
Training & Education	52300	8,803	16,500	16,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500	12,380	13,000	13,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	1,790	3,000	3,500	500	16.7%
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	1,141,285	1,313,000	1,665,000	352,000	26.8%
General Insurance	53400					
Shop & Field Supplies	53500	394	1,000	2,000	1,000	100.0%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	568	1,500	1,500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		1,166,163	1,358,300	1,711,800	353,500	26.0%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		(89,608)				
Total Expenditures		2,425,219	3,703,403	4,850,952	1,147,549	31.0%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Information Services Division

The Information Services Division focuses on Information technology operations, engineering, user support and the management of District records.

Under this Division, Engineering and Operations Program staff provide design, implementation, security and maintenance of all computer server infrastructures including but not limited to email, telecommunications, network, file storage, business continuity/disaster recovery, and remote connectivity. The support team in this program provides user support to District staff for all technologies and user support to outside members of the regulated community that utilize on-line District technologies.

Records Management Program Staff (RM) are responsible for storing, maintaining, securing, and providing copies of Air District official documents. These documents are made available for public, regulated community and internal request in accordance with Policy and Procedures.

In FY2021, the RM program procured Hyland OnBase software and is working to implement and deploy the system to meet the needs and requirements of the District. RM provides assistance for staff from each Division individually as official records are migrated to OnBase. RM digitizes paper documents as needed for all Divisions.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Information Services Division	
Contact Person:	
Magen Holloway	
Program Purpose:	
To provide archival and retrieval services for the District's records produced by various Divisions.	
Description of Program:	
The Records Management Program (RM) is responsible for maintaining the Air District official records for each Division. These documents are made available for public, industry and internal request in accordance to the APCO Policy and Procedures.	
Justification of Change Request:	
Not Applicable	
Activities	
Manage and Support of Physical and Electronic Storage of District Records.	
RM is configuring and implementing the new OB software with the assistance of consultants from Xerox. The Xerox is contracted to configure Air District records and corresponding Record Retention in OB. Xerox will also migrate historic records from AppXtender software and the Air District shared drives.	
Train Division Records Custodians on new OB software.	
Major Objectives	Delivery Date
Configure new OB software.	June 2022
Train staff on use of OB software.	June 2022
Migrate records from shared drives to OB software	June 2022

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		2	3	2	(1)	(33.3)%
Personnel Expenditures						
Permanent Salaries	51100	260,045	361,250	276,991	(84,259)	(23.3)%
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	4,031	5,130	3,937	(1,193)	(23.3)%
Pension Benefits	51400	62,957	77,748	64,740	(13,008)	(16.7)%
FICA Replacement Benefits	51500	2,893	5,267	3,811	(1,456)	(27.6)%
Group Insurance Benefits	51600	36,029	58,993	34,445	(24,548)	(41.6)%
Employee Transportation Subsidy	51700	3,405	6,096	2,880	(3,216)	(52.8)%
Workers' Compensation	51800	1,149	1,556	1,043	(513)	(33.0)%
Other Post Employment Benefits	51850		27,054	18,141	(8,913)	(32.9)%
Board Stipends	51900					
Total Personnel Expenditures		370,509	543,094	405,988	(137,106)	(25.2)%
Services & Supplies Expenditures						
Travel In-State	52200		3,000	3,000		
Travel Out-of-State	52220					
Training & Education	52300		15,100	15,100		
Repair & Maintenance (Equipment)	52400					
Communications	52500	7,023	7,800	7,800		
Building Maintenance	52600	1,920	10,200	10,200		
Utilities	52700	4,081	3,800	3,800		
Postage	52800					
Printing & Reproduction	52900	17,592	69,800	69,800		
Equipment Rental	53100					
Rents & Leases	53200	75,227	110,000	110,000		
Professional Services & Contracts	53300		195,000	195,000		
General Insurance	53400					
Shop & Field Supplies	53500		10,000	10,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		65,000	65,000		
Stationery & Office Supplies	53900	158	6,000	6,000		
Books & Journals	54100					
Minor Office Equipment	54200					
Non-capital assets	54600					
Total Services & Supplies Expenditures		141,411	495,700	495,700		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Transfer In/Out		(15,827)				
Total Expenditures		496,093	1,038,794	901,688	(137,106)	(13.2)%

Managing Division:	
Information Services Division	
Contact Person:	
John Chiladakis	
Program Purpose:	
Provide computer, networking and telecommunications infrastructure. Provide second tier service and support for escalated user support issues.	
Description of Program:	
Operate, engineer, purchase, install, upgrade, secure, monitor, maintain, and repair new software systems, computer networks, network servers, telephone systems, voicemail systems, firewalls, personal computers, workstations, file and database server hardware, and operating system and application software.	
Justification of Change Request:	
Not applicable.	
Activities	
Operation and system administration of HP-3000 servers.	
Administration of Cisco telephone and voice mail system.	
Administration of Simplivity and other VMWare servers.	
Configuration and administration of network routers, switches, firewalls and internet access.	
Operation and system administration of HP-9000 servers.	
Support and administer DNS servers.	
Administration of desktop operating system and applications software.	
Administration of Windows Active Directory and servers.	
Administration of NetApp SAN storage system.	
Purchase, installation, upgrade, maintenance, and repair of desktop workstations and printers.	
Administration of MS Exchange-Online, Internet and remote access systems.	
Administration of Multi-Agency Shared Services Printing and Scanning systems	
Major Objectives	Delivery Date
Maintain computer operations availability for 10 hours/day, 5 days/week.	Daily
Provide communications availability for 10 hours/day, 5 days/week.	Daily
Maintain LAN operations availability for 10 hours/day, 5 days/week.	Daily
Maintain network routers and firewall.	Weekly
Provide system connectivity support for JD Edwards.	Monthly
Support, troubleshoot and maintain desktop workstations.	Weekly
Support and upgrade remote access capabilities.	Monthly
Maintain voice messaging system, including menus and changes for field staff.	Monthly

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		7	10	6	(4)	(40.0)%
Personnel Expenditures						
Permanent Salaries	51100	1,108,054	1,342,633	897,519	(445,114)	(33.2)%
Overtime Salaries	51150	13,070				
Temporary Salaries	51200					
Payroll Taxes	51300	17,243	19,171	12,900	(6,271)	(32.7)%
Pension Benefits	51400	233,830	303,125	210,084	(93,041)	(30.7)%
FICA Replacement Benefits	51500	12,283	18,764	11,434	(7,330)	(39.1)%
Group Insurance Benefits	51600	153,223	199,912	129,256	(70,656)	(35.3)%
Employee Transportation Subsidy	51700	13,562	21,720	8,640	(13,080)	(60.2)%
Workers' Compensation	51800	4,897	5,542	3,129	(2,413)	(43.5)%
Other Post Employment Benefits	51850		96,386	54,422	(41,964)	(43.5)%
Board Stipends	51900					
Total Personnel Expenditures		1,556,162	2,007,253	1,327,384	(679,869)	(33.9)%
Services & Supplies Expenditures						
Travel In-State	52200	306	5,000	10,000	5,000	100.0%
Travel Out-of-State	52220	5,325				
Training & Education	52300	12,630	25,000	50,000	25,000	100.0%
Repair & Maintenance (Equipment)	52400	498,688	593,000	689,000	96,000	16.2%
Communications	52500	20,591	17,000	17,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800	22				
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	353,510	395,000	555,000	160,000	40.5%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	170,297	223,500	251,300	27,800	12.4%
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-capital assets	54600	480,149				
Total Services & Supplies Expenditures		1,541,518	1,258,500	1,572,300	313,800	24.9%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115		100,000	400,000	300,000	300.0%
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130		400,000	400,000		
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures			500,000	800,000	300,000	60.0%
Transfer In/Out		(161,462)				
Total Expenditures		2,936,218	3,765,753	3,699,684	(66,069)	(1.8)%

Managing Division:	
Information Services Division	
Contact Person:	
Duane Vazquez	
Program Purpose:	
Provide end user support and manage the procurement of computer workstations and telecommunications systems.	
Description of Program:	
Operate, engineer, procure, install, configure, upgrade, maintain, repair and manage inventory for software and hardware computers, telephone systems, voicemail systems, wireless/cellular, printers and misc. peripheral devices . Provide technical assistance for computer systems, telephone systems, voicemail systems, hardware, and software. Assist in developing user training curriculum. Track and optimize user support metrics.	
Justification of Change Request:	
Activities	
Administration of desktop operating system and applications software.	
Administration of Cisco telephone and voice mail system.	
Configuration and administration of MFC printers, voip handsets, cellular devices, misc handheld & peripheral devices	
Purchase, installation, upgrade, maintenance, and repair of desktop workstations and printers.	
Major Objectives	Delivery Date
Maintain computer operations availability for 10 hours/day, 5 days/week.	Daily
Support, troubleshoot and maintain desktop workstations.	Weekly
Maintain voice messaging system, including menus and changes for field staff.	Monthly

	Program Actuals 2020	Approved Program Budget 2021	Proposed Program Budget 2022	FTE/Dollar Change \$	Percent Change %
Number of Positions (FTE)			4.00	4.00	
Personnel Expenditures					
Permanent Salaries	51100		472,398	472,398	
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300		6,692	6,692	
Pension Benefits	51400		110,029	110,029	
FICA Replacement Benefits	51500		7,622	7,622	
Group Insurance Benefits	51600		70,706	70,706	
Employee Transportation Subsidy	51700		5,760	5,760	
Workers' Compensation	51800		2,086	2,086	
Other Post Employment Benefits	51850		36,281	36,281	
Board Stipends	51900				
Total Personnel Expenditures			711,574	711,574	
Services & Supplies Expenditures					
Travel In-State	52200		2,000	2,000	
Travel Out-of-State	52220				
Training & Education	52300		35,000	35,000	
Repair & Maintenance (Equipment)	52400		10,000	10,000	
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300				
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800		160,000	160,000	
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures			207,000	207,000	
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures			918,574	918,574	

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

My Air Online

The Office of My Air Online supports three major District objectives. First is software development for legacy system deprecation. This objective is focused on modernize permitting, compliance and enforcement including optimization via business process reengineering. The second objective is to maintain the Districts public web presence including secure and reliable information access, proactive digital notification, and equity through access to information, 508 compliance, and language translation. The third objective is to create and support a unified digital payment customer experience, grow online adoption, and ultimately expand to include outbound digital payments to enhance business continuity.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
My Air Online	
Contact Person:	
Joy Chen	
Program Purpose:	
This program provides design, development, quality assurance and implementation support for the District's new permitting and compliance system.	
Description of Program:	
This program is responsible for software development for permitting, compliance and enforcement as well as online payment integration.	
Justification of Change Request:	
Supports a roughly \$50 million dollar District revenue stream derived from the regulated community.	
Activities	
Permitting and compliance development and implementation.	
Major Objectives	Delivery Date
Legacy System Deprecation via: Permitting and Compliance, Business Process Re-engineering, In-Sourced Support Model	Daily
Unified Digital Payments via: Grow Online Payment Adoption, Payment Reconciliation Governance, Expand from Inbound to Outbound	Daily

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		6	5	5		
Personnel Expenditures						
Permanent Salaries	51100	890,552	823,418	857,671	34,253	4.2%
Overtime Salaries	51150	9,586				
Temporary Salaries	51200					
Payroll Taxes	51300	13,882	11,804	12,362	558	4.7%
Pension Benefits	51400	213,124	172,889	201,233	28,344	16.4%
FICA Replacement Benefits	51500	9,886	10,177	9,528	(649)	(6.4)%
Group Insurance Benefits	51600	122,823	105,531	91,341	(14,190)	(13.4)%
Employee Transportation Subsidy	51700	10,739	11,780	7,200	(4,580)	(38.9)%
Workers' Compensation	51800	3,936	3,006	2,608	(398)	(13.2)%
Other Post Employment Benefits	51850		52,273	45,351	(6,922)	(13.2)%
Board Stipends	51900					
Total Personnel Expenditures		1,274,528	1,190,878	1,227,294	36,416	3.1%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300	357	15,000	15,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,606	2,500	2,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	116	150,000	150,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	7,017	100,000	100,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-capital assets	54600	188,689				
Total Services & Supplies Expenditures		197,785	267,500	267,500		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	2,853,347	2,750,000	2,853,347	103,347	3.8%
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		2,853,347	2,750,000	2,853,347	103,347	3.8%
Transfer In/Out						
Total Expenditures		4,325,660	4,208,378	4,348,141	139,763	3.3%

Managing Division:	
My Air Online	
Contact Person:	
Anja Page	
Program Purpose:	
The Air District Websites support and maintain the agency's web presence to provide the public with information about air quality, including health alerts and real-time air quality data, plans and technical information, as well as access to registrations, permits, regulations and other information for business and industry constituents.	
Description of Program:	
Development, support, and maintenance of the Air District's web content management system (Sitecore) and websites, including BAAQMD.gov and SparetheAir.org.	
Justification of Change Request:	
Supports Diversity, Equity and Inclusion by allowing 24/7 access to 508 compliant information in five languages English, Spanish, Tagalog, Vietnamese and Chinese.	
Activities	
Collaborate on efforts to increase multilingual translation, accessibility, and legal compliance for Air District websites	
Support, assist, and train Division Content Editors in the use of the web content management system	
Ensure content meets grammatical conventions, reading-level standards, and consistency requirements	
Develop, test, and implement new features and website components while providing technical support for online services	
Maintain and manage website systems with ongoing upgrades and improvements	
Monitor visitor usage through statistics and logs to inform priorities and decisions on feature development	
Document website processes, issue resolution, and functionality	
Major Objectives	Delivery Date
Public Web Presence via: Secure, Reliable Information (Pull), Proactive Digital Notifications (Push), Equity (i.e. 508, Languages, Data Access)	Ongoing

Website Development & Maintenance

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		2	2	2		
Personnel Expenditures						
Permanent Salaries	51100	312,476	325,341	303,270	(22,071)	(6.8)%
Overtime Salaries	51150					
Temporary Salaries	51200	8,774				
Payroll Taxes	51300	4,834	4,633	4,319	(314)	(6.8)%
Pension Benefits	51400	61,390	72,034	71,005	(1,029)	(1.4)%
FICA Replacement Benefits	51500	3,424	4,121	3,811	(310)	(7.5)%
Group Insurance Benefits	51600	42,648	44,448	42,060	(2,388)	(5.4)%
Employee Transportation Subsidy	51700	3,735	4,771	2,880	(1,891)	(39.6)%
Workers' Compensation	51800	1,381	1,217	1,043	(174)	(14.3)%
Other Post Employment Benefits	51850		21,171	18,141	(3,030)	(14.3)%
Board Stipends	51900					
Total Personnel Expenditures		438,662	477,736	446,529	(31,207)	(6.5)%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300		6,000		(6,000)	(100.0)%
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,707	2,000		(2,000)	(100.0)%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	1,614				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	852,138	917,581	917,581		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	5,167	142,000	142,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		860,626	1,067,581	1,059,581	(8,000)	(0.7)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out		(44,012)				
Total Expenditures		1,255,276	1,545,317	1,506,110	(39,207)	(2.5)%

Managing Division:	
My Air Online	
Contact Person:	
Blair Adams	
Program Purpose:	
Legacy system data management.	
Description of Program:	
This program provides legacy system data maintenance include extract, transform and load services.	
Justification of Change Request:	
Not applicable.	
Activities	
Major Objectives	Delivery Date
Data Maintenance: Extract, transform and load of legacy data into new system.	Daily

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		5	7	6	(1)	(14.3)%
Personnel Expenditures						
Permanent Salaries	51100	660,178	928,608	797,445	(131,163)	(14.1)%
Overtime Salaries	51150	5,021				
Temporary Salaries	51200					
Payroll Taxes	51300	10,032	13,216	11,343	(1,873)	(14.2)%
Pension Benefits	51400	95,643	212,306	186,498	(25,808)	(12.2)%
FICA Replacement Benefits	51500	7,139	12,389	10,633	(1,756)	(14.2)%
Group Insurance Benefits	51600	88,904	144,766	119,250	(25,516)	(17.6)%
Employee Transportation Subsidy	51700	7,963	14,340	8,035	(6,305)	(44.0)%
Workers' Compensation	51800	2,917	3,659	2,910	(749)	(20.5)%
Other Post Employment Benefits	51850		63,634	50,612	(13,022)	(20.5)%
Board Stipends	51900					
Total Personnel Expenditures		877,797	1,392,918	1,186,726	(206,192)	(14.8)%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300	68	15,000	15,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,016	1,500	1,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	59				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	90	55,000	55,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	829	24,500	24,500		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		2,062	96,000	96,000		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		879,859	1,488,918	1,282,726	(206,192)	(13.8)%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Meteorology & Measurement Division

The Meteorology and Measurement Division provides emissions, air quality, and meteorological data; chemical analysis; forecasting; and data analysis to support the activities of the Compliance & Enforcement, Engineering, Planning, Legal, Rules, Assessment, Inventory & Modeling, Communications, and Community Engagement Divisions. The data is used to

- determine if the Air District is in attainment with state and federal standards,
- determine if facilities are in compliance with Air District regulations,
- provide a scientific basis for Air District programmatic decisions, and
- to communicate about air quality with the public.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Ila perkins	
Program Purpose:	
Provide the data required to determine and measure progress towards the Bay Area's attainment of National and State ambient air quality standards, community monitoring as well as determine and measure progress of other Air District programs.	
Description of Program:	
The primary function of the Air Monitoring - Operations Section is to operate and maintain a network of air quality and meteorological measurement sites that provide data required to determine attainment status of both National and State ambient air quality standards, new and modified regulations and National and State sampling strategies, as well as provide more targeted community level air quality assessment monitoring in support of AB617 activities and refinery communities. Additionally, a network of toxics gaseous and particulate monitors collect data to develop trends and help define risk, and for National and State programs. Air monitoring and meteorological data, as well as sampling projects such as the Precursor Air Monitoring Stations (PAMS) and PM2.5 speciation sampling, are also used for Air Quality Index (AQI) forecasts, Clean Air Plan (CAP) modeling, Prevention of Significant Deterioration (PSD) modeling, Refinery Community Monitoring, AB 617 monitoring and Environmental Impact Reports (EIRs).	
Justification of Change Request:	
This Program was previously for all Air Monitoring activities. For FYE 2022, Air Monitoring is separated into Operations (Program Code 802) and Projects & Technology (Program Code 810).	
Activities	
Operate and maintain the air monitoring network to provide a minimum of 90% valid data each quarter to determine the attainment status for National and State ambient air quality standards.	
Operate and maintain non-criteria pollutant monitors to provide data on ozone precursors, data for ozone forecasting, and data for fine particulate forecasting.	
Operate a PAMS network that meets EPA requirements.	
Operate a gaseous toxics network to provide data for State and Air District programs.	
Operate a network of fine particulate (PM2.5), black carbon, and particulate matter speciation samplers and analyzers in support of the determination of compliance with the National Ambient Air Quality Standards for PM2.5, wood smoke trends, and other area wide particulate matter studies.	
Operate three Near Road monitoring stations as mandated by EPA; two in the San Francisco-Oakland-Fremont CBSA, and one in the San Jose-Sunnyvale-Santa Clara CBSA; Operate an additional site along the Interstate 580 corridor.	
Aid in the development and evaluation of existing technologies for air quality measurements.	
Implement community level air quality monitoring in support of AB617 and Rule 12-15.	
Major Objectives	Delivery Date
Collect and process data that has been subjected to rigorous Quality Control (QC) as part of National, State and Air District programs.	Ongoing
Implementation of community level monitoring and air quality assessment in support of AB 617 and Reg 12-15	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		24	28	22	(6)	(21.4)%
Personnel Expenditures						
Permanent Salaries	51100	2,749,493	3,081,122	2,419,104	(662,018)	(21.5)%
Overtime Salaries	51150	1,418	8,500	8,500		
Temporary Salaries	51200	396				
Payroll Taxes	51300	42,629	43,660	34,237	(9,423)	(21.6)%
Pension Benefits	51400	563,510	666,717	562,425	(104,292)	(15.6)%
FICA Replacement Benefits	51500	30,398	51,796	42,036	(9,760)	(18.8)%
Group Insurance Benefits	51600	378,173	490,304	387,326	(102,978)	(21.0)%
Employee Transportation Subsidy	51700	33,107	59,955	31,765	(28,190)	(47.0)%
Workers' Compensation	51800	12,151	15,298	11,505	(3,793)	(24.8)%
Other Post Employment Benefits	51850		266,058	200,084	(65,974)	(24.8)%
Board Stipends	51900					
Total Personnel Expenditures		3,811,275	4,683,410	3,696,982	(986,428)	(21.1)%
Services & Supplies Expenditures						
Travel In-State	52200	6,024	25,144	20,000	(5,144)	(20.5)%
Travel Out-of-State	52220		19,000	10,000	(9,000)	(47.4)%
Training & Education	52300	1,960	2,000	5,000	3,000	150.0%
Repair & Maintenance (Equipment)	52400	65,950	75,918	78,196	2,278	3.0%
Communications	52500	2,832				
Building Maintenance	52600		58,103	59,820	1,717	3.0%
Utilities	52700	80,529	120,151	120,151		
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	395,038	487,549	487,549		
Professional Services & Contracts	53300	179,783	379,438	415,000	35,562	9.4%
General Insurance	53400					
Shop & Field Supplies	53500	166,185	317,407	310,927	(6,480)	(2.0)%
Laboratory Supplies	53600	57,377	74,137	76,361	2,224	3.0%
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-capital assets	54600					
		17,105				
Total Services & Supplies Expenditures		972,783	1,558,847	1,583,004	24,157	1.5%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	681,964	680,815	666,711	(14,104)	(2.1)%
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		681,964	680,815	666,711	(14,104)	(2.1)%
Transfer In/Out						
Total Expenditures		5,466,022	6,923,072	5,946,697	(976,375)	(14.1)%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Mairi Beacon	
Program Purpose:	
Provide laboratory, analytical, and technical services and support to other Air District Divisions and Sections.	
Description of Program:	
The primary function of the Laboratory Program is to provide laboratory analyses, analytical services and technical support to other Divisions, Sections and special programs in completing their objectives. The Laboratory Program evaluates and implements analytical methods as required by new, analytical capabilities or amendments and additions to Air District regulations. The analytical services of the program provide technical information for enforcement action, permit evaluation, and regulatory standard development. Close liaison is maintained with other air pollution agencies and technical groups.	
Justification of Change Request:	
Not Applicable	
Activities	
Perform gravimetric analyses on various filter media for BAAQMD and other agencies.	
Perform speciation analyses on various filter media including ion, carbon, and metals.	
Perform analyses associated with the Air District's toxics network.	
Perform analyses in support of Compliance and Enforcement and Source Test actions.	
Perform analyses of incident samples collected by the Air District.	
Perform analyses to provide comparative data for new and proposed field instrumentation.	
Identify and recommend analytical methods to support various Air District actions.	
Provide information on suitability of analyses proposed by outside laboratories.	
Participate in internal and external laboratory audits.	
Major Objectives	Delivery Date
Provide gravimetric and speciation data to MQA and AAQA.	Ongoing
Provide analytical data in support of Compliance and Enforcement actions.	Ongoing
Provide analytical data in support of the Source Test section.	Ongoing
Provide Air Monitoring Special Projects group and other agencies comparative data for the evaluation of new instrumentation.	Ongoing
Participate in internal and external safety evaluations and reporting.	Ongoing
Participate in internal and external laboratory audits.	Ongoing
Provide technical expertise and advice to other Air District divisions regarding laboratory methods and capabilities.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		7	8	12	4	50.0%
Personnel Expenditures						
Permanent Salaries	51100	882,023	997,416	1,438,580	441,164	44.2%
Overtime Salaries	51150	2,236	2,000	5,000	3,000	150.0%
Temporary Salaries	51200	48,496				
Payroll Taxes	51300	13,629	14,167	20,412	6,245	44.1%
Pension Benefits	51400	168,327	223,753	340,638	116,885	52.2%
FICA Replacement Benefits	51500	9,712	14,963	22,397	7,434	49.7%
Group Insurance Benefits	51600	120,938	160,863	229,991	69,128	43.0%
Employee Transportation Subsidy	51700	12,890	17,319	16,925	(394)	(2.3)%
Workers' Compensation	51800	3,898	4,419	6,130	1,711	38.7%
Other Post Employment Benefits	51850		76,856	106,608	29,752	38.7%
Board Stipends	51900					
Total Personnel Expenditures		1,262,149	1,511,756	2,186,681	674,925	44.6%
Services & Supplies Expenditures						
Travel In-State	52200	48	200	200		
Travel Out-of-State	52220	1,130	5,000	5,000		
Training & Education	52300	1,964	7,000	7,000		
Repair & Maintenance (Equipment)	52400	53,340	78,000	82,000	4,000	5.1%
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	24,358	25,150	26,400	1,250	5.0%
General Insurance	53400					
Shop & Field Supplies	53500	1,673	3,000	3,000		
Laboratory Supplies	53600	71,837	100,000	100,000		
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		2,000	2,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		154,350	220,350	225,600	5,250	2.4%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	28,885				
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		28,885				
Transfer In/Out						
Total Expenditures		1,445,384	1,732,106	2,412,281	680,175	39.3%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Jerry Bovee	
Program Purpose:	
Provide source testing and technical expertise to Air District Divisions.	
Description of Program:	
The primary functions of the Source Test Section are to: conduct analytical source tests; conduct performance audits on Continuous Emissions Monitors (CEMs); review third party source tests; research and develop new analytical source test procedures; and, provide technical expertise and advice to other Divisions. These data are used to produce engineering studies to determine compliance status for specific source categories, determine whether to issue Permits to Operate, update the emissions inventory, determine actual abatement control effectiveness, provide data & technical assistance for Air District studies including AB 617, and develop applicable standards and produce emissions data for new or revised regulations.	
Justification of Change Request:	
Not Applicable	
Activities	
Conduct at least 90 instrumental gaseous source tests.	
Conduct up to 45 particulate or gaseous toxics source tests.	
Conduct at least 150 Field Accuracy Tests (FATs) on CEM systems.	
Conduct up to 24 source tests at gasoline bulk terminals and bulk plants.	
Conduct at least 400 source tests on gasoline cargo tanks.	
Conduct up to 30 Enhanced Vapor Recovery source tests at Gasoline Distribution Facilities (GDF)	
Evaluate up to 450 indicated excesses and other CEM-related call-ins.	
Maintain an electronic list of all source tests conducted at Title V facilities.	
Provide source testing to support rule development and implementation efforts.	
Manage South Bay Odor Study contracts and deliverables	
Provide Rule 12-15 refinery fence line monitoring program oversight	
Major Objectives	Delivery Date
Prepare reports on emissions from various source categories.	Ongoing
Prepare reports on particulate/gaseous toxic emissions from specific sources.	Ongoing
Prepare quarterly and annual summary of CEM data from specific sources.	Ongoing
Prepare reports on VOC emissions from gasoline bulk terminals and plants.	Ongoing
Prepare reports on VOC emissions from gasoline cargo tanks.	Ongoing
Provide monthly reports on indicated excesses from CEM systems.	Ongoing
Prepare reports on compliance rates and emissions, based on outside contractor tests.	Ongoing
Participate in source attribution studies associated with AB 617	Ongoing
Implement new emission testing methods and technologies	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		11	12	14	2	16.7%
Personnel Expenditures						
Permanent Salaries	51100	1,413,702	1,505,486	1,821,529	316,043	21.0%
Overtime Salaries	51150	1,790	7,500	7,500		
Temporary Salaries	51200					
Payroll Taxes	51300	21,895	21,376	25,873	4,497	21.0%
Pension Benefits	51400	294,105	335,231	419,155	83,924	25.0%
FICA Replacement Benefits	51500	15,558	22,522	26,853	4,331	19.2%
Group Insurance Benefits	51600	193,625	264,279	311,490	47,211	17.9%
Employee Transportation Subsidy	51700	16,958	26,070	20,292	(5,778)	(22.2)%
Workers' Compensation	51800	6,247	6,652	7,349	697	10.5%
Other Post Employment Benefits	51850		115,688	127,815	12,127	10.5%
Board Stipends	51900					
Total Personnel Expenditures		1,963,880	2,304,804	2,767,856	463,052	20.1%
Services & Supplies Expenditures						
Travel In-State	52200	4,188	3,000	3,000		
Travel Out-of-State	52220	5,234	4,000	4,000		
Training & Education	52300	11,961	11,850	11,850		
Repair & Maintenance (Equipment)	52400	380	5,000	5,000		
Communications	52500	214				
Building Maintenance	52600	4	8,800	8,800		
Utilities	52700	23,866	17,250	17,250		
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	259,445	288,750	288,750		
Professional Services & Contracts	53300	57,328	55,500	55,500		
General Insurance	53400					
Shop & Field Supplies	53500	43,104	54,000	54,000		
Laboratory Supplies	53600	2,130	10,400	10,400		
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	8				
Books & Journals	54100					
Minor Office Equipment	54200					
Non-capital assets	54600					
Total Services & Supplies Expenditures		429,645	458,550	458,550		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120		60,000	60,000		
Lab & Monitoring Equipment	60125	178,303	85,233	80,000	(5,233)	(6.1)%
Communications Equipment	60130					
General Equipment	60135	44,293				
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		222,596	145,233	140,000	(5,233)	(3.6)%
Transfer In/Out						
Total Expenditures		2,616,121	2,908,587	3,366,406	457,819	15.7%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Charles Knoderer	
Program Purpose:	
Provide air quality and open burning forecasts, support for wildfire impacts, and collect, validate, analyze, and disseminate aerometric and meteorological data.	
Description of Program:	
The primary function of the Meteorological Section is to provide air quality forecasts, including open burn, and mandated Air Quality Index (AQI) forecasts, special forecasts for programs such as mandatory curtailment of wood burning, forecasts for wildfire smoke impacts, and episode/alert forecasts. Data analysis objectives include the validation, compilation and interpretation of meteorological and air quality data, and distribution of data to various data systems. Other objectives include evaluation for legal actions and determination of long-term air quality trends.	
Justification of Change Request:	
The Overtime Budget (51155) was increased to account for inflation. This includes additional meetings to coordinate open burning with other agencies (such as CalFire and ARB) and additional forecast responsibilities due to increased wildfire impacts on local air quality. The budget for Professional Services (53300) was increased due to inflationary pressure and contractual agreements. The budget for Out-of-State Travel (52225) was reduced because of reorganization with the M&M division, moving the Air Quality Analysis group to 811.	
Activities	
Provide support for tracking and forecasting smoke plume impacts during wildfire events.	
Provide reliable and timely Air Quality forecasts to the Air District and the public on weekdays, weekends and holidays.	
Review prescribed and marsh burn plans. Issue the daily open burn decision to Regional, State, and National Fire Agencies and the public. Allocate and distribute burn acreage for prescribed, marsh, and Sonoma County stubble burning.	
Quality assure EPA mandated air quality data and provide to EPA within 90 days of the end of a quarter.	
Prepare and provide the Annual Air Monitoring Network Report to EPA, CARB and the public.	
Develop forecasting techniques for winter particulate and summer ozone seasons, including statistical regression equations and develop and maintain the databases these methods are based upon.	
Review air quality and meteorological data from the five oil refinery Ground Level Monitoring (GLM) Networks and evaluate Excess Reports for the Compliance & Enforcement Division regarding compliance with Air District Regulations 1 & 9.	
Respond to record requests for information on air quality and meteorological data from the public. Provide presentations for Air District functions including Board and Committee meetings, and community outreach and public information meetings.	
Major Objectives	Delivery Date
Provide daily air quality forecasts and burn acreage allocations to meet Air District needs. Provide additional support during wildfire impacts.	Ongoing
Submit quality assured air quality data to EPA's AQS Database.	Quarterly
Provide air quality, meteorological, and GLM data in electronic format to requestors.	Monthly
Prepare and submit Annual Air Monitoring Network Plan to EPA, CARB and the public.	June 2021
Continue improvements to databases for air quality and meteorological data.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		8	4	4		
Personnel Expenditures						
Permanent Salaries	51100	1,053,953	481,900	621,628	139,728	29.0%
Overtime Salaries	51150	7,578	30,600		(30,600)	(100.0)%
Temporary Salaries	51200					
Payroll Taxes	51300	16,208	6,854	8,876	2,022	29.5%
Pension Benefits	51400	178,111	103,887	145,346	41,459	39.9%
FICA Replacement Benefits	51500	11,470	6,667	8,388	1,721	25.8%
Group Insurance Benefits	51600	142,462	63,137	77,127	13,990	22.2%
Employee Transportation Subsidy	51700	13,368	7,717	6,338	(1,379)	(17.9)%
Workers' Compensation	51800	4,658	1,969	2,296	327	16.6%
Other Post Employment Benefits	51850		34,247	39,923	5,676	16.6%
Board Stipends	51900					
Total Personnel Expenditures		1,427,808	736,978	909,922	172,944	23.5%
Services & Supplies Expenditures						
Travel In-State	52200	3,775	2,000	2,100	100	5.0%
Travel Out-of-State	52220	7,359	15,000	15,000		
Training & Education	52300	3,161				
Repair & Maintenance (Equipment)	52400		12,000	12,000		
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	92				
Equipment Rental	53100					
Rents & Leases	53200	1,893				
Professional Services & Contracts	53300	99,833	119,008	34,000	(85,008)	(71.4)%
General Insurance	53400					
Shop & Field Supplies	53500	450	4,080	4,000	(80)	(2.0)%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,000	20,000	20,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		118,563	172,088	87,100	(84,988)	(49.4)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		1,546,371	909,066	997,022	87,956	9.7%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Charles Knoderer	
Program Purpose:	
Provide independent performance evaluation services for the Air Monitoring Section and evaluate equipment and siting for air quality monitoring performed by industry and/or their consultants within the Air District's boundaries.	
Description of Program:	
The primary function of the Performance Evaluation (PE) Section is to ensure the accuracy of data collected throughout the Air District's air monitoring network. The PE Section is also responsible for audits and data evaluation of the H2S and SO2 ground level monitors (GLMs) and operation of H2S and SO2 mobile sampling units for odor complaint investigations and episodic sampling. Provide episodic ambient air-sampling after incidents at local refineries and chemical plants. Measure pollutants significant enough to cause wide-spread complaints.	
Justification of Change Request:	
Not Applicable	
Activities	
Conduct performance evaluation audits on ambient air monitoring equipment as required by EPA and California Air Resources Board (CARB) regulations, and create accuracy records for reporting to EPA.	
Conduct performance evaluation audits on industry SO2 and H2S GLMs and prepare summary reports of the audits.	
Conduct performance evaluation audits on non-criteria pollutant monitors and prepare summary reports of the audits.	
Participate in inter-agency performance evaluation program conducted by EPA and CARB at Air District sites.	
Perform source-oriented sampling and mobile monitoring during complaint, odor, and episode conditions to provide data required for enforcement action. Between incidents, maintain the instruments and vehicles, as needed.	
Participate in interdivisional teams working on improving Air District regulations and the Manual of Procedures, special studies and customer service.	
Major Objectives	Delivery Date
Maintain the directory of information on network drives for Air District access to all Quality Assurance (QA) data and activities.	Ongoing
Maintain criteria pollutant calibration standards and calibrators to meet EPA requirements.	Ongoing
Revise Standard Operating Procedures (SOPs) to reflect changes in procedures.	Ongoing

Air Monitoring Instrument Performance Evaluation

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		3	3	3		
Personnel Expenditures						
Permanent Salaries	51100	349,532	371,888	360,478	(11,410)	(3.1)%
Overtime Salaries	51150	603				
Temporary Salaries	51200					
Payroll Taxes	51300	5,422	5,281	5,107	(174)	(3.3)%
Pension Benefits	51400	75,034	82,993	83,974	981	1.2%
FICA Replacement Benefits	51500	3,879	5,857	5,780	(77)	(1.3)%
Group Insurance Benefits	51600	48,312	69,785	70,113	328	0.5%
Employee Transportation Subsidy	51700	4,220	6,781	4,368	(2,413)	(35.6)%
Workers' Compensation	51800	1,545	1,730	1,582	(148)	(8.6)%
Other Post Employment Benefits	51850		30,089	27,512	(2,577)	(8.6)%
Board Stipends	51900					
Total Personnel Expenditures		488,547	574,404	558,914	(15,490)	(2.7)%
Services & Supplies Expenditures						
Travel In-State	52200	17	455	455		
Travel Out-of-State	52220		2,500	2,500		
Training & Education	52300	319				
Repair & Maintenance (Equipment)	52400	2,714	6,400	6,400		
Communications	52500					
Building Maintenance	52600		11,250	11,250		
Utilities	52700	472				
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300		2,550	2,550		
General Insurance	53400					
Shop & Field Supplies	53500	5,270	16,535	16,535		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100		160	160		
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		8,792	39,850	39,850		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125		20,400	20,400		
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures			20,400	20,400		
Transfer In/Out						
Total Expenditures		497,339	634,654	619,164	(15,490)	(2.4)%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Charles Knoderer	
Program Purpose:	
Operate and maintain the Bay Area BioWatch network for the Federal Department of Homeland Security (DHS) in cooperation with the EPA.	
Description of Program:	
The BioWatch Monitoring Program consists of a network of sample collection units located throughout the Bay Area. Filter media are collected and replaced on a daily basis. Exposed filter housing are delivered to an outside laboratory for analysis. The network operates 24-hours a day, 365 days a year. This program is fully funded by a Department of Homeland Security grant and any budgetary changes were made to more accurately reflect the grant request.	
Justification of Change Request:	
All funding changes are covered by the DHS grant award.	
Activities	
Operate and maintain BioWatch collection sites to provide exposed filter media for laboratory analysis.	
Provide training and contract oversight for the BioWatch program.	
Implement Consequence Management Plan for the BioWatch program.	
Major Objectives	Delivery Date
Provide oversight of facilities and equipment.	Ongoing
Assure program requirements for computer entry, sampling, and filter delivery are met.	Ongoing
Assure impacted Air Monitoring and contractor staff are notified in the event of positive results.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	Program Budget	Program Budget		
	2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100	9,199	13,721	5,370	(8,351) (60.9)%
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300	148	198	75	(123) (62.1)%
Pension Benefits	51400	2,265	2,970	1,239	(1,731) (58.3)%
FICA Replacement Benefits	51500	108	184	119	(65) (35.3)%
Group Insurance Benefits	51600	1,343	1,065	962	(103) (9.7)%
Employee Transportation Subsidy	51700	116	213	91	(122) (57.3)%
Workers' Compensation	51800	41	54	33	(21) (38.9)%
Other Post Employment Benefits	51850		944	571	(373) (39.5)%
Board Stipends	51900				
Total Personnel Expenditures		13,220	19,349	8,460	(10,889) (56.3)%
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300	319			
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700		35,251	37,014	1,763 5.0%
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200	34,816	63,480	66,654	3,174 5.0%
Professional Services & Contracts	53300	1,160,952	1,246,788	1,302,521	55,733 4.5%
General Insurance	53400				
Shop & Field Supplies	53500		8,935	9,851	916 10.3%
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800		2,000	2,000	
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		1,196,087	1,356,454	1,418,040	61,586 4.5%
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures		1,209,307	1,375,803	1,426,500	50,697 3.7%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Jonathan P. Bower	
Program Purpose:	
Provide mobile, portable, and short-term air monitoring, develop and manage the Division's quality and data systems, support the development of required analytical and operational tools, and provide communication support for the Division.	
Description of Program:	
The Air Monitoring - Projects & Technology (AMPT) Section performs mobile, portable, and short-term air monitoring and sampling in support of various air monitoring projects. The section researches and develops tools, protocols, and procedures for testing and implementing air monitoring approaches to address a dynamic and growing list of uses cases, particularly at the community scale. AMPT is also responsible for oversight, maintenance, and development of regulatory and other data quality and data management systems. Major expenditures include air monitoring equipment and infrastructure, software development, hardware purchases and support, and telecommunications for remote air monitoring. This Section also supports and maintains data export facilities from the Data Management System.	
Justification of Change Request:	
For FYE 2022, to reflect a separation of Air Monitoring into Operations and Projects & Technology, the budget for Air Monitoring Projects & Technology was moved from Air Monitoring - Operations (Program Code 802) into this Program Code.	
Activities	
Maintain and develop regulatory and other air monitoring data management systems.	
Perform mobile, portable, and short term air monitoring in support of various projects and programs, including AB 617.	
Oversee and develop regulatory and other data quality systems.	
Research, develop, and evaluate emerging technologies, approaches, and procedures for air quality measurements.	
Provide technical feedback and project management of external air monitoring projects as needed.	
Major Objectives	Delivery Date
Maintain a robust Quality Assurance program for the Division.	Ongoing
Manage Data Management System(s) for data collected by the Division.	Ongoing
Implementation of community level screening and other monitoring projects in support of District programs, including AB 617.	Ongoing
Support the Air District's real-time air quality and meteorology web page.	Ongoing

		Approved		Proposed	FTE/Dollar	Percent
		Program Actuals	Program Budget	Program Budget	Change	Change
		2020	2021	2022	\$	%
Number of Positions (FTE)			2	8	6	300.0%
Personnel Expenditures						
Permanent Salaries	51100	62,102	243,501	974,972	731,471	300.4%
Overtime Salaries	51150			5,000	5,000	
Temporary Salaries	51200					
Payroll Taxes	51300	968	3,467	13,821	10,354	298.6%
Pension Benefits	51400	9,165	56,221	227,252	171,031	304.2%
FICA Replacement Benefits	51500	667	3,235	15,245	12,010	371.3%
Group Insurance Benefits	51600	8,242	37,052	135,183	98,131	264.8%
Employee Transportation Subsidy	51700	724	3,745	11,520	7,775	207.6%
Workers' Compensation	51800	274	955	4,172	3,217	336.9%
Other Post Employment Benefits	51850		16,617	72,562	55,945	336.7%
Board Stipends	51900					
Total Personnel Expenditures		82,142	364,793	1,459,727	1,094,934	300.2%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220			5,000	5,000	
Training & Education	52300	319		5,000	5,000	
Repair & Maintenance (Equipment)	52400					
Communications	52500	98,200	97,891	97,891		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	82,771				
Professional Services & Contracts	53300	2,143,660	144,641	2,459,641	2,315,000	1,600.5%
General Insurance	53400					
Shop & Field Supplies	53500	15,000	67,303	117,303	50,000	74.3%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	7,915	52,975	52,975		
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		2,347,865	363,310	2,738,310	2,375,000	653.7%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125			57,000	57,000	
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures				57,000	57,000	
Transfer In/Out						
Total Expenditures		2,430,007	728,103	4,255,037	3,526,934	484.4%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Katherine Hoag	
Program Purpose:	
Summarize, analyze, and interpret air quality measurement data, evaluate monitoring networks and approaches, and provide technical support to Air District Divisions and the public.	
Description of Program:	
The Air Quality Analysis Section's primary objective is to characterize regional and local air quality using observed meteorological and air quality data, including preparing air quality summaries, determining compliance with National or State standards, and analyzing long-term trends to assess progress. District air monitoring program support includes developing an annual summary of the Air District's fixed-site air monitoring network, and a long-term assessment of the network's effectiveness every five years. This section is also responsible for reviewing or designing studies to characterize local air quality and providing analyses to assist developing air quality improvement strategies. This section provides technical support to community-led air quality efforts and contributes to community capacity building efforts and other Community Health Protection Program work.	
Justification of Change Request:	
The Bay Air Center project was previously in the budget for Program Code 302 and was transferred to this Program Code (811).	
Activities	
Analyze measurement data to improve understanding of regional and local-scale air quality for routine reports or in support of Air District Divisions and the public.	
Evaluate regulatory ambient air monitoring network with respect to meeting Federal and State requirements or other Air District priorities, coordinate with US EPA on monitoring network modifications.	
Develop or review internal and external monitoring plans and/or air quality reports, including for NOA and DTSC mitigation projects.	
Provide technical support for community projects, including providing context to monitoring data and assisting community-based participatory research projects using air sensors.	
Air District coordinator for the Bay Air Center.	
Use observed air quality data to develop local-scale air quality assessments supporting AB 617 programs including community selection and informing emission or exposure reduction strategies or ongoing progress.	
Major Objectives	Delivery Date
Prepare Air Quality Data reports summarizing regional compliance with standards long-term trends, and community-level air quality assessments.	Ongoing
Prepare and submit Annual Air Monitoring Network Plan to EPA, CARB and the public.	Annually
Evaluate ambient monitoring network and seek EPA approval for changes as needed.	Ongoing
Complete exceptional event notifications or justification packages as needed, in coordination with CARB and EPA.	Ongoing
Public launch of Bay Air Center for independent technical support for communities.	September 2021
Support Richmond-San Pablo AB 617 Monitoring Plan implementation by preparing quarterly reports describing monitoring progress and results.	Ongoing
Support AB617-related activities, including capacity building in priority areas, technical support for District and CARB grants, priority community-scale air quality assessments, and community selection.	Ongoing

Ambient Air Quality Analysis

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)			4	4		
Personnel Expenditures						
Permanent Salaries	51100	3,411	580,402	634,652	54,250	9.3%
Overtime Salaries	51150		20,000	10,000	(10,000)	(50.0)%
Temporary Salaries	51200					
Payroll Taxes	51300	37	8,274	9,061	787	9.5%
Pension Benefits	51400	483	121,825	148,586	26,761	22.0%
FICA Replacement Benefits	51500	30	7,290	7,993	703	9.6%
Group Insurance Benefits	51600	367	61,712	72,880	11,168	18.1%
Employee Transportation Subsidy	51700	33	8,437	6,040	(2,397)	(28.4)%
Workers' Compensation	51800	15	2,153	2,188	35	1.6%
Other Post Employment Benefits	51850		37,442	38,046	604	1.6%
Board Stipends	51900					
Total Personnel Expenditures		4,376	847,535	929,446	81,911	9.7%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300		10,000	10,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500			500	500	
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300		7,400	108,000	100,600	1,359.5%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		3,000	1,500	(1,500)	(50.0)%
Stationery & Office Supplies	53900		500	2,500	2,000	400.0%
Books & Journals	54100		1,500	1,000	(500)	(33.3)%
Minor Office Equipment	54200					
Total Services & Supplies Expenditures			22,400	123,500	101,100	451.3%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		4,376	869,935	1,052,946	183,011	21.0%

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Special Revenue Fund
Program Narratives and Expenditure Details

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

SPECIAL REVENUE FUND

The Air District's Special Revenue also works to support the Air District's mission of improving air quality, protecting public health, and protecting the global climate. The Special Fund revenue is principally derived from state and federal agency grants (e.g., from the California Air Resources Board and US Environmental Protection Agency), Department of Motor Vehicle Registration fees, settlement agreements, environmental mitigation fees, bond-sales, and the Bay Area Clean Air Foundation.

The Air District uses monies from these revenue sources to fund a variety of programs and projects that complement its regulatory and enforcement activities: grant and incentive programs for public agencies businesses, community groups, and residents, community outreach and engagement efforts, air quality monitoring and analysis, commuter benefits and Spare the Air programs, mobile source and anti-idling enforcement activities, and others. Air District staff administrative costs related to the implementation of Air District sponsored projects and programs are mainly provided for by the revenue source. A list of the main sources of revenue is listed below and a description of the programs funded by these sources is found in the section that follows:

- Transportation Fund for Clean Air (TFCA)
- Mobile Source Incentive Fund (MSIF)
- Carl Moyer Program (CMP)
- Community Air Protection Program (CAPP)
- Volkswagen Environmental Mitigation Trust (VW Trust)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- US Environmental Protection Agency
- California Air Resources Board
- CALTRANS/ Congestion Mitigation and Air Quality Improvement (CMAQ)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- California Goods Movement I-Bond (CGMB)

Special Revenue Fund

Communication Division

The Communications Office coordinates all agency media outreach, Air District messaging, crisis communications, media relations as well as print, digital and social media outreach for the Air District. The Office provides media and public outreach about the Air District's programs, operations and emergency response.

The Office manages advertising and outreach for Spare the Air, the Employer Program, and the Commuter Benefits Program. The Office oversees the Air District and Spare the Air social media sites, strategies and programs. The Office maintains the Spare the Air website and related sites and the Spare the Air mobile apps. The Office represents the Air District at community events for Spare the Air throughout the region.

Office functions include production of publications and digital collateral for the general public and target audiences. This includes publishing newsletters, the annual report, videos and collateral materials. The Office also provides and oversees graphic design services, social media content creation, translation services and videography. The Office also provides Air District presentations and tours for international delegations, organizations and school groups.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Communications Office	
Contact Person:	
Kristina Chu	
Program Purpose:	
The Spare the Air program encourages the public to reduce their driving, a major source of Bay Area air pollution, and promotes the use of remote work, public transit, biking, walking, carpooling, trip reduction and other behavior changes that reduce pollution from automobiles. The program provides outreach to employers/employees for the Spare the Air Employer and Commuter Benefits Programs. Employers are targeted specifically due to their significant influence on the commute behaviors of their employees.	
Description of Program:	
The Spare the Air program works with the public to reduce air pollution by promoting employer commute programs and making clean air choices including remote work, taking public transportation, using electric vehicles, ridesharing and trip linking; this program complements Program 305. Funds will be used for electronic notification systems, employer outreach, partnerships and Commuter Benefits Program outreach, as well as staff time associated with the Spare the Air programs and grass roots education.	
Justification of Change Request:	
Budget increase to cover costs of streamlining Spare the Air program, app re-design and website updates.	
Activities	
Prepare and issue media releases, respond to media inquiries and plan employer workshops and events.	
Promote employer transportation programs to reduce the number of single occupancy vehicles commuting to work.	
Support Resource Team activities, projects and promotions.	
Manage and update program websites as well as social media sites such as Twitter, Pinterest and Facebook.	
Provide public outreach at employer events throughout the Bay Area.	
Notify the media and employers of Spare the Air Alerts through AirAlerts, press releases, websites, apps and social media sites.	
Manage employer outreach & advertising campaign.	
Provide outreach to employers, in concert with MTC, for the Commuter Benefits Program.	
Conduct employer opinion surveys to evaluate Spare the Air program and measure behavior change.	
Inform employees about commuter incentive programs and individual choices to reduce air pollution.	
Provide overview of campaign to the Administrative Committee and Board of Directors.	
Major Objectives	Delivery Date
Coordinate Air District presence at public events, including community events and fairs.	Ongoing
Develop video podcasts, video news releases / statements, displays and infographics for Employer Program and Commuter Benefits Program / events.	Ongoing
Add new visualization, app integration and other features to improve user experience on sparetheair.org website	Ongoing
Manage Spare the Air Employer Program.	Ongoing
Conduct employer workshops and develop employer outreach materials, webinars and website information for new employer commute incentives rule.	Ongoing
Support Air Quality Resource Teams.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		2.90	3.83	3.72	(0.11)	(2.87)
Personnel Expenditures						
Permanent Salaries	51100	323,465	445,225	436,960	(8,265)	(1.86)
Overtime Salaries	51150	76,445				
Temporary Salaries	51200	10,891				
Payroll Taxes	51300	5,014	6,320	6,191	(129)	(2.04)
Pension Benefits	51400	68,019	98,386	101,798	3,412	3.47
FICA Replacement Benefits	51500	3,551	7,263	6,984	(279)	(3.84)
Group Insurance Benefits	51600	44,071	68,325	66,144	(2,181)	(3.19)
Employee Transportation Subsidy	51700	3,884	8,408	5,277	(3,131)	(37.24)
Workers' Compensation	51800	1,429	2,145	1,911	(234)	(10.91)
Other Post Employment Benefits	51850		37,310	33,242	(4,068)	(10.90)
Board Stipends	51900					
Total Personnel Expenditures		536,769	673,382	658,507	(14,875)	(2.21)
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800	6,901		5,000	5,000	
Printing & Reproduction	52900	497	15,000	15,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	1,220,561	1,305,000	1,338,000	33,000	2.53
General Insurance	53400					
Shop & Field Supplies	53500	125				
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		1,228,084	1,320,000	1,358,000	38,000	2.88
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		275,689	303,022	296,328	(6,694)	(2.21)
Total Expenditures		2,040,542	2,296,404	2,312,835	16,431	0.72

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Special Revenue Fund

Strategic Incentive Division

The Strategic Incentives Division administers grant programs to facilitate the execution of projects and programs focused primarily on the reduction of emissions from mobile sources in the Bay Area. The primary grant programs include the Transportation Fund for Clean Air (TFCA), the Carl Moyer Program (CMP), the Mobile Source Incentive Fund (MSIF), the Lower-Emission School Bus Program (LESBP), in addition to other miscellaneous grant programs. These programs support the implementation of transportation and mobile source measures, as well as other incentive-based initiatives that improve air quality in the region. In FYE 2022 the Strategic Incentives Division will administer more than \$100 million in new grant revenue funds.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Alona Davis	
Program Purpose:	
Administration of the Carl Moyer Program (CMP), which provides grants to businesses and public agencies for projects that reduce emissions from primarily heavy-duty engines.	
Description of Program:	
<p>The Air District has participated in the CMP, in cooperation with the California Air Resources Board (CARB), since the program began in 1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible projects include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, and infrastructure that supports clean technologies. Air District staff conducts outreach and solicits grant applications, reviews the grant applications according to established criteria, recommends allocation of the funding, monitors progress in implementing funded projects, and reports on the use of funds. The Air District is awarded approximately \$10 million in CMP funds annually.</p> <p>The Air District also received funding from CARB from the Community Air Quality Protection (CAP) Grant Program and the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program, under which grant funding is primarily administered through the CMP and Proposition 1B Goods Movement Program. Since 2017, funds included \$118 million from CAP and \$4.2 million from FARMER over each program's last three funding cycles.</p>	
Justification of Change Request:	
Increased expenditure to address the program administrative needs for managing increased revenue.	
Activities	
Develop policies and procedures for the administration of the CMP.	
Conduct outreach to interested parties and provide application assistance.	
Evaluate grant applications for eligibility with CMP guidelines.	
Prepare grant award recommendations and coordinate the execution of funding agreements for the selected projects.	
Monitor, inspect, and audit current and previously funded programs and projects to assure compliance with State and District guidelines, policies, and statutory and regulatory requirements.	
Prepare and submit reports to CARB on the implementation of the CMP.	
Prepare technical, financial, and staff reports.	
Major Objectives	Delivery Date
Finalize policies and procedures for the new CMP funding cycle, consistent with CARB guidelines.	July 2021
Open up a solicitation for the new CMP funding cycle.	August 2021
Evaluate grant applications and prepare grant award recommendations for Board of Directors approval.	Ongoing
Issue funding agreements (contracts) for CMP grants awarded.	Ongoing
Submit annual reports to CARB on the District's implementation of the CMP (annually) and CAP and FARMER (semi-annually).	Annually
Process payments, review project reports, inspect and close out on-going projects.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		9	11	19	8	72.7
Personnel Expenditures						
Permanent Salaries	51100	1,063,186	1,304,746	2,271,087	966,341	74.06
Overtime Salaries	51150	52				
Temporary Salaries	51200	10,723				
Payroll Taxes	51300	16,424	18,523	32,272	13,749	74.23
Pension Benefits	51400	205,595	280,794	529,237	248,443	88.48
FICA Replacement Benefits	51500	11,654	20,721	35,867	15,146	73.09
Group Insurance Benefits	51600	144,929	182,483	353,206	170,723	93.56
Employee Transportation Subsidy	51700	13,126	23,985	27,104	3,119	13.00
Workers' Compensation	51800	4,698	6,120	9,816	3,696	60.39
Other Post Employment Benefits	51850		106,437	170,720	64,283	60.40
Board Stipends	51900					
Total Personnel Expenditures		1,470,387	1,943,809	3,429,309	1,485,500	76.42
Services & Supplies Expenditures						
Travel In-State	52200	1,382	4,000	12,000	8,000	200.00
Travel Out-of-State	52220		3,000	9,000	6,000	200.00
Training & Education	52300		1,500	10,000	8,500	566.67
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		2,000	2,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	55,424	334,700	285,477	(49,223)	(14.71)
General Insurance	53400					
Shop & Field Supplies	53500	650	2,000	2,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		1,000	10,000	9,000	900.00
Stationery & Office Supplies	53900	216	600	600		
Books & Journals	54100		200	200		
Minor Office Equipment	54200		1,000		(1,000)	(100.00)
Total Services & Supplies Expenditures		57,672	350,000	331,277	(18,723)	(5.35)
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out	70005	755,201				
Total Expenditures		2,283,260	2,293,809	3,760,586	1,466,777	63.95

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Minda Berbeco	
Program Purpose:	
Administer motor vehicle registration fee surcharge revenues to reduce on-road vehicle emissions.	
Description of Program:	
<p>In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within its jurisdiction to fund projects that reduce on-road motor vehicle emissions. The Air District allocates these funds to eligible projects through its Transportation Fund for Clean Air (TFCA) program and a portion of the funds collected are expended for administrative purposes. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. Sixty percent of the funds are awarded directly by the Air District for eligible Air District programs (e.g., Spare the Air) and through the TFCA Regional Fund program. The remaining 40% are forwarded to the nine designated Bay Area county transportation agencies and distributed through the County Program Manager Fund program.</p> <p>The TFCA provides grants to reduce emissions of criteria pollutants through trip reduction projects and clean-air vehicle-based projects.</p>	
Justification of Change Request:	
Not applicable.	
Activities	
Prepare recommendations for updates to program policies for consideration by the Board of Directors; update program guidance and administrative operating procedures; and develop solicitation packages and conduct outreach.	
Review and evaluate project applications to determine their eligibility, and prepare recommendations for award of eligible projects for approval by the Board of Directors.	
Prepare contracts, amendments, and correspondence; review progress reports, inspect, and audit programs and projects to assure compliance with District policies and statutory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare technical, financial, and staff reports and attend meetings.	
Major Objectives	Delivery Date
Complete updates to the FYE 2023 County Program Manager policies for Board of Directors consideration and distribute guidance and application package to Program Managers	December 2021
Obtain Board of Director approval of proposed FYE 2023 expenditure reports and execute funding agreements with the nine County Program Managers.	June 2022
Open solicitations for FYE 2022 Regional Fund; conduct outreach, review applications, and obtain Board of Directors approval for eligible projects; and execute agreements with grantees.	Ongoing
Prepare FYE 2021 TFCA Report on Regional Fund Expenditures and Effectiveness.	December 2021
Conduct audit of TFCA funded projects and programs completed by 12/31/20	December 2021

Transportation Fund for Clean Air Administration (TFCA)

308

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		8	5	4	(1)	(20.0)
Personnel Expenditures						
Permanent Salaries	51100	880,218	601,647	443,393	(158,254)	(26.30)
Overtime Salaries	51150	3,015	5,000		(5,000)	(100.00)
Temporary Salaries	51200					
Payroll Taxes	51300	13,588	8,559	6,319	(2,240)	(26.17)
Pension Benefits	51400	154,227	129,770	103,340	(26,430)	(20.37)
FICA Replacement Benefits	51500	9,616	9,741	6,959	(2,782)	(28.56)
Group Insurance Benefits	51600	119,476	79,670	64,698	(14,972)	(18.79)
Employee Transportation Subsidy	51700	12,177	11,276	5,259	(6,017)	(53.36)
Workers' Compensation	51800	3,890	2,877	1,905	(972)	(33.79)
Other Post Employment Benefits	51850		50,037	33,123	(16,914)	(33.80)
Board Stipends	51900					
Total Personnel Expenditures		1,196,207	898,577	664,996	(233,581)	(25.99)
Services & Supplies Expenditures						
Travel In-State	52200	3,647	13,900	22,000	8,100	58.27
Travel Out-of-State	52220	3,784	14,400	75,000	60,600	420.83
Training & Education	52300	2,365	16,500	16,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,964	2,000	2,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	1,404	2,000	2,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	75,783	425,860	371,597	(54,263)	(12.74)
General Insurance	53400					
Shop & Field Supplies	53500		3,500	3,500		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	250	13,000	24,000	11,000	84.62
Stationery & Office Supplies	53900	594	3,000	3,000		
Books & Journals	54100		440	440		
Minor Office Equipment	54200		400	400		
Total Services & Supplies Expenditures		89,791	495,000	520,437	25,437	5.14
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out	70005	2	1,875,041	504,252	(1,370,789)	(73.11)
Total Expenditures		1,286,000	3,268,618	1,689,685	(1,578,933)	(48.31)

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Minda Berbeco	
Program Purpose:	
Administer funding from motor vehicle surcharge revenues, authorized by AB 923, for emission reduction projects.	
Description of Program:	
<p>Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge for motor vehicles within the Air District's jurisdiction up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF).</p> <p>MSIF funds can be allocated to the following eligible projects and programs, according to established criteria: the Lower-Emission School Bus Program, a passenger vehicle retirement program, projects eligible for Carl Moyer Program funds, and selected agricultural projects. Staff recommends funding allocations to eligible projects and programs for approval by the Board of Directors, monitors progress in implementing funded projects, reports on the use of the funds, and coordinates verification of requirements compliance. This program also includes assessment of mobile source and transportation technologies and programs in support of the grant-making function.</p>	
Justification of Change Request:	
None.	
Activities	
Recommend funding allocations to the Board of Directors.	
Conduct outreach to interested parties and provide application assistance.	
Evaluate grant applications for eligibility with applicable guidelines.	
Conduct inspections of the baseline and funded project equipment.	
Prepare grant award recommendations and coordinate the execution of funding agreements for the selected projects.	
Administer and monitor projects that have been awarded grants.	
Prepare and submit reports to the California Air Resources Board (CARB) on the expenditure of MSIF funds.	
Monitor, inspect, and audit current and previously funded programs and projects to assure compliance with State and District guidelines, policies, and statutory and regulatory requirements.	
Prepare technical, financial, and staff reports.	
Major Objectives	Delivery Date
Report MSIF expenditures to CARB.	August 2021
Define allocation of available funds to eligible projects and programs.	March 2022
Conduct outreach, and solicit project applications.	Ongoing
Obtain Board of Directors approval of project recommendations.	Ongoing
Prepare and coordinate execution of funding agreements.	Ongoing
Process payments, review project reports, inspect and close out on-going projects.	Ongoing
Monitor the progress of funded projects.	Ongoing

Mobile Source Incentive Fund (MSIF)

310

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)			3	2	(1)	(33.3)
Personnel Expenditures						
Permanent Salaries	51100	123,680	288,146	245,063	(43,083)	(14.95)
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	1,942	4,082	3,493	(589)	(14.43)
Pension Benefits	51400	30,589	60,819	57,225	(3,594)	(5.91)
FICA Replacement Benefits	51500	1,388	4,700	3,525	(1,175)	(25.00)
Group Insurance Benefits	51600	17,310	44,490	33,887	(10,603)	(23.83)
Employee Transportation Subsidy	51700	1,590	5,440	2,664	(2,776)	(51.03)
Workers' Compensation	51800	547	1,388	965	(423)	(30.48)
Other Post Employment Benefits	51850		24,142	16,780	(7,362)	(30.49)
Board Stipends	51900					
Total Personnel Expenditures		177,046	433,207	363,602	(69,605)	(16.07)
Services & Supplies Expenditures						
Travel In-State	52200		8,000	8,000		
Travel Out-of-State	52220					
Training & Education	52300	246	5,000	5,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		3,000	3,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300		38,300	38,301	1	
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	1,713	4,000	4,000		
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100		200	200		
Minor Office Equipment	54200		1,000	1,000		
Total Services & Supplies Expenditures		1,959	60,000	60,001	1	
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		90,931	26,358	163,626	137,268	520.78
Total Expenditures		269,936	519,565	587,229	67,664	13.02

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Minda Berbeco	
Program Purpose:	
Accelerate the removal of high-emitting vehicles from the on-road motor vehicle fleet within the District's jurisdiction.	
Description of Program:	
The program removes high-emitting motor vehicles from the region's roadways by purchasing and scrapping eligible vehicles from registered owners on a voluntary basis.	
Justification of Change Request:	
No change.	
Activities	
Implement procurement process for vehicle scrapping services.	
Oversee contractor's purchase and scrapping of vehicles.	
Respond to inquiries regarding Vehicle Buy-Back Program.	
Implement procurement process for direct mail campaign services.	
Oversee contractor's direct mailings.	
Acquire and update Department of Motor Vehicles (DMV) database used for direct mail annually.	
Develop and update Vehicle Buy-Back outreach materials.	
Conduct site visits of dismantling yards and dismantler offices.	
Manage suppression list and update DMV database.	
Review and approve scrapping contractor invoices.	
Review and approve direct mail contractor invoices.	
Major Objectives	Delivery Date
Implement the Vehicle Buy-Back program, monitor contractor performance, review/ pay program invoices.	Ongoing
Report program expenditures to the California Air Resources Board (CARB)	June 2022

Vehicle Buy Back (MSIF)

312

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)			1	1		
Personnel Expenditures						
Permanent Salaries	51100	3,233	127,112	85,994	(41,118)	(32.35)
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	60	1,793	1,211	(582)	(32.46)
Pension Benefits	51400	3,458	28,091	19,918	(8,173)	(29.09)
FICA Replacement Benefits	51500	44	2,440	1,715	(725)	(29.71)
Group Insurance Benefits	51600	573	17,259	14,048	(3,211)	(18.60)
Employee Transportation Subsidy	51700	46	2,824	1,296	(1,528)	(54.11)
Workers' Compensation	51800	14	720	469	(251)	(34.86)
Other Post Employment Benefits	51850		12,530	8,163	(4,367)	(34.85)
Board Stipends	51900					
Total Personnel Expenditures		7,428	192,769	132,814	(59,955)	(31.10)
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	3,468,920	7,200,000	7,200,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		3,468,920	7,200,000	7,200,000		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		3,815	86,746	49,125	(37,621)	(43.37)
Total Expenditures		3,480,163	7,479,515	7,381,939	(97,576)	(1.30)

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Chengfeng Wang	
Program Purpose:	
Administer new, one-time pass through, sources of funding to implement emissions reductions projects	
Description of Program:	
Each year the Air District receives grant revenues from sources such as the Bay Area Clean Air Foundation, State of California, Federal government, and settlement agreements that augment and complement funding from its other perennial sources of funding. Grant funding from these sources is often awarded to the District through a competitive solicitation process that results in funding that can be used to support specific projects for a limited and specified period (e.g., 1 to 2 years).	
Justification of Change Request:	
None.	
Activities	
Develop policies and guidelines, issue calls for projects, conduct workshops, attend meetings, and outreach to potential project sponsors.	
Review, evaluate and rank project applications to determine their eligibility and award amount, and prepare associated project documents (contracts, letters, reports, and communications).	
Prepare recommendations for award of eligible projects for approval by the Air District's Board of Directors.	
Monitor, inspect, and audit funded programs and projects to assure compliance of applicable grant agreements, guidelines, policies, and statutory and regulatory requirements.	
Review progress reports, process reimbursement requests, and ensure project files are complete and up to date.	
Prepare technical, financial, and staff reports.	
Major Objectives	Delivery Date
Develop policies and guidelines, issue calls for projects, conduct workshops, attend meetings, and outreach to potential project sponsors.	Ongoing
Review and evaluate applications, prepare recommendations for award of eligible projects, prepare associated project documents (contracts, letters, reports, and communications).	Ongoing
Monitor, inspect, and audit funded programs and projects; review progress reports, process reimbursement requests, and ensure project files are complete and up to date; and prepare technical, financial, and staff reports.	Ongoing

Miscellaneous Incentive Program (Other Grant)

316

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		1				
Personnel Expenditures						
Permanent Salaries	51100	105,458	63,397	13,731	(49,666)	(78.34)
Overtime Salaries	51150	882				
Temporary Salaries	51200					
Payroll Taxes	51300	1,630	902	194	(708)	(78.49)
Pension Benefits	51400	21,749	13,504	3,194	(10,310)	(76.35)
FICA Replacement Benefits	51500	1,152	934	233	(701)	(75.05)
Group Insurance Benefits	51600	14,236	8,961	2,580	(6,381)	(71.21)
Employee Transportation Subsidy	51700	1,293	1,081	176	(905)	(83.72)
Workers' Compensation	51800	469	276	64	(212)	(76.81)
Other Post Employment Benefits	51850		4,795	1,110	(3,685)	(76.85)
Board Stipends	51900					
Total Personnel Expenditures		146,869	93,850	21,282	(72,568)	(77.32)
Services & Supplies Expenditures						
Travel In-State	52200		6,300	6,300		
Travel Out-of-State	52220		6,300	6,300		
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	43,494				
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		43,494	12,600	12,600		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		46,944				
Total Expenditures		237,307	106,450	33,882	(72,568)	(68.17)

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Minda Berbeco	
Program Purpose:	
The purpose of this program is to protect public health by reducing emissions associated with goods movement activities.	
Description of Program:	
In 2007, the California State Legislature enacted Senate Bill 88 authorizing \$1 billion in bond funding over four years for projects to protect public health from emissions associated with goods movement activities. In FYE 2022 staff will continue administration of the Year 5 round of program funding, monitor progress in implementing funded projects, work to ensure projects are completed as required, disburse grant funds by the specified deadlines, and report on project status and use of funds.	
Justification of Change Request:	
Not applicable.	
Activities	
Develop policies and procedures for the administration of the Goods Movement Bond Program (GMP).	
Conduct outreach to interested parties and provide application assistance.	
Evaluate grant applications for eligibility with GMP guidelines.	
Conduct inspections of the baseline and funded project equipment.	
Prepare grant award recommendations and coordinate the execution of funding agreements for the selected projects.	
Administer and monitor projects that have been awarded GMP grants.	
Prepare and submit reports to the California Air Resources Board (CARB) on the implementation of the GMP.	
Monitor, inspect, and audit current and previously funded programs and projects to assure compliance with State and Air District guidelines, policies, and statutory and regulatory requirements.	
Prepare technical, financial, and staff reports.	
Major Objectives	Delivery Date
Monitor Year 5 projects, ensure projects are completed and paid on schedule.	June 2022
Conduct project inspections, review applications, and prepare reports for submittal to CARB.	June 2022
Monitor the performance of previously funded GMP projects.	Ongoing

		Approved		Proposed	FTE/Dollar	Percent
		Program Actuals	Program Budget	Program Budget	Change	Change
		2020	2021	2022	\$	%
Number of Positions (FTE)			1	1		
Personnel Expenditures						
Permanent Salaries	51100	29,195	104,132	123,006	18,874	18.13
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	424	1,481	1,761	280	18.91
Pension Benefits	51400	6,798	22,552	28,713	6,161	27.32
FICA Replacement Benefits	51500	313	1,595	1,799	204	12.79
Group Insurance Benefits	51600	3,903	15,526	18,345	2,819	18.16
Employee Transportation Subsidy	51700	557	1,846	1,359	(487)	(26.38)
Workers' Compensation	51800	129	471	492	21	4.46
Other Post Employment Benefits	51850		8,193	8,562	369	4.50
Board Stipends	51900					
Total Personnel Expenditures		41,319	155,796	184,037	28,241	18.13
Services & Supplies Expenditures						
Travel In-State	52200		2,000	2,000		
Travel Out-of-State	52220					
Training & Education	52300		1,500	1,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700	214				
Postage	52800					
Printing & Reproduction	52900		500	500		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	1,148	65,500	30,000	(35,500)	(54.20)
General Insurance	53400					
Shop & Field Supplies	53500		3,000	3,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		1,500	1,500		
Stationery & Office Supplies	53900		1,000	1,000		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		1,362	75,000	39,500	(35,500)	(47.33)
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		21,222	19,204		(19,204)	(100.00)
Total Expenditures		63,903	250,000	223,537	(26,463)	(10.59)

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Chengfeng Wang	
Program Purpose:	
The purpose of this program is to administer the Volkswagen Environmental Mitigation Trust funds to mitigate the lifetime excess oxides of nitrogen (NOx) emissions caused by VW's use of an illegal defeat device in the State of California.	
Description of Program:	
On May 25, 2018, the California Air Resources Board (CARB) approved the Volkswagen Environmental Mitigation Trust (VW Trust) Beneficiary Mitigation Plan and approved the selection of the Bay Area Air District to administer Trust funding on a statewide-basis for the zero-emission freight and marine and the light-duty zero emission vehicle infrastructure categories.	
CARB is the designated Lead Agency acting on the State's behalf as beneficiary to implement California's \$423 million in VW Trust funds for eligible project categories, including \$77 million to fund zero-emission freight and marine projects, such as forklifts and port cargo handling equipment, airport ground support equipment, oceangoing vessel shore power, zero-emission ferry, tugboat, and towboat repowers, and \$11 million to fund light-duty electric vehicle charging and hydrogen fueling infrastructure projects.	
In FYE 2022 staff will work with CARB and other air districts to update the Implementation Manual, issue project solicitations, evaluate project applications, recommend award for funding, execute contracts with grantees, monitor project progress, and report the use of funds, conduct public outreach, maintain a Program website and a grants management system.	
Justification of Change Request:	
Activities	
Develop program solicitation package and open the solicitation.	
Conduct outreach, workgroup meetings, webinars.	
Maintain grants management system.	
Maintain program website and program hotline.	
Evaluate applications and prepare recommendations for awards.	
Contract with selected grantees.	
Inspect and monitor projects.	
Review project invoices and process payments.	
Prepare and submit funding disbursement requests and reports to CARB.	
Update Program Implementation Manual.	
Major Objectives	Delivery Date
Conduct program development for each solicitation cycle	Ongoing
Conduct outreach and workgroup meetings	Ongoing
Maintain grants management system, program website and hotline	Ongoing
Evaluate project applications, recommend award for funding, execute contracts with grantees, monitor project progress, review reimbursement request and process payments	Ongoing
Submit reports and funding disbursement requests to CARB	Ongoing
Update Program Implementation Manual as needed	Ongoing

Vehicle Mitigation (VW Trust)

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		2	4	3	(1)	(25.0)
Personnel Expenditures						
Permanent Salaries	51100	282,406	521,324	450,222	(71,102)	(13.64)
Overtime Salaries	51150	2,668				
Temporary Salaries	51200					
Payroll Taxes	51300	4,235	7,412	6,449	(963)	(12.99)
Pension Benefits	51400	35,687	111,819	105,070	(6,749)	(6.04)
FICA Replacement Benefits	51500	2,972	7,975	6,658	(1,317)	(16.51)
Group Insurance Benefits	51600	36,969	83,067	66,071	(16,996)	(20.46)
Employee Transportation Subsidy	51700	3,721	9,231	5,031	(4,200)	(45.50)
Workers' Compensation	51800	1,245	2,355	1,822	(533)	(22.63)
Other Post Employment Benefits	51850		40,964	31,692	(9,272)	(22.63)
Board Stipends	51900					
Total Personnel Expenditures		369,903	784,147	673,015	(111,132)	(14.17)
Services & Supplies Expenditures						
Travel In-State	52200		27,600	27,600		
Travel Out-of-State	52220					
Training & Education	52300					
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	73,392	352,400	147,400	(205,000)	(58.17)
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		73,392	380,000	175,000	(205,000)	(53.95)
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		189,986	352,866	302,857	(50,009)	(14.17)
Total Expenditures		633,281	1,517,013	1,150,872	(366,141)	(24.14)

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Special Revenue Fund

Technology Implementation Division (TIO)

The Technology Implementation Office (TIO) mission is to advance emerging, cost-effective solutions to achieve greenhouse gas emissions reductions for the transportation and industrial source sectors. TIO will connect climate technologies and customers by providing financial incentives (through grants and loans) as well as technical and matchmaking support. Climate technology areas include zero emissions vehicles and infrastructure, zero emissions energy storage and backup systems, composting, and waste-to-energy projects (co-digestion, waste treatment, anaerobic digestion, combined heat and power). By supporting the scale-up of climate technologies, TIO can help achieve state and regional greenhouse gas emissions targets, reduce emissions in impacted communities, while also making technologies cost-effective even in regions without strong climate policies.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Technology Implementation Office	
Contact Person:	
Anthony Fournier	
Program Purpose:	
Administer funding, outreach, and planning to accelerate the adoption of light-duty (passenger) electric vehicles (EVs) and EV infrastructure in the Bay Area.	
Description of Program:	
The Air District's 2017 Clean Air Plan established a goal of 90% of Bay Area vehicles being zero emissions by 2050. To support this goal, this program incentives publicly available charging infrastructure, vehicle fleets, and electric vehicles for low-income consumers. This program includes the Charge! program for EV infrastructure, Clean Fleets for light-duty vehicle fleets, and the Clean Cars For All program for income-eligible residents in impacted communities. To complement and increase utilization of the incentives programs, this program also includes outreach, regional coordination, and planning to remove potential barriers and accelerate EV deployment throughout the Bay Area.	
Justification of Change Request:	
Grant funding from the California Air Resources Board and Federal Highway Administration to expand incentives for income-eligible consumers (ARB) and support outreach, partnerships, and planning (FHWA).	
Activities	
Administer grant programs, including updating policies and guidelines, conducting outreach, preparing program documents and communications, processing reimbursement requests, tracking project status, and conducting audits, for Charge!, Clean Fleets, and Clean Cars For All.	
Organize and participate in workgroups and events to increase awareness about EVs, support deployment, sharing best practices, and regional coordination.	
Conduct analyses and planning to inform Air District strategy and programs.	
Prepare technical, financial, and staff reports.	
Major Objectives	Delivery Date
Complete awards for the Clean Cars For All program, including outreach to eligible communities and residents.	June 2022
Complete cycle of Charge! Program on online grant management system.	June 2022
Develop implementation tools based on Bay Area EV Acceleration Plan	June 2022
Organize quarterly Bay Area EV Coordinating Council meetings	Ongoing

Light Duty Electric Vehicle Program (Other Grant)

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2020	2021	2022	\$	%
Number of Positions (FTE)		5	6	8	2	33.3
Personnel Expenditures						
Permanent Salaries	51100	600,619	645,158	895,463	250,305	38.80
Overtime Salaries	51150	13,726	2,000	2,000		
Temporary Salaries	51200	21,224		15,000	15,000	
Payroll Taxes	51300	9,223	9,146	12,697	3,551	38.83
Pension Benefits	51400	113,212	143,991	208,582	64,591	44.86
FICA Replacement Benefits	51500	6,544	10,339	14,407	4,068	39.35
Group Insurance Benefits	51600	81,290	81,960	144,145	62,185	75.87
Employee Transportation Subsidy	51700	7,135	11,967	10,886	(1,081)	(9.03)
Workers' Compensation	51800	2,654	3,054	3,943	889	29.11
Other Post Employment Benefits	51850		53,107	68,571	15,464	29.12
Board Stipends	51900					
Total Personnel Expenditures		855,627	960,722	1,375,694	414,972	43.19
Services & Supplies Expenditures						
Travel In-State	52200	2,718	9,000	7,500	(1,500)	(16.67)
Travel Out-of-State	52220		7,000	4,500	(2,500)	(35.71)
Training & Education	52300	4,958	10,000	8,500	(1,500)	(15.00)
Repair & Maintenance (Equipment)	52400					
Communications	52500	946	2,000	2,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	509				
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	528,932	540,000	650,000	110,000	20.37
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		3,000	3,000		
Stationery & Office Supplies	53900	227				
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		538,290	571,000	675,500	104,500	18.30
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures						
Transfer In/Out		244,430				
Total Expenditures		1,638,347	1,531,722	2,051,194	519,472	33.91

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2024

Special Revenue Fund

Compliance and Enforcement

The Compliance & Enforcement Division ensures the Air District will realize the emission reductions achieved by the air quality regulations adopted by the Board of Directors, and permit conditions issued by the Executive Officer/APCO. Compliance with Air District, state, and federal regulations is achieved through a robust Compliance Assurance and Enforcement Program that includes comprehensive inspections and investigations and a complementary Compliance Assistance Program that supports compliance objectives of the Division by maintaining operations and assisting industry with air quality regulations and requirements. The Division works closely with local and state regulatory agencies, regulated industry and members of the community to provide the highest level of service to protect air quality and public health. The Division implements Air District strategies and enforces regulations that pertain to stationary sources, and has some mobile source enforcement authority in collaboration with the California Air Resources Board. Division priorities include conducting Title V and Synthetic Minor facility inspections, locating unpermitted sources of operations, resolving violations at facilities with ongoing non-compliance and responding to and investigating air quality complaints. Staff work collaboratively across Divisions to achieve the Air District's mission and apply the appropriate level of enforcement proportional to the level of non-compliance. The Division vigorously pursues violators who show a disregard for the law and well-being of the public and ensures corrective actions and measures to resolve violations are taken.

The Compliance and Enforcement Division continues to focus on activities that support the Air District's commitment to achieve clean air to protect public health and the environment as follows:

The Compliance Assurance and Enforcement Programs focus on announced and unannounced inspections of air pollution sources to ensure compliance. Targeted strategies are used to guide inspections to identify non-compliance and reduce excess emissions. Sources include: Title V and Synthetic Minors facilities, petroleum refineries, chemical plants, dry cleaners, gasoline dispensing facilities, autobody shops, asbestos renovations and demolitions, agricultural and prescribed burning, and other permitted sources. Other facets of the program requiring Division resources include investigations of Title V deviation reporting, Reportable Compliance Activities, and other inspections pertaining to the Portable Equipment Registration Program (PERP), Asbestos projects (renovations, demolitions and naturally occurring asbestos – NOA), compliance determinations for State Air Toxics Control Measures (ATCMs) and Federal Maximum Available Control Technology (MACTs) for air toxics. Air pollution complaints and incident response and investigations are a high priority in the Division that aim to address and resolve air quality concerns of local communities.

The Compliance Assistance Program develops outreach materials, advisories, policies and procedures and guidance information and implements compliance strategies that complement a wide range of enforcement efforts. The program aims to enhance industry and public understanding of compliance and enforcement programs and regulatory requirements, address compliance concerns and assist in resolving air quality violations. Key programs and projects in Compliance Assistance and Operations include the Air District's Wood Smoke Reduction Program, Air Quality Complaint Program, AB617 Community Health Protection Program in West Oakland and Richmond/San Pablo, Wildfire Air Quality Response Program, Commuter Benefits, Title V, Open Burning, Flare Monitoring, Naturally Occurring Asbestos, Inspector Training, Green Business Certifications, Variance and Hearing Board Activities, and many others involving state, federal and Air District regulations and requirements. The program also maintains online web information, the dispatch operating system and the compliance assistance and complaint phone lines which are all integral interfaces with the public.

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee & Edward Giacometti	
Program Purpose:	
Conduct enhanced inspection patrols to report smoking vehicles and to promote repair or retirement of these vehicles for the protection of public health. Conduct enhanced inspections to enforce drayage truck and related truck/mobile source regulations at, and adjacent to, the Port of Oakland.	
Description of Program:	
The enhanced mobile source inspection program is conducted to reduce particulate matter (PM) emissions throughout the Bay Area, and of PM and other emissions specifically at, and adjacent to, the Port of Oakland. Enhanced enforcement patrols are conducted for smoking vehicles. All Air District inspectors patrol for smoking vehicles on the road, between performing inspections and answering complaints. Smoking vehicles are reported to Air District dispatchers; owner information is extracted from Department of Motor Vehicles (DMV) records. Letters are sent to owners to request that they repair or retire the respective vehicles; compliance assistance materials are included. Enhanced enforcement of the State drayage truck regulation (DTR) and related truck/mobile source regulations is conducted at, and adjacent to, the Port of Oakland. Targeted enforcement includes ensuring compliance with required upgrades and modifications to engine model year 2010 and newer for drayage trucks. Enhanced patrols and enforcement are conducted to ensure that illegal dray-off activities and excess idling are not performed. Compliance checks of mobile source equipment and vehicles are conducted to verify adherence to State regulations. Compliance assistance materials are developed; outreach is conducted with truckers and other mobile source operators regarding regulation(s) requirements, compliance deadlines and the availability of Air District grants and incentives.	
Justification of Change Request:	
None.	
Activities	
Smoking Vehicles: Conduct inspection patrols for smoking vehicles. Vehicle owners are identified using DMV records. Notification letters are sent to vehicle owners to inform them of the vehicle's excess emissions and to request that they repair the vehicle or contact assistance programs to retire the vehicle.	
Port Trucks Compliance Assurance: Conduct enhanced mobile source inspections at and adjacent to the Port of Oakland for compliance with the State DTR and related truck/mobile source regulations. Additional inspections are conducted and targeted at ensuring upgrades and modifications to engine model year 2010 and newer trucks in compliance with the requirements of Phase 1 and Phase 2 of the California Air Resources Board's DTR. Additional focused inspections are conducted for compliance with dray-off provisions of the regulation and to ensure that non-compliant trucks do not enter the Port. Air District staff also verify compliance with State mobile source regulations pursuant to the Air District's Mobile Source Compliance Plan.	
Port Trucks Enforcement: Conduct investigations and inspections, issue and process Notice of Violations for trucks and other mobile sources found in non-compliance.	
Port Trucks Compliance Assistance: Develop fact sheets, posters and other outreach materials to provide to Port operators and truckers on regulatory requirements, upcoming compliance dates and the availability of Air District grants. Develop compliance assistance materials for related mobile source regulatory requirements. Provide compliance assistance during inspections and following enforcement actions; provide bilingual assistance where needed. Identify and translate compliance assistance materials. Participate in Trucker Workgroup meetings at the Port, as needed.	
Major Objectives	Delivery Date
Not applicable.	Ongoing

Enhanced Mobile Source Inspections (TFCA)

318

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100	4,760	3,593	(3,593)	(100.00)
Overtime Salaries	51150				
Temporary Salaries	51200	58			
Payroll Taxes	51300	76	50	(50)	(100.00)
Pension Benefits	51400	1,155	780	(780)	(100.00)
FICA Replacement Benefits	51500	56	87	(87)	(100.00)
Group Insurance Benefits	51600	705	711	(711)	(100.00)
Employee Transportation Subsidy	51700	64	100	(100)	(100.00)
Workers' Compensation	51800	21	26	(26)	(100.00)
Other Post Employment Benefits	51850		445	(445)	(100.00)
Board Stipends	51900				
Total Personnel Expenditures		6,895	5,792	(5,792)	(100.00)
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400				
Communications	52500	2,575	3,000	3,000	
Building Maintenance	52600				
Utilities	52700				
Postage	52800		4,000	4,000	
Printing & Reproduction	52900	8,340	8,000	8,000	
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300				
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		10,915	15,000	15,000	
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Total Capital Expenditures					
Transfer In/Out		3,541	2,606	(2,606)	(100.00)
Total Expenditures		21,351	23,398	(8,398)	(35.89)

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee & Edward Giacometti	
Program Purpose:	
Implementation of the Commuter Benefits Program, per the requirements of Air District Regulation 14-1.	
Description of Program:	
As part of the implementation of the Commuter Benefits Program, staff plans to continue performing education, outreach, monitoring and tracking of approximately 10,000 Bay Area employers subject to the Program. Enforcement actions will be taken as appropriate.	
Justification of Change Request:	
None.	
Activities	
Perform outreach to affected employers.	
Continue education campaign for affected employers.	
Perform tracking and monitoring of program.	
Facilitate data reporting and storage for affected employers.	
Coordinate activities with Metropolitan Transportation Commission's 511.org.	
Prepare and implement a compliance and enforcement system.	
Major Objectives	Delivery Date
Conduct outreach and education.	Ongoing
Prepare and implement a compliance and enforcement system.	Ongoing

Commuter Benefits Program (TFCA)

319

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100	43,157	52,216	(52,216)	(100.00)
Overtime Salaries	51150				
Temporary Salaries	51200	5,111			
Payroll Taxes	51300	667	741	(741)	(100.00)
Pension Benefits	51400	10,167	12,059	(12,059)	(100.00)
FICA Replacement Benefits	51500	486	769	(769)	(100.00)
Group Insurance Benefits	51600	6,055	7,018	(7,018)	(100.00)
Employee Transportation Subsidy	51700	527	890	(890)	(100.00)
Workers' Compensation	51800	191	227	(227)	(100.00)
Other Post Employment Benefits	51850		3,950	(3,950)	(100.00)
Board Stipends	51900				
Total Personnel Expenditures	66,361	77,870		(77,870)	(100.00)
Services & Supplies Expenditures					
Travel In-State	52200	6,000	6,000		
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800	5,000	5,000		
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300				
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		11,000	11,000		
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Total Capital Expenditures					
Transfer In/Out	34,083	35,042		(35,042)	(100.00)
Total Expenditures	100,444	123,912	11,000	(112,912)	(91.12)

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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Special Revenue Fund

Community Engagement

The Community Engagement and Policy Division engages the public in Air District programs and policies. The Community Engagement Program is the Air District's main point of contact with the public and employs inclusive and equitable community engagement strategies to increase awareness, foster relationships, and ensure opportunities for stakeholder participation in planning and decision-making. Staff particularly seek opportunities for those that have been historically excluded, discriminated against, under-represented, or under-resourced to participate and shape Air District decisions that impact their lives and improve public health. The Rule Development Program is responsible for the development of regulations to implement Air District plans to attain Federal and State air quality standards, and to protect public health. Additionally, staff review existing regulations and develop revisions to improve clarity, efficiency and effectiveness.

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Managing Division:	
Community Engagement Division	
Contact Person:	
Kristen Law	
Program Purpose:	
This program will implement a Supplemental Environmental Project (SEP) funded by the California Air Resources Board (CARB). The goal of the program is to provide high efficiency indoor air filtration systems in some of the most impacted communities in the Bay Area.	
Description of Program:	
In 2018 the Air District applied for a Supplemental Environmental Project grant from CARB and received \$2,000,000 to provide air filtration systems at sensitive receptor facilities in disproportionately impacted and disadvantaged communities in the Bay Area. The program will focus on providing filtration to public elementary schools in priority communities identified through AB 617. The Air District will manage a contract to support installation and maintenance of air filtration systems.	
Justification of Change Request:	
N/A	
Activities	
Major Objectives	Delivery Date
Implement first CARB SEP for filtration systems at elementary schools in AB 617 priority communities	June 2021

ADMINISTRATION COMMITTEE MEETING OF 04/21/2021

Community Engagement - Special Project (Other Grant)

325

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2020	2021	2022	\$	%
Number of Positions (FTE)					
Personnel Expenditures					
Permanent Salaries	51100				
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300				
Pension Benefits	51400				
FICA Replacement Benefits	51500				
Group Insurance Benefits	51600				
Employee Transportation Subsidy	51700				
Workers' Compensation	51800				
Other Post Employment Benefits	51850				
Board Stipends	51900				
Total Personnel Expenditures					
Services & Supplies Expenditures					
Travel In-State	52200				
Travel Out-of-State	52220				
Training & Education	52300				
Repair & Maintenance (Equipment)	52400				
Communications	52500				
Building Maintenance	52600				
Utilities	52700				
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200				
Professional Services & Contracts	53300	1,605,656	1,500,000	(1,500,000)	(100.00)
General Insurance	53400				
Shop & Field Supplies	53500				
Laboratory Supplies	53600				
Gasoline & Variable Fuel	53700				
Computer Hardware & Software	53800				
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures	1,605,656	1,500,000		(1,500,000)	(100.00)
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115				
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	1,605,656	1,500,000		(1,500,000)	(100.00)

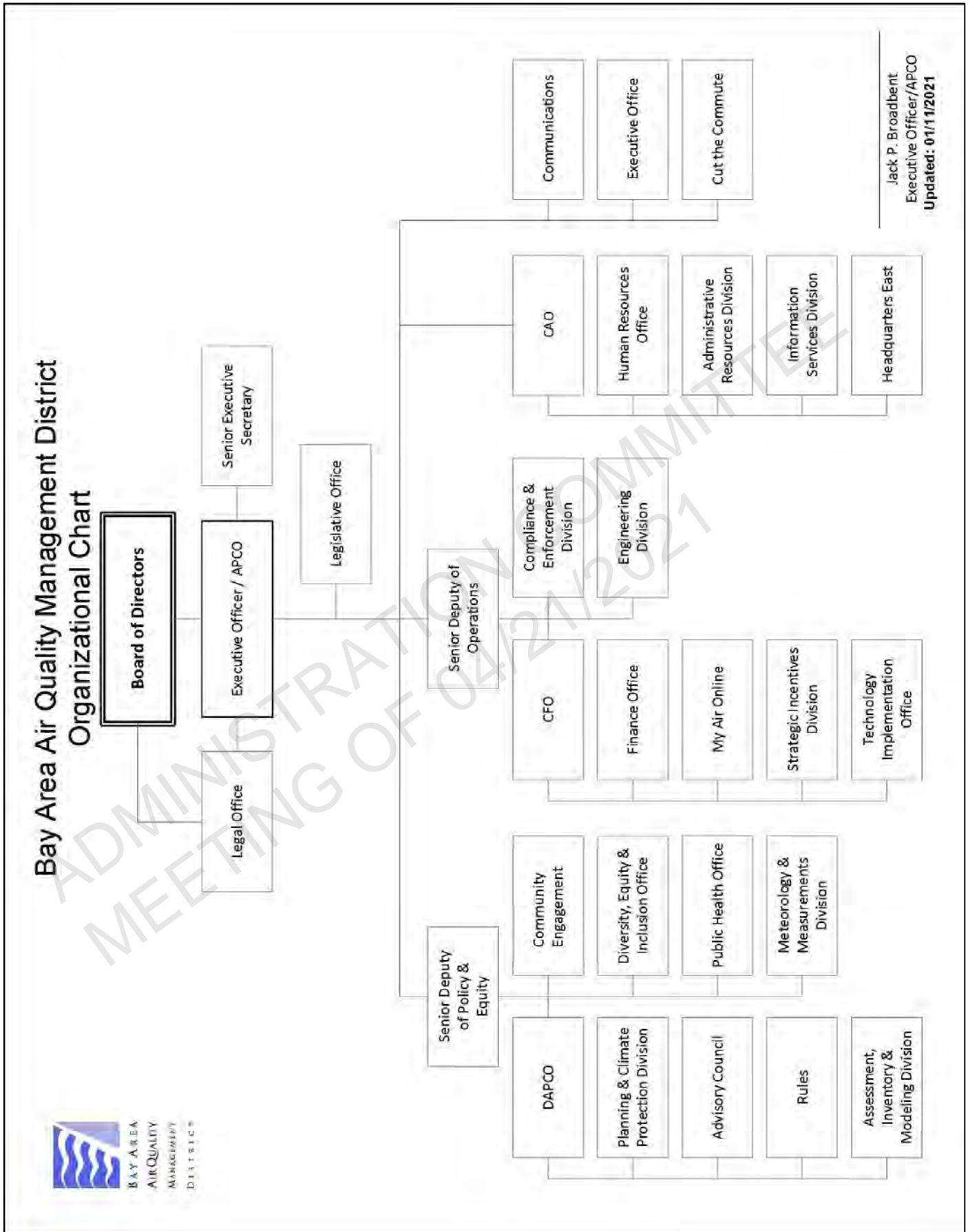
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ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

Appendices

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

APPENDIX A



APPENDIX B

SELECTED LEGAL REQUIREMENTS

The following highlights selected major legal requirements regarding the use and collection of funds that are considered when developing and reviewing the Air District's budget:

1. Federal law requires that the Air District collect fees from affected facilities to fund the implementation of Title V of the Federal Clean Air Act (42 U.S.C. Section 7401, et seq. and implementing regulations in 40 CFR Parts 60 and 70). Implementation of Title V includes all activities involved in the review, issuance, and enforcement of Title V Permits. "Affected facilities" include all major stationary sources as defined in the Federal Clean Air Act.
2. Revenue received by the Air District pursuant to *California Health and Safety Code* Section 44220, et seq. (Transportation Fund for Clean Air (TFCA)) may only be used to fund approved projects, and certain expenditures incurred for administration of the TFCA program, including audits. The expenditures for the administration of TFCA grants are contained in the Transportation Fund for Clean Air Administration.
3. Permit fee revenue may only be used to fund activities associated with the permitting, monitoring, and enforcement of regulations affecting permitted stationary sources. Past audits of District activities have shown that the Air District's programs meet this test.
4. Funding from several sources, including grants, is restricted, and thus may only be used to fund certain activities. Air District accounts are periodically audited to ensure that such funds are used appropriately.
5. *California Health and Safety Code* Section 40131(a)(3) requires that two public hearings be held regarding the adoption of the District budget. The first hearing is for the exclusive purpose of reviewing the budget and providing the public with the opportunity to comment upon the proposed budget. This hearing must be separate from the hearing at which the District adopts its budget. The adoption hearing may not be held any sooner than two weeks after the first hearing. Thirty (30) days public notice must be given before the first public hearing.
6. The Maintenance of Effort (MOE) level refers to a Federal EPA Section 105 grant condition. This condition states that, "No agency shall receive any grant under this section during any fiscal year when its expenditures of non-Federal funds for recurrent expenditures for air pollution control programs will be less than its expenditures were for such programs during the preceding fiscal year unless the Administrator, after notice and opportunity for public hearing, determines that a reduction in expenditures is attributable to a non-selective reduction in the expenditures in the programs of all Executive branch agencies of the applicable unit of Government." Depending on the expenditures reported on the Federal Status Report (FSR) at the conclusion of the federal FYE 2021, receipt of the Federal grant funds for FYE 2022 could be delayed or jeopardized because of this MOE requirement.

APPENDIX C

GENERAL FUND RESERVES AND LIABILITIES

FUND BALANCES	6/30/2020 Audited	6/30/2021 Projected	6/30/2022 Projected
DESIGNATED: *			
Community Benefits			1,000,000
Economic Contingency	20,082,966	21,294,922	23,303,025
Pension Liability	3,000,000	3,000,000	3,000,000
Technology Implementation Office	3,350,000	3,350,000	3,350,000
Woodsmoke Grant	1,000,000	1,000,000	1,000,000
AB617 Staffing Contingency			6,000,000
Pandemic Contingency			10,000,000
TOTAL DESIGNATED	\$27,432,966	\$28,644,922	\$47,653,025
UNDESIGNATED	26,401,581	20,029,943	521,840
TOTAL DESIGNATED & UNDESIGNATED	\$53,834,547	\$48,674,865	\$48,174,865
TOTAL FUND BALANCE	\$53,834,547	\$48,674,865	\$48,174,865
* Designated Fund Balances are subject to change at Board's discretion.			
ESTIMATED OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			86,309,901
Other Post Employment Benefits			18,368,386
Certificate of Participation Notes			21,556,670
TOTAL ESTIMATED OUTSTANDING LIABILITIES			\$126,234,957

APPENDIX C

GENERAL FUND RESERVES AND LIABILITIES

APPENDIX C depicts the actual unrestricted funds at the end of FYE 2020, as well as, the projected amount for FYE 2021 and FYE 2022. For FYE 2021, a recommendation of \$5.2 million is to balance the operating budget for the Air District. For FYE 2022, a recommendation of \$0.5 million is to continue capital building improvements for the Air District's Richmond Office. In an effort to remain fiscally prudent, the District established an economic contingency reserve policy (greater than 20% of General Fund operating expense) to ensure the stability of services for a period of time and the ability to set aside fund for anticipated projects and future obligations. Over the years, staff recommends reserve designations to be set aside for a specific purpose. The following is a brief description summarizing designated categories as shown in the table on the previous page. Any designated and undesignated funds is subject to change at Board's discretion.

- Community Benefit established in FYE2022 to provide community benefits.
- Economic Contingency established in FYE2008 at the request of the Board for unplanned expenditures and/or unanticipated loss in revenues. In FYE2016, the Board approved a 20% reserve policy as a funding target.
- Napa/Sonoma Fireplace Replacement Grant establish in FYE 2019 to assist fire victims rebuild home fireplaces with cleaner heating options.
- Pension Liability established in FYE2018 to reduce future rate increases to pension benefits over time.
- Technology Implementation Office established in FYE2019 to fund projects using a revolving loan arrangement to leverage funding.
- Wood Smoke Grant established in FYE2018 to extend the grants program especially to high wood smoke areas.
- AB617 Staffing Contingency established in FYE2022 to allow staffing continuity for the AB617 program.
- Pandemic Contingency established in FYE2022 to address potential operating revenue shortfall due to the COVID-19 pandemic.
- Undesignated is any remaining reserves not designated. These funds can be designated at any time.

Appendix C also includes a list of the Air District's Outstanding Liabilities:

- Pension Retirement – The Air District provides a retirement pension benefit plan through California Public Employee Retirement System (CalPERS). As of most recent valuation of the plan, that Air District's unfunded liability for the plan was \$91.0 million.
- Other Post-Employment Benefits – The Air District provides continuation of medical, dental, vision and life insurance coverage to its retired employees through California Employers Retirement Benefit Trust (CERBT). As of most recent valuation of the plan, that Air District's unfunded liability for the plan was \$18.0 million.
- Certificate of Participation Notes (COP) – The Air District issued COPs to finance its headquarters at 375 Beale. As of June 2020, the estimated principal and interest outstanding were \$27 million.

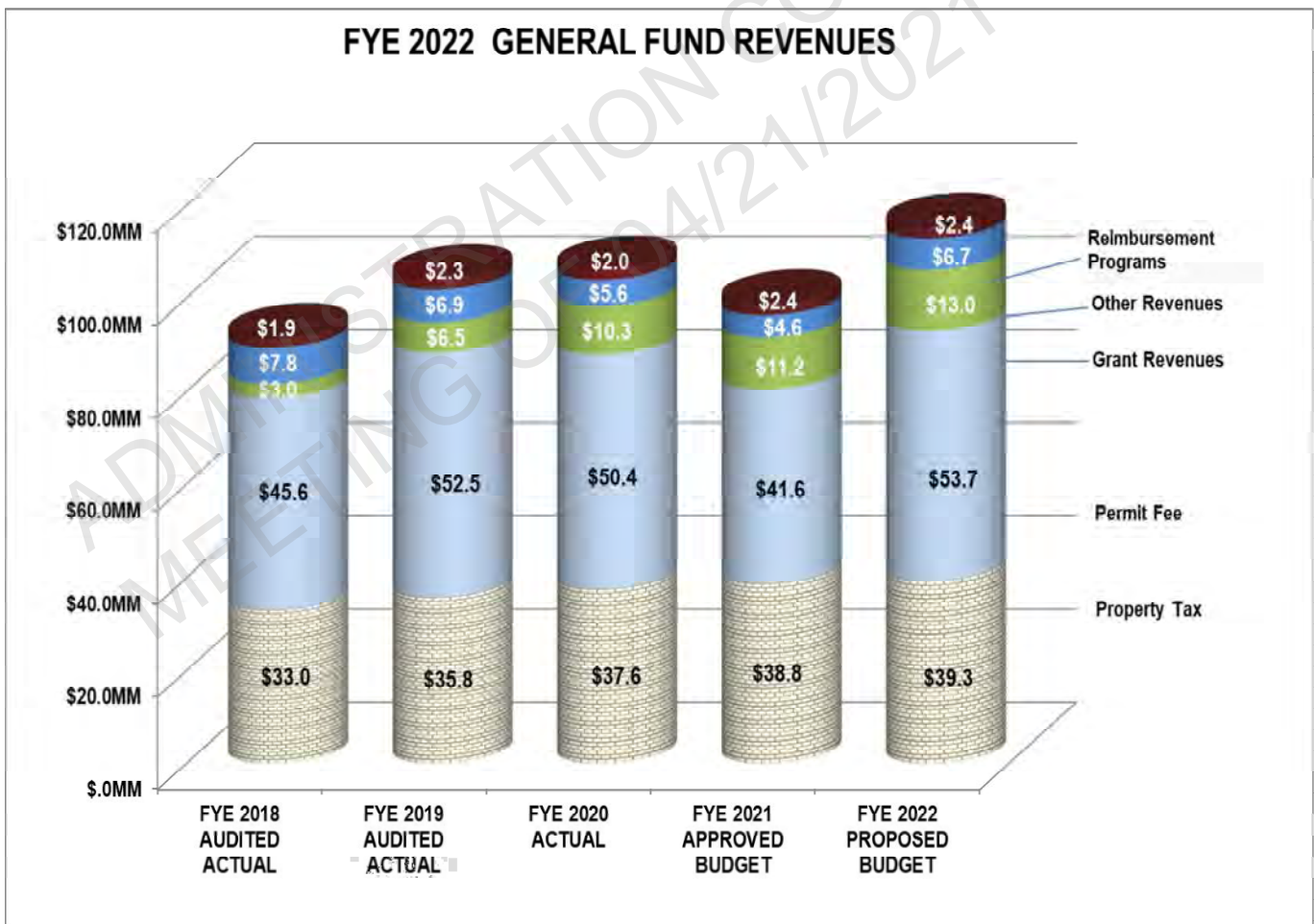
APPENDIX D

Figure 1

General Fund Revenue Trends

Figure 1 below graphically displays the trends in the sources of revenue used to fund expenditures each year from FYE 2018 through FYE2020 along with the adopted and approved budgets for FYE 2021 and FYE 2022, respectively.

As seen from Figure 1, permit fees are the District's largest source of revenue. Permit fees fluctuates from FYE 2018 through FYE 2020 because of certain fees being billed based on economic activities and the proposed fee increases to each individual fee schedule. In FYE 2021, projected fees were expected to decrease due to postponement of fee increase to the economic uncertainty of COVID-19. A new fee for the Air District AB617 Community Protection Program was approved in FYE 2021. In FYE 2022 projected fees are expected to increase due to proposed recommendation to reinstate increases to existing fee schedules, as well as, a new fee for Criteria Pollutant & Toxic Reporting program. County revenues experienced significant increases over the past three years because of increased property valuation and construction activities in the Bay Area. This revenue source is expected to remain steady with slight increase in FYE 2022. Other General Fund sources of revenue have experience slight growth as well over the year, mainly related to new grant funded from EPA.

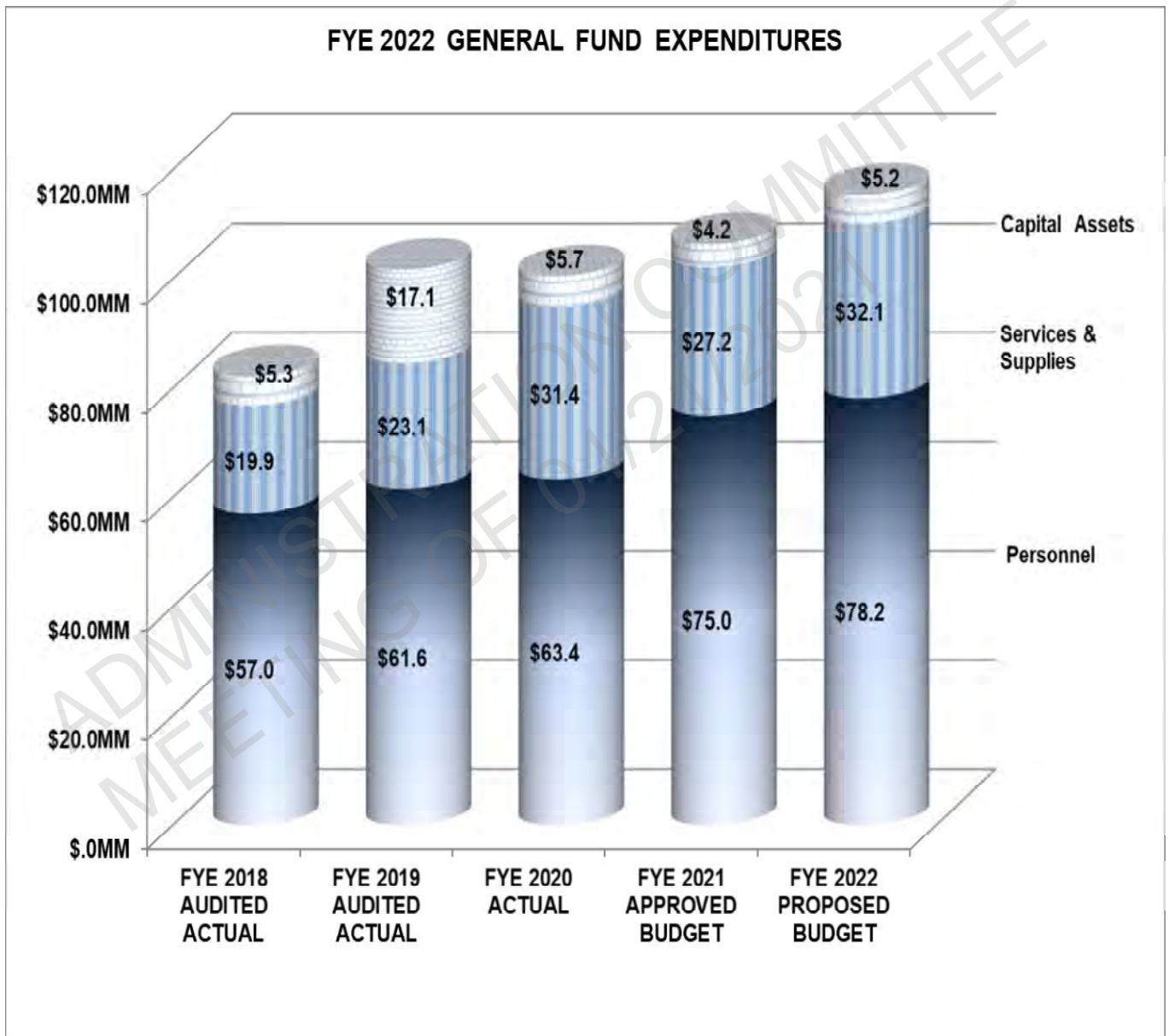


APPENDIX E

Figure 2

General Fund Expenditure Trends

Below Figure 2 shows the trends in actual expenditures from FYE 2018 through FYE 2020 along with the approved expenditure budgets for FYE 2021 and FYE 2022, respectively. From FYE 2018 through FYE 2022, total General Fund have risen at an average rate of 8.9% per year from \$82.2 million to \$115.5 million due to increased Personnel Costs, Services and Capital Programs expenditures. The FYE 2022 General Fund Proposed Budget shows a projected \$9M increase in expenditures over FYE 2021



APPENDIX F

General Fund 5 Year Projection

	FYE 2020 Actuals	FYE 2021 Budget	FYE 2022 Projected	FYE 2023 Projected	FYE 2024 Projected	FYE 2025 Projected
REVENUES						
Property Tax	\$37,558,118	\$38,770,162	\$39,335,284	\$40,515,343	\$41,730,803	\$42,982,727
Permits/Fees	\$50,398,317	\$41,623,723	\$53,678,690	\$55,289,051	\$56,947,722	\$58,656,154
Grant Revenues	\$4,324,806	\$4,601,447	\$6,394,112	\$4,948,054	\$4,987,536	\$5,027,411
AB 617 Funding	\$7,611,383	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Other Revenues	\$5,988,959	\$4,618,711	\$6,745,848	\$6,844,047	\$6,944,189	\$7,046,313
	\$105,881,583	\$98,614,043	\$115,153,934	\$116,596,494	\$119,610,250	\$122,712,605
Transfer from Special Funds	\$1,665,843	\$2,700,886	\$1,361,189	\$1,388,413	\$1,416,181	\$1,444,505
Use of / (Transfer to) Fund Balance	\$ (5,872,253)	\$5,159,682	\$ 500,000	\$ 1,032,625	\$ 1,691,011	\$ 143,298
TOTAL REVENUES	\$101,675,174	\$106,474,611	\$117,015,123	\$119,017,532	\$122,717,443	\$124,300,408
EXPENDITURES						
Personnel & Benefits (net Pension/OPEB)	\$51,909,228	\$57,597,447	\$59,173,073	\$61,579,813	\$63,980,575	\$65,801,641
Retirement Pension (Pension)	\$8,723,899	\$10,763,501	\$12,296,429	\$13,899,868	\$14,627,137	\$13,806,492
Other Post Employment Benefits (OPEB)	\$2,754,944	\$6,633,700	\$6,724,301	\$6,051,372	\$6,098,651	\$6,148,160
Services and Supplies	\$32,542,127	\$27,243,515	\$33,633,862	\$32,564,647	\$32,990,812	\$33,423,442
Capital Expenditures	\$5,744,976	\$4,236,448	\$5,187,458	\$4,921,831	\$5,020,268	\$5,120,673
	\$101,675,174	\$106,474,611	\$117,015,123	\$119,017,532	\$122,717,443	\$124,300,408
TOTAL EXPENDITURES	\$101,675,174	\$106,474,611	\$117,015,123	\$119,017,532	\$122,717,443	\$124,300,408
GENERAL FUND RESERVES						
Beginning	\$45,626,864	\$53,834,547	\$48,674,865	\$48,174,865	\$47,142,240	\$45,451,229
(Use of) / Transfer to Fund Balance	\$8,207,683	(\$5,159,682)	(\$500,000)	(\$1,032,625)	(\$1,691,011)	(\$143,298)
Ending General Fund Reserves	\$53,834,547	\$48,674,865	\$48,174,865	\$47,142,240	\$45,451,229	\$45,307,931
20% Minimum Reserve Policy	\$20,082,966	\$21,294,922	\$23,303,025	\$23,803,506	\$24,543,489	\$24,860,082

APPENDIX F

Figure 3 and Budget Assumptions

Revenue Assumptions

- a. **Property Tax** shows slow to no growth given current economic conditions of the Bay Area construction and housing markets. The five-year forecast assumes revenues remain flat for year 2022; thereafter, only a 2-3% inflationary growth in years 2023 through 2025.
- b. **Permit Fee** revenues are expected to increase by approximately 5% in year 2022 mainly from the implementation of new fees related to AB617 and CTR. The Air District will continue to assess the impacts of COVID-19. In year 2023 through 2025, the annual forecasted increase is approximately 3%. The Air District's Cost Recovery policy, which allows the Air District to increase its fee schedule to recover costs for permit related activities. The current cost recovery level of 85% is expected to drop in the year 2022 due to increased staffing levels associated with permit related activities. Projections suggest cost recovery attainment of 85% level before the end of the five-year forecast, as implementation of new and enhanced programs continues, and costs begins to level out.
- c. **Grant Revenues** remain stable through 2025 based on year 2021 funding with one new grant from EPA expected in year 2022.
- d. **Assembly Bill 617** funding of \$9.0 million from the State continues for the next 5 years.
- e. **Other Revenues** mainly account for penalties, State subvention, and interest income. These revenues are expected to remain stable through year 2025.

Expenditure Assumptions

- a. **Personnel** costs are projected to increase for the five-year period with a small annual cost of living adjustment, a slight increase in health premiums, and the funding and filling of 400 of the 441 proposed authorized positions being funded by the General Fund, remaining 41 positions are funded from Special Revenue Funds. Staffing level of 441 positions is anticipated for the next 5 years. The projection assumes a 5% vacancy rate in 2022, declining by 1% in year 2023 and 2024 and remains stable at 3% in year 2025.
- b. **Retirement Pension** costs are rising due to recent discount rate reduction by CalPERS and escalating unfunded liability payments. The forecast assumes implementation of the Air District's approved policy to make discretionary payments to CalPERS to reduce the unfunded actuarial liability (UAL).
- c. **Other Post-Employment Benefits (OPEB)** for retiree medical benefits are projected to be approximately 100% funded by FYE 2025. After that, the \$4.0 million in discretionary funding will shift towards the CalPERS Pension Plan to reduce the UAL.
- d. **Services and Supplies** overall costs are projected to remain to increase in year 2022, assuming only an inflationary increase of approximately 2-3% for year 2023 through 2025.
- e. **Capital Expenditures** assumes ongoing capital equipment and one-time funding in FYE 2022 to pay for office improvement to Headquarters East in Richmond. FYE 2023-2025 assumes normal capital equipment replacement only with an inflationary increase.

General Fund Reserves are used to fund one-time costs, and to cover temporary revenue shortfalls. The Air District plan to use approximately \$0.5 million in reserves for FYE 2022 to continue capital improvements to the Richmond Office building. Based on current assumptions, reserves are expected to stay above the minimum policy level through year 2025 due to a healthy reserve balance. Air District will need to close monitor the budget and be fiscally prudent to whether the current economic downturn.

APPENDIX G

Definitions

AB 434 (Assembly Bill 434) ± This enacted bill resulted in *California Health and Safety Code* Section 44241 which authorizes the District to levy a fee on motor vehicles registered in the District. The revenue must be used to fund specified programs aimed at the reduction of air pollution from motor vehicles. The bill allows the District to allocate not more than five percent (5%) of the fees distributed for administrative costs. See TFCA (Transportation Fund for Clean Air).

AB 617 (Assembly Bill 617) This enacted bill requires the state board to develop a uniform statewide system of annually reporting of emissions of criteria air pollutants and toxic air contaminants for use by certain categories of stationary sources.

AB 923 (Assembly Bill 923) ± This enacted bill allows an additional \$2 surcharge on Motor Vehicle Registration fees for MSIF (Mobile Source Incentive Fund).

AHM (Acutely Hazardous Material) ± Those materials that have been defined as such by either State or Federal regulations as being hazardous to human health.

AIRS (Aerometric Information Retrieval System) ± Computerized information system as delineated by the EPA (Environmental Protection Agency).

APCO – Air Pollution Control Officer – Appointed by the Board of Directors.

Appropriation – A legal authorization to incur obligations and to make expenditures for specific purposes.

Association of Bay Area Governments (ABAG) – Regional agency covering the nine counties of the Bay Area, responsible for population projections, various services for local agencies, and co-lead agency for federal air quality planning.

A&WMA (Air & Waste Management Association) – The international nonprofit organization of regulatory, business, academic and research communities for air and waste management professionals.

BACT (Best Available Control Technology) ± The lowest achievable emission rate to be applied to new and modified stationary sources pursuant to the District's New Source Review permitting program.

Board ± Board of Directors and also Hearing Board. The Board of Directors is the governing body of the District. The Hearing Board is appointed by the Board of Directors. (See Programs 121 and 122).

California Clean Air Act 1988 ± Statutory scheme to reduce air pollution from stationary and mobile sources as set forth in *California Health and Safety Code* Section 39600 et seq.

Capital Expenditures ± An amount spent to acquire land, building, equipment, vehicles etc. in order to increase capacity or efficiency by the District for more than 1 year. Such purchases are capitalized or depreciated over the useful life, except for land.

Carl Moyer Program ± Provides grants to public and private entities to reduce emissions of oxides of nitrogen, reactive organic gases and particulate matter from existing heavy-duty engines by either replacing or retrofitting them.

CAPCOA (California Air Pollution Control Officers Association) ± Organization comprised of local air pollution control officials; human resource and fiscal staff are also members.

CARB or ARB (California Air Resources Board) – The State agency responsible for setting California Ambient Air Quality Standards (CAAQS) and motor vehicle emission standards, and for overseeing implementation of the California Clean Air Act.

CEC (California Energy Commission) ± The state agency responsible for energy policy and planning.

CEMS ± (Continuous Emissions Monitoring Systems) ± Technology that allows the District to measure certain emissions on a continuous basis.

CEQA (California Environmental Quality Act) ± State law that requires public agencies to analyze environmental impacts of proposed projects and plans. (*California Public Resources Code* Section 21000 et seq.)

CFC (Chlorofluorocarbon) ± Any of a group of compounds that contain carbon, chlorine, fluorine and sometimes hydrogen and are used as refrigerants, cleaning solvents, and aerosol propellants and in the manufacture of plastic foams.

Clean Air Act Amendments of 1990 ± Revisions to the Federal legislation governing air quality planning and control programs to meet National ambient air quality standards.

CMA (Congestion Management Agency) ± Countywide agency responsible for preparing and implementing congestion management programs.

CMAQ ± (Congestion Mitigation and Air Quality) - The District receives funding under this grant to fund the Spare the Air campaign.

Contractual Services ± Services rendered to a government by private firms, individuals, or other governmental agencies.

COLA (Cost of Living Adjustment) ± An adjustment to salaries based on the increased cost of living as defined by the percent change in the U.S. Department of Labor's Consumer Price Index.

DAPCO (Deputy Air Pollution Control Officer) ± Deputy Officer to the APCO.

Environmental Justice ± The fair treatment of people of all races and incomes with respect to development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment implies that no person or group of people should shoulder a disproportionate share of negative environmental and economic impacts resulting from the execution of environmental programs.

EPA (Environmental Protection Agency) ± Federal agency that oversees air, water and waste management. An assistance grant is provided to various agencies in their efforts to reduce air pollution.

EPA 103 Grant – Provides funding for all aspects of operating the PM_{2.5} fine particulate monitoring program as well as BioWatch, the National Air Toxic Trends Study (NATTS) Program and other supplemental study programs awarded by the EPA.

EPA 105 Grant – Grant pursuant to federal Clean Air Act Section 105.

Fiscal Year ± A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization; July 1 through June 30 is the fiscal year for the District.

FICA (Federal Insurance Corporation Act) Replacement Benefits ± In 1981, District employees elected to terminate participation in Social Security. FICA costs listed in the budget reflect the replacement benefit premiums paid in lieu of Social Security.

Fixed Assets ± Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTE (Full-time Equivalent Position) ± A position converted to the decimal equivalent of a full-time position based on 2,080 hours of work per year.

Fund ± A fiscal entity with revenues and expenditures that are segregated for the purpose of carrying out a specific purpose or activity.

Fund Reserves ± Designated ± That portion of the fund reserve designated by the governing body to indicate tentative plans for financial resource utilization in a future period.

Fund Reserves ± Reserved – That portion of the fund reserve obligated by the issuance of purchase orders or contracts (encumbrances), or otherwise obligated and unavailable to meet the District's operating expenditures.

Fund Reserves ± Undesignated ± That portion of the unreserved fund reserve that represents the accumulated surplus which, as specified in the *California Government Code*, is restricted to the following uses: to meet cash requirements before the proceeds from revenues are available, to meet emergency expenditures, and at the end of each fiscal year to meet current year operating or subsequent year budget deficits.

Fund Reserves ± The equity accounts for the governmental fund types.

Group Insurance Benefits – benefits provided to BAAQMD employees, including medical, dental, vision, and life insurance as well as State Disability Insurance, Section 125 cafeteria plan, Long Term Care and Long Term Disability, Section 457 deferred compensation plan, and COBRA program.

IRIS (Integrated Reporting Information System) ± The name of the District's database conversion project.

MACT (Maximum Achievable Control Technology) ± EPA standards mandated by the 1990 amendments to the Federal Clean Air Act for control of toxic air contaminants.

Metropolitan Transportation Commission (MTC) ± Bay Area regional agency responsible for transportation planning, financing and coordination; co-lead agency for Federal air quality planning.

MSIF (Mobile Source Incentive Fund) – The Air District’s grant program for allocating revenues from an additional motor vehicle registration fee surcharge for implementation of eligible projects.

NOV (Notice of Violation) – A written citation informing a facility, or individual, that it has violated a specific air quality regulation or rule.

OVA (Organic Vapor Analyzer) ± Hand-held analyzer used to detect organic vapor leaks from valves and other chemical and refinery equipment.

PERP (Portable Equipment Registration Program) – a program established by CARB allowing the operation of portable equipment in any air district throughout the state without individual local district permits.

PERS (Public Employees Retirement System) – The retirement system contracted by the District to provide retirement benefits to employees

Program Budget ± A budget that allocates financial resources to functions or activities of government, rather than to specific types of expenditure, or to specific departments.

PSM (Process Safety Management) ± Federal OSHA regulation that requires industrial safety audits.

Request for Proposals (RFP) ± A document requesting bids to provide specified services or supplies.

RMPP (Risk Management and Prevention Plan) ± State Program that the District monitors to prevent accidental releases of hazardous materials.

SIP (State Implementation Plan) ± Bay Area portion of California plan to attain and maintain national ambient air quality standards.

State Subvention Revenue ± Pursuant to Part 2, Chapter 5 of the *California Health and Safety Code*, the California Air Resources Board must subvene and distribute funds to Districts engaged in the reduction of air contaminants. The distribution is based on a per-capita basis of population contained in the District.

T-BACT (Toxic Best Available Control Technology) ± The lowest achievable emission rate for toxic air contaminants at new or modified stationary sources.

TCM (Transportation Control Measure) ± A strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions.

TFCA (Transportation Fund for Clean Air) ± The District’s grant program for allocating revenues from a motor vehicle registration fee surcharge to public agencies for implementation of eligible projects that reduce motor vehicle emissions.

UNIX ± A computer operating system.

UTM – A coordinate system for geographical locations.

Vehicle Buy Back – The District’s sponsored incentive program for the scrapping of 1985 and older models funded under TFCA. The program will pay eligible owners \$650 to contract with a specific auto dismantler to have their vehicle dismantled.

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: April 16, 2021

Re: Summary of the 2020-2021 Spare the Air Winter Campaign

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Spare the Air winter campaign began on November 1, 2020 and ended February 28, 2021. The Air District's Communications Office conducted Spare the Air winter outreach and advertising to message the health impacts of wood smoke.

DISCUSSION

The Spare the Air winter campaign continued to inform residents about the Wood Burning Rule and focused on the localized health impacts from wood smoke in the Bay Area. After the catastrophic wildfire season in Fall 2020, the 2020-2021 Spare the Air winter campaign closely linked wood smoke to wildfire smoke. Advertising illustrated this link and the tagline, "Smoke is Smoke" supported the stronger messaging and visuals.

Staff will present a summary of the 2020-2021 Spare the Air winter campaign advertising and outreach for the season wrap-up. Air quality and enforcement data, as well as information about the Woodsmoke Reduction Program will also be featured.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the Spare the Air winter campaign is included in the Fiscal Year Ending 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kristina Chu
Reviewed by: Kristine Roselius

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

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: April 16, 2021

Re: Board Governance – Next Steps

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The Board Chair and Executive Officer/APCO will provide an update on Board Governance.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared 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: April 16, 2020

Re: Discussion on Administration Committee Workplan for 2021

RECOMMENDED ACTION

Recommend the Administration Committee (Committee) approve the 2021 Workplan for the Committee.

BACKGROUND

The Ad Hoc Building Oversight, Budget and Finance, Executive, and Personnel Committees were consolidated into the Administration Committee in 2021. As such, the newly formed Committee will consider items previously discussed in each of the prior committees as part of its 2021 Workplan.

DISCUSSION

As part of its meeting, the Committee will review and discuss its proposed 2021 Workplan.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Erica Trask

Attachment 9A: Proposed 2021 Administration Committee Workplan

Proposed 2021 Administration Committee Workplan

Meeting Schedule	Topics
April	<ul style="list-style-type: none"> • Hearing Board Quarterly Report: January 2020 – March 2020 • Air District Financial Audit Report for FYE 2020 • Third Quarter Financial Report for FYE 2021 • Continued Discussion of Proposed Budget for FYE 2022 And Consider Recommending Adoption • Summary Of 2020-2021 Spare the Air Winter Campaign • Board Governance Discussion • Discussion on Administration Committee Workplan for 2021
May	<ul style="list-style-type: none"> • BARC Update • Continued Board Governance Discussion • Employee Association Negotiations • Follow-up on Air District Community Funding Allocations Report • Wildfire Strategies Update
June	<ul style="list-style-type: none"> • NONE
July	<ul style="list-style-type: none"> • Hearing Board Quarterly Report: April 2020 – June 2020 • BARC Update • Continued Board Governance Discussion • Update on Advisory Council Recruitment • Review and Approve Advisory Council Members • Flex Your Commute Update • Climate Tech Finance Program Update
August	<ul style="list-style-type: none"> • NONE
September	<ul style="list-style-type: none"> • BARC Update • Continued Board Governance Discussion • Review FYE 2022 Budget • COVID Response Update

October	<ul style="list-style-type: none"> • Hearing Board Quarterly Report: July 2020 – September 2020 • Continued Board Governance Discussion • Production System Office Update
November	<ul style="list-style-type: none"> • BARC Update • Continued Board Governance Discussion • Fourth Quarter Financial Report – FYE 2021 • First Quarter Financial Report FYE 2022 • 115 Trust for CalPERS • Mid-Year Financial Review
December	<ul style="list-style-type: none"> • HQE Update • Advisory Council Update • Continued Board Governance Discussion

ADMINISTRATION COMMITTEE
MEETING OF 04/21/2021

COMMITTEE CHAIR SUMMARY REPORT OF THE LEGISLATIVE COMMITTEE

(Co-Chairs: Margaret Abe-Koga and Pauline Russo Cutter)

The Legislative Committee met on Wednesday, April 21, 2021, and approved the minutes of March 17, 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.

The Committee then received and discussed the staff presentation *Sacramento Legislative Update*. Alan Abbs, Legislative Officer, reported that legislative budget hearings concluded early this year (in March), and that he is waiting for the Governor's May revision of the Proposed 2021-2021 State Budget to be released. Mr. Abbs added that the early action program funding that the Air District had hoped would be approved did not materialize and has been rolled into regular budget negotiations, but that he is hopeful about certain budget trailer bills that would help the Air District's programs and initiatives.

The Committee then received and discussed the staff presentation *Air District – Sponsored Bills*.

- Assembly Bill 426 (Bauer-Kahan), which would allow air districts to adopt local rules related to toxic air contaminants at indirect sources of air pollution, and allow collection of data that will help air districts work with these sources and communities to reduce health impacts, is not moving forward in 2021.

[OVER]

- Assembly Bill 762 (Lee and C. Garcia) which would require that private schools and charter schools meet the same siting requirements as public schools, was presented to the Assembly’s Environmental Safety and Toxic Materials Committee and will be heard in the Assembly’s Education Committee on April 28. Mr. Abbs mentioned that he will discuss concerns about this bill with the California Association of School Business Officials.

The Committee received and discussed the staff presentation *Consideration of New Bills*. Mr. Abbs spoke of twelve bills that the Air District is monitoring, and asked the Committee to consider recommending the Board adopts the position of SUPPORT on Assembly Bill 1346 (Berman and Gonzalez.) This bill would require the California Air Resources Board, by July 1, 2022, to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines. The bill would require the state board to identify and, to the extent feasible, make available funding for commercial rebate or similar incentive funding as part of any updates to existing applicable funding program guidelines to local air pollution control districts and air quality management districts to implement to support the transition to zero-emission small off-road equipment operations. The Committee recommends the Board:

1. Adopt the position of **SUPPORT** on Assembly Bill 1346 (Berman and Gonzalez.)

The Committee received and discussed the staff presentation *2021 Legislative Platform*, consisting of programs of interest to the Air District from the State Budget, state legislation, and federal legislation.

[OVER]

Finally, the Committee received and discussed the staff presentation *Federal Legislative Update*. Mr. Abbs reported that since the March 17, 2021 Committee meeting, he has added climate change topics that Director Hopkins requested be added to the Air District's 2021 Legislative Platform.

The next meeting of this Committee will be held on Wednesday, May 19, 2021, at 1:00 p.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. I move that the Board approves the Committee's recommended action. This concludes the Chair's Report of the Legislative Committee.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Report of the Legislative Committee Meeting of April 21, 2021

RECOMMENDED ACTIONS

The Legislative Committee (Committee) recommends Board of Directors (Board) approval of the following:

- A) Sacramento Legislative Update;
 - 1) None; receive and file.
- B) Air District-Sponsored Bills;
 - 1) None; receive and file.
- C) ACTION REQUESTED: Consideration of New Bills;
 - 1) Discuss and review bills and take positions where appropriate.

Staff recommends a support position on the following bill:

- Assembly Bill (AB) 1346 (Berman) – Air pollution: small off-road engines.

- D) 2021 Legislative Platform; and
 - 1) None; receive and file.
- E) Federal Legislative Update.
 - 1) None; receive and file.

BACKGROUND

The Committee met on Wednesday, April 21, 2021, and received the following reports:

- A) Sacramento Legislative Update;
- B) Air District-Sponsored Bills;
- C) Consideration of New Bills;
- D) 2021 Legislative Platform; and
- E) Federal Legislative Update.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) None;
- C) None;
- D) None; and
- E) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Justine Buenafior
Reviewed by: Vanessa Johnson

- Attachment 15.2A: 04/21/2021 – Legislative Committee Meeting Agenda #3
- Attachment 15.2B: 04/21/2021 – Legislative Committee Meeting Agenda #4
- Attachment 15.2C: 04/21/2021 – Legislative Committee Meeting Agenda #5
- Attachment 15.2D: 04/21/2021 – Legislative Committee Meeting Agenda #6
- Attachment 15.2E: 04/21/2021 – Legislative Committee Meeting Agenda #7

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2021

Re: Sacramento Legislative Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

April is traditionally a busy time in the Legislature as bills must be out of policy committees by the end of the month. Budget committees also continue budget hearings in preparation for the Governor's May Revise and final budget negotiations.

DISCUSSION

Staff will provide an update to the Legislative Committee (Committee) on recent events of significance in Sacramento.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2021

Re: Air District-Sponsored Bills

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

This year, the Air District sponsored two bills, Assembly Bill (AB) 426 (Bauer-Kahan) – Toxic Air Contaminants and AB 762 (Lee and C. Garcia) – Hazardous emissions and substances: schoolsites: private and charter schools.

DISCUSSION***AB 426 (Bauer-Kahan) – Toxic Air Contaminants.***

AB 426 was introduced by Assemblymember Bauer-Kahan on February 4, 2021 and was referred to Assembly Committees on Natural Resources and Transportation. Prior to its scheduled hearing on April 14, 2021, the Assemblymember's staff informed us that she was not moving forward with the bill this year. Attached are several letters of support and opposition that have been submitted for the bill.

AB 762 (Lee and C. Garcia) – Hazardous emissions and substances: schoolsites: private and charter schools.

AB 762 was introduced by Assembly Members Alex Lee and Cristina Garcia on February 16, 2021 and has been referred to Assembly Environmental Safety and Toxic Materials and Assembly Education. It was heard in Assembly Environmental Safety and Toxic Materials on April 7, 2021. It received a vote in favor of 6-0 and was referred to Assembly Education. Attached are several letters of support that have been submitted for the bill.

Prior to constructing a new public school, a school district must go through a California Environmental Quality Act (CEQA) process that requires (in the Education Code and Public Resources Code) dialog with their local air district, identification of sources of air pollution nearby, and a thoughtful determination that the nearby sources of pollution do not pose a threat to the future students or employees. While private schools perform CEQA, they are not required to make a similar declaration prior to construction of a school. As we see more infill development in

California, including development of old industrial sites, it will be important to ensure that our children have an opportunity to attend schools with a healthy learning environment.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: Jack P. Broadbent

- Attachment 4A: AB 426 (Bauer-Kahan) – Bay Area Air Quality Management District – Sponsor Letter
- Attachment 4B: AB 426 (Bauer-Kahan) – American College of Obstetricians and Gynecologists District IX – Support Letter
- Attachment 4C: AB 426 (Bauer-Kahan) – American Lung Association – Support Letter
- Attachment 4D: AB 426 (Bauer-Kahan) – 350 Bay Area Action – Support Letter
- Attachment 4E: AB 426 (Bauer-Kahan) – Brightline Defense – Support Letter
- Attachment 4F: AB 426 (Bauer-Kahan) – Sierra Club – Support Letter
- Attachment 4G: AB 426 (Bauer-Kahan) – Various Organizations – Oppose Letter
- Attachment 4H: AB 762 (Lee and C. Garcia) – Assembly Environmental Safety and Toxic Materials Committee Analysis
- Attachment 4I: AB 762 (Lee and C. Garcia) – Bay Area Air Quality Management District – Sponsor Letter
- Attachment 4J: AB 762 (Lee and C. Garcia) – California Air Pollution Control Officers Association – Support Letter
- Attachment 4K: AB 762 (Lee and C. Garcia) – California Association of Private School Organizations – Support Letter
- Attachment 4L: AB 762 (Lee and C. Garcia) – County of San Diego – Support Letter



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

March 18, 2021

The Honorable Luz Rivas
Chair, Assembly Committee on Natural Resources
1020 N Street, Room 164
Sacramento, CA 95814

RE: AB 426 (Bauer-Kahan) – Toxic Air Contaminants

Dear Chair Rivas:

ALAMEDA COUNTY
John J. Bauters
(Secretary)
Pauline Russo Cutter
David Haubert
Nate Miley

CONTRA COSTA COUNTY
John Gioia
David Hudson
Karen Mitchoff
(Vice Chair)
Mark Ross

MARIN COUNTY
Katie Rice

NAPA COUNTY
Brad Wagenknecht

SAN FRANCISCO COUNTY
Myrna Melgar
Shamann Walton
Tyrone Jue
(SF Mayor's Appointee)

SAN MATEO COUNTY
David J. Canepa
Carole Groom
Davina Hurt

SANTA CLARA COUNTY
Margaret Abe-Koga
Cindy Chavez
(Chair)
Rich Constantine
Rob Rennie

SOLANO COUNTY
Erin Hannigan
Lori Wilson

SONOMA COUNTY
Teresa Barrett
Lynda Hopkins

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



On behalf of the Bay Area Air Quality Management District (Bay Area AQMD), I wish to inform you of our sponsorship and support of Assembly Bill 426 (Bauer-Kahan), which better describes general air pollution control district and air quality management district authority related to indirect sources by adding toxic air contaminants to current authority and adding a data collection component. For many air districts in nonattainment of state ambient air quality standards including the South Coast AQMD, AB 426 is declarative of existing law. For the Bay Area however, identifying toxic air contaminants would allow us to better support public health initiatives in our disadvantaged communities.

Although the California Air Resources Board (CARB) and local air quality management districts (AQMDs) and air pollution control districts (APCDs) have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that improvements are not uniform throughout the state, and that additional effort should be made to work with communities that continue to be overly burdened by air pollution. In working with one of these communities, the community of West Oakland, the Bay Area AQMD and community members identified "indirect sources" as a source that should be addressed to improve public health in burdened communities throughout California. Given current statutory limitations that impact the Bay Area AQMD, this would require amendments to the California Health and Safety Code (HSC) Section 40716.

Traditional regulatory authority related to air quality gives local APCDs and AQMDs authority to regulate "stationary sources," facilities with stationary equipment such as boilers and engines, and CARB the authority to regulate "mobile sources," such as cars, trucks, and buses. "Indirect sources" are facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers. Current air district authority under HSC 40716 authorizes APCDs and AQMDs to enact local rules to reduce regional pollution impacts in areas of nonattainment of the state criteria pollutant standards, essentially ozone (smog) and particulate matter under 10 microns (PM10). AB 617 created a

new community air protection program that included air toxics such as diesel particulate matter as a major focus. HSC 40716, however, does not specifically identify air toxics, only state criteria pollutants (ozone and general particulate). Thus, the Bay Area AQMD is proposing three revisions to HSC 40716 that we believe are declarative of existing law:

1. Add air toxics to the pollutants covered under potential local air districts' indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

For the Bay Area AQMD, this would allow us to identify local indirect sources that contribute significantly to negative community health impacts, providing a platform to create future local actions to address these impacts.

The Bay Area AQMD is committed to reducing air pollution in California and ensuring that every one of the region's approximately 7.75 million residents can breathe clean, healthful air. We encourage you to support AB 426 when it comes before you for consideration. If you should have any questions, please do not hesitate to contact me at (415) 749-5052, or our Legislative Officer, Mr. Alan Abbs at (916) 769-7769.

Sincerely,



Jack P. Broadbent
Executive Officer/APCO

JPB:AA

cc: The Honorable Rebecca Bauer-Kahan, Assemblymember, 16th District
Members of the Assembly Committee on Natural Resources



American College of Obstetricians and Gynecologists

District IX

March 17, 2021

The Honorable Luz Rivas, Chair
Assembly Committee on Natural Resources
1020 N Street, Room 164
Sacramento, CA 95814

Re: AB 426 (Bauer-Kahan) – Support

Dear Chairwoman Rivas:

The American College of Obstetricians and Gynecologists District IX (ACOG) is pleased to support AB 426 (Bauer-Kahan), which would improve air quality standards for California by adding toxic air contaminants, including diesel particulates, to the pollutants covered under air districts’ indirect source rules and permit air districts to gather data under a local indirect source rule so that local health risks can be properly assessed.

Air pollution is controlled at the state level and local air district level. The California Air Resources Board (CARB) main responsibility at the state level is to regulate vehicle pollution from cars, trucks, and buses. At the local air district level, the primary responsibility is to regulate pollution emitted from sources that are not vehicles. However, air districts do not have enough information regarding “indirect sources” of pollution which includes facilities that attract truck traffic, and other mobile sources of pollution.

Additionally, one in every six Black children in America have asthma. Studies have proven that children growing up in areas with high diesel air pollution is one of the factors that contributes to asthma among youth. Diesel trucks emit more particulate matter than all of the state’s power plants combined. To adequately address diesel pollution to protect the public’s health, air districts need the capability to gather information and work with local jurisdictions to mitigate negative impacts on residents from diesel pollution.

For all these reasons, ACOG is pleased to support and ask your “aye” vote on AB 426.

Thank you for your attention.

Sincerely,

Ryan Spencer
Legislative Advocate

cc:
The Honorable Rebecca Bauer-Kahan
Members, Assembly Committee on Natural Resources
Members, Assembly Committee on Transportation

CHAIR
Diana Ramos, MD, MPH, MBA

CHAIR-ELECT
Kelly McCue, MD

TREASURER
John McHugh, MD

SECRETARY
Toni Marengo, MD

IMMEDIATE PAST CHAIR
Laura Sirott, MD

JUNIOR FELLOW CHAIR
Hayley Miller, MD

DISTRICT MANAGER
Michelle Clark, MSW

409 12th St SW
Washington, DC 20024
DIRECT: (202) 863-2564
MAIN: (800) 673-8444
EMAIL: mclark@acog.org



March 18, 2021

The Honorable Luz Rivas, Chair
Assembly Committee on Natural Resources
Legislative Office Building
1020 N Street, Room 164
Sacramento, CA 95814

Subject: Support for Assembly Bill 426 (Bauer-Kahan) in re: Toxic Air Contaminants

Dear Chair Rivas and members of the Committee,

On behalf of the American Lung Association, I am writing to express our support for Assembly Bill 426 (Bauer-Kahan). AB 426 provides air districts with additional tools to address local sources of toxic air contaminants.

Despite decades of clean air progress, California remains home to the most difficult air pollution challenges in the United States. In addition, we know that too many communities face increased health burdens due to nearby sources of diesel particulate matter and other toxic air contaminants. Lower income communities and communities of color often face disproportionate exposures and disparities in poor health outcomes because pollution sources tend to be located near disadvantaged communities, increasing exposure to harmful pollutants. Assembly Bill AB 426 would expand the current authority of our local air districts to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

AB 426 will expand authority to Air Quality Control Districts and Air Pollution Control Districts to reduce pollution and improve air quality standards for California by doing the following:

- Add toxic air contaminants, including diesel particulates, to the pollutants covered under air districts' indirect source rules.
- Allow air districts to collect data under a local indirect source rule so that local health risks can be properly assessed.

The American Lung Association supports AB 426 to provide air districts with additional tools to assess and address harmful air pollution from new and existing indirect sources that impact the health of local communities and especially California's most vulnerable communities. Please contact me with any questions at william.barrett@lung.org or (916) 585-7663.

Sincerely,

A handwritten signature in blue ink that reads "Will Barrett".

Will Barrett
Director, Clean Air Advocacy

cc: Assemblymember Bauer-Kahan

The Honorable Luz Rivas, Chair
Committee on Natural Resources
Legislative Office Building, 1020 N St., Room 164
Sacramento, CA 95814

March 12, 2021

Re: Assembly Bill 426 – Toxic Air Contaminants– SUPPORT

Dear Chair Rivas,

On behalf of **350 Bay Area Action**, I write to express our strong support for Assembly Bill 426 (Bauer-Kahan). This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants, as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

350 Bay Area gets policies passed that reduce toxic and climate-harming emissions. This is core to our mission, which is to eliminate carbon pollution and build a sustainable and socially equitable future, including a just transition to a clean energy economy. We are achieving this by building the grassroots climate movement in the Bay Area and beyond, and combining that work with policy expertise to provide leveraged pressure at the state, agency and local levels. We are working hard to protect communities from the well-documented and devastating health impacts caused by the air pollution.

AB 426 directly furthers this mission by increasing regulatory oversight of fine particulate matter (PM_{2.5}), the deadliest air pollution our communities face. Local Air Districts are in the best position to regulate PM_{2.5} pollution from so-called “magnet sources,” which currently fall into a gap in the state air quality regulatory framework. We are particularly concerned that the people who live or work in or near these sources, who are subjected to high levels of PM pollution, are also disproportionately low-income and of color. New studies show staggering increases in COVID-19 mortality from increased exposure to PM, suggesting that frontline communities heavily impacted by this environmental injustice are likely to experience much higher death rates from the pandemic. These disproportionate health impacts from PM emissions are not accounted for in standard cost-benefit analyses, so we must aggressively pursue all feasible methods to lower them. For that reason, we and our 17,000 members support AB 426.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources” such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers, are under limited local air district authority depending on attainment of state ozone or PM₁₀ health standards. Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM_{2.5}). Existing law, however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live



near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules to accomplish the following:

1. Add air toxics to the pollutants covered under potential local air districts' indirect source rules;
2. Clarify that air district indirect source authority can include both new sources as well as existing sources; and
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These three aspects of rulemaking authority would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and, by working with communities, will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and urge you to support AB 426 when it comes before you for consideration. For more information about 350 Bay Area Action's support of AB 426, please contact Ogie Strogatz at ogstrogatz@gmail.com (925) 451-9359.

Sincerely,

Ogie Strogatz

Ogie Strogatz

Legislative Analyst

350 Bay Area Action Legislative Committee

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District

Alan Abbs, Legislative Officer, Bay Area Air Quality Management District

The Honorable Rebecca Bauer-Kahan
California State Assembly
State Capitol, Room
Sacramento, CA 95814

March 18, 2021

Re: Assembly Bill 426 - SUPPORT

Dear Assemblymember Bauer-Kahan,

Brightline Defense, an environmental justice organization, is pleased to inform you of our support for Assembly Bill 426, which was introduced by Assemblymember Rebecca Bauer-Kahan.

Brightline supports AB 426 for furthering environmental justice in air quality. AB 426 expands the current authority of our statewide Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD) to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

One in every six Black children in America have asthma, higher than the national average according to CDC Data. Growing up in areas with high diesel air pollution is one of the factors that contributes to asthma among youth, as the case with many Black and Brown youth. According to a study done in the Eastbay, children who live near freeways have much higher likelihood for negative respiratory symptoms than those who do not.

AB 426 will expand authority to Air Quality Control Districts and Air Pollution Control Districts to reduce pollution and improve air quality standards for California by doing the following:

1. Add toxic air contaminants, including diesel particulates, to the pollutants covered under air districts' indirect source rules.
2. Allow air districts to collect data under a local indirect source rule so that local health risks can be properly assessed.

Brightline, respectfully urges your "AYE" vote on Assembly Bill 426 when it comes before you in the Assembly Natural Resources and Assembly Transportation. Please do not hesitate to contact me at eddie@brightlinedefense.org with any questions or concerns.

Sincerely,



Eddie Ahn
Executive Director



March 15, 2021

Assemblymember Bauer-Kahan
California State Capitol
Sacramento, CA 95814

Re: AB 426 (Bauer-Kahan) - Toxic Air Contaminants

Dear Assemblymember Bauer-Kahan:

Sierra Club California supports your bill, AB 426, which expands the current authority of our statewide Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD) to request and measure data from indirect sources of air pollution, such as distribution centers and warehouses, and evaluate health risks from those facilities on the surrounding communities.

Diesel trucks emit more particulate matter than all of the state's power plants combined. Air districts currently do not have adequate data nor the authority to gather data in order to combat the multiple pollutants emitted by diesel trucks. In order to adequately address diesel pollution to protect the public's health, air districts need the ability to gather information and work with local jurisdictions to mitigate negative impacts on residents from diesel pollution.

People who live near indirect sources that attract truck traffic and other mobile sources that emit pollutants are at high risk for exposure to health-threatening air pollutants emitted by these medium and heavy-duty vehicles. Communities near freeways and busy roadways have compounded health impacts due to near-constant exposure to air pollutants. According to a study done in the Eastbay, children who live near freeways have much higher likelihood for negative respiratory symptoms than those who do not.

AB 426 will expand authority to the APCDs and AQMDs to reduce pollution and improve air quality standards for California by (1) adding toxic air contaminants, including diesel particulates, to the pollution covered under air districts' indirect source rules and (2) allowing air districts to collect data under a local indirect source rule so that local health risks can be properly assessed. These provisions will allow air districts to identify local indirect sources of air pollution that contribute to detrimental community health impacts. For these reasons, Sierra Club California supports AB 426.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Cullum", written in a cursive style.

Lauren Cullum
Policy Advocate
Sierra Club California

CC: Assembly Committee on Natural Resources; Assembly Committee on Transportation



March 16, 2021

The Honorable Rebecca Bauer-Kahan
 California State Assembly
 State Capitol, Room 2130
 Sacramento, CA 95814

RE: AB 426 (Bauer-Kahan) TOXIC AIR CONTAMINANTS - OPPOSE

Dear Assemblymember Bauer-Kahan,

The undersigned organizations must respectfully oppose AB 426. As you know, consistent with the California Toxic Air Contaminant Act, diesel exhaust was identified as a toxic air contaminant in 1998. As required by the law, the California Air Resources Board (CARB) adopted a control plan (the Diesel Risk Reduction Plan) in 2000.

Since that time, CARB has implemented a comprehensive mobile source control program which has, in many cases, far exceeded the Diesel Risk Reduction Plan's goal of reducing diesel exhaust by 85% by 2020. In addition, CARB continues to adopt new control measures requiring the use of zero and near-zero emission equipment.

Simply put, the current regulatory mobile source programs by CARB already provided for in California law – including the latest generation of control technologies – have been wildly successful in reducing community exposures to both mobile and stationary source diesel emissions. For example, by January 1, 2023, diesel exhaust in nearly all on-road heavy-duty trucks will be reduced by more than 98%.¹.

¹ <https://ww3.arb.ca.gov/msprog/onrdiesel/documents/dpfeval.pdf>

AB 426 would fundamentally change the successful two-step identification and control process in the California Toxic Air Contaminant Act as implemented in the Diesel Risk Reduction Plan. The bill would also grant indirect source rule authority over existing sources in conflict with the Federal Clean Air Act which applies such programs to new or modified sources only. In addition, this bill would duplicate existing facility-by-facility review and mitigation under the California Environmental Quality Act as well as the myriad regulatory and data collection efforts on mobile sources currently being implemented by CARB.

For the above reasons, we must respectfully oppose AB 426.

***Building Owners and Managers Association of California
California Airports Council
California Beer & Beverage Distributors
California Business Properties Association
California Chamber of Commerce
California Distributors Association
California Railroads
California Retailers Association
California Trucking Association
Carson Dominguez Employers Alliance
Construction Industry Air Quality Coalition
Inland Action
Inland Empire Economic Partnership
International Council of Shopping Centers
Los Angeles Chamber of Commerce
Los Angeles County Business Federation
NAIOP California – Commercial Real Estate Development Association
Pacific Merchant Shipping Association
San Gabriel Valley Economic Partnership
Truck and Engine Manufacturers Association
Wilmington Chamber of Commerce***

Date of Hearing: April 7, 2021

ASSEMBLY COMMITTEE ON ENVIRONMENTAL SAFETY AND TOXIC MATERIALS

Bill Quirk, Chair

AB 762 (Lee) – As Amended March 30, 2021

SUBJECT: Hazardous emissions and substances: schoolsites: private and charter schools

SUMMARY: Requires charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste. Requires the evaluation, under the California Environmental Quality Act (CEQA), of a potential charter schoolsite to follow the same CEQA process as public schools.

EXISTING LAW:

- 1) Prohibits the governing board of a school district from approving a project involving the acquisition of a school site unless the school district, as the lead agency, determines that the property to be built upon is not a current or former hazardous waste site or a hazardous substances release site and the school district has consulted with state and local agencies and made a finding that the health risks or other pollution sources do not and will not constitute an actual or potential endangerment of public health to persons who would attend or be employed at the school. (Education Code (EDC) § 17213)
- 2) Requires the governing board of a school district, as a condition of receiving state funding, prior to the acquisition of a schoolsite to conduct a Phase I environmental assessment or a preliminary endangerment assessment of the proposed schoolsite. (EDC § 17213.1)
- 3) Creates the Hazardous Waste Control Law (HWCL), which authorizes the Department of Toxic Substances Control (DTSC) to regulate the management of hazardous wastes in California. (Health and Safety Code (HSC) § 25100 et. seq.)
- 4) Establishes the Carpenter-Presley-Tanner Hazardous Substance Account Act (HSAA) program to provide for response authority for releases of hazardous substances, including spills and hazardous waste disposal sites that pose a threat to public health or the environment. (HSC § 25300 et seq.)
- 5) Requires DTSC to publish and revise, at least annually, a listing of hazardous release sites selected for a response action under the HSAA. (HSC § 25356)
- 6) Creates CEQA which provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. (Public Resources Code (PRC) § 21050)
- 7) Defines "lead agency" as the public agency that has the principal responsibility for carrying out or approving a project that may have a significant effect upon the environment. (PRC § 21067)
- 8) Prohibits an environmental impact report (EIR) from being certified or a negative declaration from being approved for a project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a school district unless certain conditions are met. (PRC § 21151.8)

FISCAL EFFECT: Unknown.

COMMENTS:

Need for the bill: According to the author, "Private and some charter schools are not required to meet the same siting requirements as public schools, before building a new school. As a result, a school could potentially be built at an unsafe location near sources of hazardous emissions, substances, or waste. Consequently, the public health and safety of the students, teachers, and school employees could be put at risk.

The bill would require private and charter schools to identify nearby sources of air pollution, consult with their local air districts, and meet siting requirements by evaluating the schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste."

California Hazardous Waste Control Law (HWCL): The HWCL is the state's program that implements and enforces federal hazardous waste law in California. HWCL statute directs DTSC to oversee and implement the state's HWCL. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. The HWCL covers the entire management of hazardous waste, from the point the hazardous waste is generated, to management, transportation, and ultimately disposal into a state or federal authorized facility. Current law prohibits a public school from being built on a hazardous waste site permitted by DTSC. This bill would apply that prohibition to school sites for private and charter schools as well.

Carpenter-Presley-Tanner Hazardous Substances Account Act (HSAA): State law provides DTSC with general administrative responsibility for overseeing the state's responses to spills or releases of hazardous substances, and for overseeing hazardous waste disposal sites that pose a

threat to public health or the environment. The HSAA provides DTSC with the authority, procedures, and standards to investigate, remove, and remediate contamination at sites; to issue and enforce a removal or remedial action order to any responsible party; and, to impose administrative or civil penalties for noncompliance with an order. DTSC utilizes the HSAA for cleanup of contaminated sites and the HWCL for the regulation of hazardous waste sites. Current law prohibits a public school from being built on a hazardous waste site permitted by DTSC or a site with hazardous substances on a list compiled by DTSC. This bill would apply that prohibition to school sites for private and charter schools as well.

California Environmental Quality Act (CEQA): CEQA generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible. If a project subject to CEQA will not cause any adverse environmental impacts, a public agency may adopt a brief document known as a negative declaration. If the project may cause adverse environmental impacts, the public agency must prepare a more detailed study called an Environmental Impact Report (EIR). An EIR contains in-depth studies of potential impacts, measures to reduce or avoid those impacts, and an analysis of alternatives to the project. A key feature of the CEQA process is the opportunity for the public to review and provide input on both negative declarations and EIRs.

Evaluation of proposed schoolsites for potential hazardous substance contamination: All proposed school sites that receive state funding for acquisition or construction are required to go through a rigorous environmental review and cleanup process under DTSC's oversight. School districts conduct environmental assessments to provide basic information for determining if there has been a release of hazardous material at the sites, or if a naturally occurring hazardous material that presents a risk to human health or the environment may be present. Outreach activities integrated into the process allow a more active role for stakeholders in the selection process for school sites.

Siting of schools is a complicated process: Siting schools is not an easy process. Existing law and state regulations prohibit school districts seeking state bond funds from being located on land that was previously a hazardous waste disposal site, that contains pipelines that carry hazardous substances, or that is near a freeway and other busy traffic corridors and railyards that have the potential to expose students and school staff to hazardous air emissions. Existing law also requires school districts to comply with CEQA requirements, review by DTSC, and approval by the California Department of Education (CDE) to ensure the design plans meet the academic need of the school. School districts must also comply with the Field Act, which ensures that school buildings can withstand earthquakes. School districts must submit all school design plans to the Division of State Architect to ensure that the architectural design plans meet fire, life, and safety requirements, Field Act requirements, and access requirements under the Americans with Disability Act. Charter schools are not required to comply with school siting requirements unless they receive state school bond funds. Private schools are not subject to the requirements in the Education Code unless specified, typically related to health and safety issues.

Charter schools: Charter schools are authorized by school district boards and county boards of education. A charter school is generally exempt from most laws governing school districts, except where specifically noted in the law. Specific goals and operating procedures for the charter school are detailed in an agreement (or "charter") between the authorizing board and charter organizers. According to the CDE, in the 2018-19 academic year, there were 1,317 charter schools in California, with an enrollment of over 630,000 students. Some charter schools are new, while others are conversions from existing public schools. Charter schools are part of the state's public education system and are funded by public dollars. A charter school is usually created or organized by a group of teachers, parents, community leaders, a community-based organization, or an education management organization.

This bill: AB 762 amends existing law to require charter schools and private schools to perform the same evaluation for a proposed schoolsite as is required for public schools. It seems very reasonable to provide the students of charter schools and private schools with the same protections from hazardous chemicals at a potential schoolsite that is afforded to students who attend public schools. In addition, AB 762 is requiring the lead agency, under CEQA, over a charter school, to complete the same evaluations as is required for a lead agency of a public school. There are thousands of known contaminated sites in California, however, there are estimates of tens of thousands of unknown contaminated sites in the state. A site may have been an industrial site in the early 1900's and then been vacant for decades, and its potential of containing hazardous substances is unknown until there is an environmental assessment of the property. It is important that potential schoolsites, regardless of whether the school is a public school, private school, or charter school, be properly evaluated in order to protect the health and well-being of the future students who will attend that school.

Arguments in Support: According to the Bay Area Air Quality Management District, "In order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as public schools."

Double-Referral: Should the committee approve this bill, it will be re-referred to the Assembly Education Committee for their consideration.

Related legislation:

- 1) AB 2882 (Chu, 2020). Would have required charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste. Would have required the evaluation of a potential charter schoolsite under CEQA to follow the same process as public schools under CEQA. This bill was held in the Senate Environmental Quality Committee.
- 2) AB 2825 (Ruskin, 2006). Would have required a school district, in preparing the EIR on a proposed schoolsite, to identify any proposed facilities that emit hazardous air emissions or handle specified hazardous substances within a one-fourth mile of the proposed site. This bill was vetoed by Governor Schwarzenegger.

- 3) SB 1224 (Ortiz, 2004). Would have required school districts to contact DTSC if a potential health risk to students caused by a hazardous material is discovered. Would have allowed DTSC to oversee, review, and approve a site investigation and remediation for such a risk, and would have allowed deferred maintenance funding to be used for the investigation, mitigation, and removal of hazardous materials. This bill was held in the Senate Education Committee.
- 4) SB 352 (Escutia, Chapter 668, Statutes of 2003). Prohibits a local educational agency from approving the acquisition of a schoolsite within 500 feet of a busy roadway unless the air quality at the site does not pose a health risk to pupils or staff.

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Air Quality Management District (SPONSOR)
California Air Pollution Control Officers Association
California Association of Private School Organizations
San Diego; County of

Opposition

None on file.

Analysis Prepared by: Josh Tooker / E.S. & T.M. /

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

March 19, 2021

The Honorable Bill Quirk
Chair, Assembly Environmental Safety and Toxic Materials Committee
1020 N Street, Room 171
Sacramento, CA 95814

**RE: AB 762 (Lee and C. Garcia) - Hazardous Emissions and
Substances: Schoolsites: Private and Charter Schools**

Dear Chair Quirk:

On behalf of the Bay Area Air Quality Management District (Bay Area AQMD), I wish to inform you of our sponsorship and support of Assembly Bill 762 (Lee and C. Garcia), which will ensure the public health and safety of all students and school employees in California by requiring that private schools and charter schools meet the same siting requirements as public schools.

Existing law requires public schools to follow certain requirements before approving and building a new school. These requirements include that the public school district determines that the proposed schoolsite is not hazardous and that the public school district consults with its local air district to identify sources of air pollution that may affect the health of the children and employees at the proposed school. Doing so will ensure awareness of any harmful pollution and provide an early opportunity to mitigate its effects before or as the school is constructed. Unfortunately, these requirements only apply to public schools and not to private schools and some charter schools. Consequently, this has resulted in instances where schools have been built in locations near sources of pollution, unbeknownst to the children, their parents, and school employees. One of those such instances occurred in Fall 2018, when a private preschool through eighth grade school was constructed next to the Tri-City Rock concrete batch facility in Fremont, CA without consulting the Bay Area AQMD, or properly notifying the students' parents.

In order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as public schools.

- ALAMEDA COUNTY**
John J. Bauters
(Secretary)
Pauline Russo Cutter
David Haubert
Nate Miley
- CONTRA COSTA COUNTY**
John Gioia
David Hudson
Karen Mitchoff
(Vice Chair)
Mark Ross
- MARIN COUNTY**
Katie Rice
- NAPA COUNTY**
Brad Wagenknecht
- SAN FRANCISCO COUNTY**
Myrna Melgar
Shamann Walton
Tyrone Jue
(SF Mayor's Appointee)
- SAN MATEO COUNTY**
David J. Canepa
Carole Groom
Davina Hurt
- SANTA CLARA COUNTY**
Margaret Abe-Koga
Cindy Chavez
(Chair)
Rich Constantine
Rob Rennie
- SOLANO COUNTY**
Erin Hannigan
Lori Wilson
- SONOMA COUNTY**
Teresa Barrett
Lynda Hopkins

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



The Bay Area AQMD is committed to reducing air pollution in California and ensuring that every one of the region's approximately 7.75 million residents can breathe clean, healthful air. We encourage you to support AB 762 when it comes before you for consideration. If you should have any questions, please do not hesitate to contact me at (415) 749-5052, or our Legislative Officer, Mr. Alan Abbs at (916) 769-7769.

Sincerely,



Jack P. Broadbent
Executive Officer/APCO

JPB:AA

cc: The Honorable Alex Lee, Assemblymember, 25th District
The Honorable Cristina Garcia, Assemblymember, 58th District
Members of the Assembly Environmental Safety and Toxic Materials
Committee

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021



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San Diego County APCD

Samir Sheikh
San Joaquin Valley APCD

EXECUTIVE DIRECTOR

Tung T. Le
tung@capcoa.org

March 30, 2021

The Honorable Bill Quirk, Chair
Assembly Environmental Safety & Toxic Materials Committee
1020 N Street, Room 171
Sacramento, CA 95814

RE: AB 762 (Lee and C. Garcia) – Hazardous emissions and substances:
school sites

Dear Chair Quirk:

On behalf of the California Air Pollution Control Officers Association (CAPCOA), the non-profit association of the air pollution control officers representing the 35 local air quality districts throughout California, I write to express our support of AB 762, which would ensure the public health and safety of all students and school employees in California.

Existing law requires public schools to meet certain requirements before approving and building a new school, such as consulting with their local air pollution control district or air quality management district to identify sources of air pollution. This consultation includes an analysis of toxic air contaminants that may affect the health of the children and employees of the proposed school. These requirements also include that the school district's governing board determines that the property is not a current or former hazardous waste or solid waste disposal site, a hazardous substance release site identified by the Department of Toxic Substances Control, or a site that contains one or more pipelines that carries hazardous substances. This ensures that the school district, its employees, and parents are aware of local sources of pollution and provides an early opportunity to mitigate its effects as the school is constructed.

Unfortunately, these requirements currently only apply to traditional public schools and not to private and some public charter schools, resulting in cases where schools have been built in locations near sources of pollution, unbeknownst to the children and their parents. We believe that regardless of whether students and school employees attend public or private institutions, it is imperative that their health and safety is protected to the maximum extent possible.

March 30, 2021

CAPCOA is dedicated to improving public health and providing clean air for all our residents and in order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 762 will achieve this by requiring that private schools and charter schools meet the same siting requirements as traditional public schools. CAPCOA appreciates the opportunity to submit our comments on this important piece of legislation and urge you to support AB 762. Should you have any questions, please do not hesitate to contact me at (530) 274-9360, extension 502.

Sincerely,

A handwritten signature in blue ink that reads "Gretchen Bennett". The signature is written in a cursive style with a small dot above the letter 'i' in "Bennett".

Gretchen Bennett
President

CC: The Honorable Alex Lee, Assembly Member, 25th District
The Honorable Cristina Garcia, Assembly Member, 58th District
Members of Assembly Environmental Safety & Toxic Materials Committee
Chair and Members of the Assembly Committee on Education

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021



C A P S O

California Association of Private School Organizations

MEMBERS

Archdiocese of Los Angeles
Department of Catholic Schools

Archdiocese of San Francisco
Department of Catholic Schools

Association of Christian
Schools International

Association of Waldorf Schools of
North America – California Division

BJE - Builders of
Jewish Education

California Association of
Independent Schools

California Association of Private
Special Education Schools

California Catholic Conference

Christian Schools International
District VIII

Diocese of Fresno
Education Corporation

Diocese of Monterey

Diocese of Oakland
Department of Catholic Schools

Diocese of Orange

Diocese of Sacramento

Diocese of San Bernardino

Diocese of San Diego

Diocese of San Jose

Diocese of Stockton

Episcopal Diocese of California

Episcopal Diocese of Los Angeles

Evangelical Lutheran Education
Association

Lutheran Church – Missouri Synod
California-Nevada-Hawaii District

Lutheran Church – Missouri Synod
Pacific Southwest District

Seventh-day Adventists
Pacific Union Conference

Berit von Pohle
President

Pamela Lyons
Vice-President

Stephanie Rynas
Secretary

Gil Graff
Treasurer

Ron Reynolds
Executive Director

March 31, 2021

Assemblymember Bill Quirk, Ph.D.
Chair

Assembly Environmental Safety and Toxic Materials Committee
State Capitol Room 2163
Sacramento, CA 95814

Dear Dr. Quirk,

I write on behalf of the California Association of Private School Organizations (CAPSO) to indicate the Association's support for AB 762 (Lee), as amended on March 30, 2021. CAPSO is a statewide consortium of private school service agencies and administrative units whose 24 member-organizations serve approximately 1,400 nonprofit private schools enrolling some 370,000 pupils in grades K-12, inclusive.

AB 762 proposes an additional requirement to which the governing authority of a private school considering the acquisition or purchase of a school site would be subject. This additional procedural safeguard is intended to help prevent the acquisition or purchase of property in locations that may pose health hazards to a private school's students, staff, parents and community. We regard the measure's proposed provisions as sensible, reasonable, and practical.

California's private schools are partners in the education of the public, and AB 762 is, ultimately, a public health measure. In light of its purpose and reasonableness, we are pleased to support the bill, and respectfully request its passage when heard before the Assembly Environmental Safety and Toxic Materials Committee.

Sincerely,

Dr. Ron Reynolds
Executive Director
California Association of Private School Organizations

CC: Dr. Berit von Pohle, Richard Schnetzer

**Support AB 762 (Lee)
As Amended (3/30/3031)**



JGC Government Relations
Sacramento Representatives
County of San Diego
1100 K Street, Suite 100
Sacramento, CA 95814

(916) 441-0202 Fax (916) 441-1222

AGENDA 4L - ATTACHMENT
Nielsen Merksamer Parrinello Gross & Leoni LLP
Sacramento Representatives
County of San Diego
1415 L Street, Suite 1200
Sacramento, CA 95814

(916) 446-6752 Fax (916) 446-6106

April 1, 2021

Assemblymember Quirk, Chair
Assembly Environmental Safety & Toxic Materials Committee
State Capitol
Sacramento, California 95814

**AB 762 (Lee) - Support
Set for Hearing April 7th**

Dear Assemblymember Quirk:

On behalf of the County of San Diego, we are pleased to support AB 762 (Lee), a measure relating to hazardous emissions and school sites.

Existing law requires public schools to follow certain requirements before approval of a project involving the acquisition or construction of a school site, including conducting an environmental review of the project under the California Environmental Quality Act (CEQA). Existing law also prohibits the governing board of a school district from approving a project unless specified conditions are met, such as the school district determines that the property to be purchased or built upon is not the site of a current or former hazardous waste site, has not identified specified facilities within 1/4 of one mile of the proposed school site that might reasonably be anticipated to emit or handle hazardous materials, substances, or waste, and the school district has consulted with their local air pollution control district or air quality management district.

AB 762 would require charter schools and private schools to follow the same requirements, as mentioned above, as public schools before the approval of a project can be given involving the acquisition or construction of a school site. By requiring that all schools meet the same safety standards, AB 762 would help ensure the public health and safety of all students and school employees.

For these reasons we are pleased to support AB 762. Thank you for your consideration of this important matter. Please feel free to contact me at 916.715.1406 if you have any questions regarding our support of AB 762.

Sincerely,

Jonathan Clay
Legislative Representative

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2021

Re: Consideration of New Bills

RECOMMENDED ACTION

The Legislative Committee (Committee) will discuss and review bills and take positions where appropriate.

Staff recommends a support position on the following bill:

- Assembly Bill (AB) 1346 (Berman) – Air pollution: small off-road engines.

BACKGROUND

This is the first year of the two-year 2021-2022 Legislative Session. The attached bill matrix has been arranged by category.

DISCUSSION

Staff will provide the Committee a summary and status of bills on the attached list and will recommend bills to support and oppose during the session. Staff will review other bills that may be of interest to the Committee. Specifically, staff will plan to discuss AB 1346 (Berman), AB 1547 (Reyes), AB 1001 (C. Garcia), AB 745 (Gipson), AB 794 (Carrillo), Senate Bill (SB) 67 (Becker), and SB 18 (Skinner).

AB 1346 (Berman) – Air pollution: small off-road engines.

This bill would require the California Air Resources Board (CARB) to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines by July 1, 2022. Those regulations would apply to engines produced on or after January 1, 2024, or as soon as CARB determines is feasible, whichever is later. The regulations will only apply to new sales. CARB currently envisions a phaseout of these engines by 2035 and is developing regulations consistent with that approach, meaning that AB 1346 would likely accelerate the current approach by CARB. Residential and commercial users are free to continue using gas-powered equipment purchased before the regulations take effect.

The bill would require the state board to identify and, to the extent feasible, make available funding for commercial rebate or similar incentive funding as part of any updates to existing applicable funding program guidelines to local air pollution control districts and air quality management districts to implement to support the transition to zero-emission small off-road equipment operations.

AB 1547 (Reyes) – Air pollution: warehouse facilities.

This bill would authorize CARB to regulate indirect sources, as defined. This bill would also require local governments, before approving a warehouse development project, to take certain actions to identify and address the potential environmental impacts of the project and to ensure public participation by residents affected by the project on the consideration of the project, as provided. By imposing additional duties on local governments, this bill would impose a state-mandated local program.

AB 1001 (C. Garcia) – Environmental permitting and air pollution.

This bill would require the California Environmental Protection Agency, on or before May 1, 2022, to publish, maintain, and update a list of overburdened communities, as defined. The bill would, on or after July 1, 2022, require a permitting agency to take certain actions for an application for a new environmental permit, as defined, or the renewal of an environmental permit for a facility located in an overburdened community. The bill would require a permit applicant to prepare an environmental justice impact statement, to conduct a public hearing in the overburdened community, and to transmit the environmental justice impact statement to the permitting agency. The bill would require the permitting agency to deny the application or to apply conditions concerning the construction and operation of the facility to protect public health if it finds that the approval of the application would, together with other environmental or public health stressors affecting the overburdened community, cause or contribute to adverse cumulative environmental or public health stressors in the overburdened community that are higher than those borne by other communities.

Existing law requires each air district that has a nonattainment area for one or more air pollutants to adopt an expedited schedule for the implementation of best available retrofit control technology (BARCT) by the earliest feasible date, but not later than December 31, 2023. Existing law provides that the adopted expedited schedule applies only to each industrial source that, as of January 1, 2017, was subject to a market-based compliance mechanism for the emissions of greenhouse gases adopted by the CARB, as provided.

This bill would additionally require those air districts to adopt an expedited schedule for the implementation of best available control technology (BACT). The bill would delete the provision applying the expedited schedule only to industrial sources that are subject to the market-based compliance mechanism. The bill would require the air districts to identify all emission units at an industrial source and to take certain actions regarding those emission units, as specified. The bill would require, by January 1, 2025, the air districts to adopt rules for the installation and operation of either BACT or BARCT at emission units by the earliest feasible date, but not later than December 31, 2026.

AB 745 (Gipson) – Air pollution: Clean Cars 4 All program.

This bill would require the state board, as a part of the Clean Cars 4 All Program, to provide vouchers for the purchase of zero-emission vehicles to persons of low-income living in disadvantaged communities to replace those persons' vehicles that have failed a smog check inspection, as provided. The bill would establish the maximum amount of the voucher at \$13,000.

AB 794 (Carrillo) – Air pollution: purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.

Existing law establishes various incentive programs that are administered or funded by CARB to provide financial assistance for the purchase of vehicles and vehicle technology by individuals and fleet purchasers. This includes the Carl Moyer Program and AB 617 Incentive Program. This bill would establish specified labor and workforce standards that a manufacturer of vehicles or vehicle technology would be required to meet in order for the vehicles or vehicle technology to be eligible under the incentive programs. For this purpose, the bill would specify the percentage of incentives that a vehicle or vehicle technology would be eligible for, as provided. The bill would also establish specified labor and workforce standards that a fleet purchaser would be required to meet in order to be eligible to receive incentives under the incentive programs.

SB 67 (Becker) – Clean energy: California 24/7 Clean Energy Standard Program.

This bill would revise California Renewables Portfolio Standard Program to establish a goal that 100% of electrical load be supplied by eligible clean energy resources, as defined. The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. The bill would require the California Energy Commission (CEC), in consultation with the California Public Utilities Commission (CPUC) and California balancing authorities, to establish compliance periods and subperiods that meet certain criteria. The bill would require the PUC to establish for each retail seller, and the Energy Commission for each local publicly owned electric utility, clean energy procurement requirements for each compliance period and subperiod, as provided. Because the bill would impose additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

SB 18 (Skinner) – Green hydrogen.

This bill establishes a new definition for green hydrogen, requires the CARB to include a strategic plan for green hydrogen in the Climate Change Scoping Plan, requires the CPUC to consider green hydrogen in resource adequacy requirements, and it classifies green hydrogen as a zero-carbon resource for electric utility procurement plans. This bill also requires the CEC to submit a report to the Legislature on the uses of green hydrogen for transportation and energy decarbonization.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 5A: Current Bills of Interest Matrix
Attachment 5B: AB 1346 (Berman) – Bill Text
Attachment 5C: AB 1547 (Reyes) – Bill Text
Attachment 5D: AB 1001 (C. Garcia) – Bill Text
Attachment 5E: AB 745 (Gipson) – Bill Text
Attachment 5F: AB 794 (Carrillo) – Bill Text
Attachment 5G: SB 67 (Becker)– Bill Text
Attachment 5H: SB 18 (Skinner) – Bill Text

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021

AGENDA 5A - ATTACHMENT

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 11	Ward	Climate change: regional climate change authorities.	1/21/2021	1/25/2021-Re-referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.			Low	Climate Change
AB 39	Chau	California-China Climate Institute.	3/25/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	Climate Change
AB 51	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.		1/11/2021-Referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.			Low	Climate Change
AB 284	Rivas, Robert	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	4/14/2021	4/14/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on APPR. Read second time and amended.	3/24/2021-A. APPR.			Low	Climate Change
AB 897	Mullin	Office of Planning and Research: regional climate networks: climate adaptation action plans.	4/7/2021	4/14/2021-VOTE: Do pass as amended and be re-referred to the Committee on [Appropriations] (PASS)	4/14/2021-A. APPR.			Low	Climate Change
AB 943	Garcia, Eduardo	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: investment plan.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1086	Aguiar-Curry	Organic waste: implementation strategy.	4/5/2021	4/14/2021-In committee: Set, first hearing. Referred to suspense file.	4/14/2021-A. APPR. SUSPENSE FILE			Low	Climate Change
AB 1395	Muratsuchi	Greenhouse gases: carbon neutrality.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1463	O'Donnell	California Global Warming Solutions Act of 2006: Low Carbon Fuel Standard regulations.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
AB 1523	Gallagher	Greenhouse gases.		3/11/2021-Referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	Climate Change
SB 27	Skinner	Carbon sequestration: state goals: natural and working lands: registry of projects.	3/1/2021	3/25/2021-Set for hearing April 27.	3/15/2021-S. N.R. & W.			Low	Climate Change
SB 30	Cortese	Building decarbonization.		1/28/2021-Referred to Com. on G.O.	1/28/2021-S. G.O.		Support	Medium	Climate Change
SB 31	Cortese	Building decarbonization.	3/5/2021	4/9/2021-Set for hearing April 19.	1/28/2021-S. E. U. & C.		Support	Medium	Climate Change
SB 68	Becker	Building decarbonization.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C.	3/18/2021-S. E. U. & C.		Support	Low	Climate Change
SB 260	Wiener	Climate Corporate Accountability Act.	4/13/2021	4/14/2021-Set for hearing April 27.	4/12/2021-S. JUD.			Medium	Climate Change
SB 449	Stern	Climate-related financial risk.	4/13/2021	4/13/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on B. & F.I.	2/25/2021-S. B. & F. I.			Low	Climate Change
SB 456	Laird	Fire prevention: long-term forest management plan: reports.	3/8/2021	3/25/2021-Set for hearing April 27.	3/18/2021-S. N.R. & W.			Low	Climate Change
SB 582	Stern	Climate Emergency Mitigation, Safe Restoration, and Just Resilience Act of 2021.	4/5/2021	4/12/2021-From committee: Do pass and re-refer to Com. on N.R. & W. (Ayes 5. Noes 2.) (April 12). Re-referred to Com. on N.R. & W.	4/12/2021-S. N.R. & W.			Low	Climate Change
SB 596	Becker	Greenhouse gases: cement and concrete production.	3/4/2021	4/13/2021-Set for hearing April 29.	2/18/2021-S. E.Q.			Medium	Climate Change
SB 759	Hueso	Short-lived climate pollutants: methane: organic waste: landfills.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Spot bill.		Low	Climate Change
AB 5	Fong	Greenhouse Gas Reduction Fund: High-Speed Rail Authority: K-12 education: transfer.	3/17/2021	3/18/2021-Re-referred to Com. on TRANS.	1/11/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 96	O'Donnell	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	3/22/2021	4/8/2021-Coauthors revised.	1/11/2021-A. TRANS.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 111	Boerner Horvath	Transportation: zero-emission vehicles.	3/22/2021	3/23/2021-Re-referred to Com. on TRANS.	1/11/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 113	Boerner Horvath	Income taxes: credits: electric vehicles.	4/7/2021	4/8/2021-Re-referred to Com. on H. & C.D.	3/25/2021-A. H. & C.D.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 117	Boerner Horvath	Air Quality Improvement Program: electric bicycles.	3/24/2021	4/6/2021-Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (April 5). Re-referred to Com. on APPR.	4/5/2021-A. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 363	Medina	Carl Moyer Memorial Air Quality Standards Attainment Program.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	2/12/2021-A. TRANS.		Oppose	Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 365	O'Donnell	Sales and use taxes: exclusion: zero-emission and near-zero-emission drayage trucks.		2/12/2021-Referred to Com. on REV. & TAX.	2/12/2021-A. REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 648	Fong	Greenhouse Gas Reduction Fund: healthy forest and fire prevention: appropriation.		2/25/2021-Referred to Com. on NAT. RES.	2/25/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 713	Garcia, Cristina	State Air Resources Board: greenhouse gas emissions scoping plan: comprehensive health analysis.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/18/2021-A. TRANS.	Cap and Trade		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 745	Gipson	Air pollution: Clean Cars 4 All program.	4/5/2021	4/6/2021-Re-referred to Com. on TRANS.	2/25/2021-A. TRANS.	Clean Cars for All		Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 776	Mathis	Methane: dairy digesters.		2/17/2021-From printer. May be heard in committee March 19.	2/16/2021-A. PRINT	Intent bill.		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 794	Carrillo	Air pollution: purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.	3/25/2021	3/26/2021-Re-referred to Com. on L. & E.	3/25/2021-A. L. & E.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 823	Gray	High-Speed Rail Authority: trains powered by fossil fuel combustion engines.		2/25/2021-Referred to Com. on TRANS.	2/25/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 906	Carrillo	Zero-emission trucks: tax and fee exemptions.		3/22/2021-In committee: Hearing postponed by committee.	2/25/2021-A. REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 965	Levine	Building standards: electric vehicle charging infrastructure.		3/4/2021-Referred to Com. on H. & C.D.	3/4/2021-A. H. & C.D.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 992	Cooley	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	3/25/2021	4/6/2021-From committee: Do pass and re-refer to Com. on NAT. RES. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (April 5). Re-referred to Com. on NAT. RES.	4/5/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1147	Friedman	Regional transportation plan: Active Transportation Program.	3/18/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 3.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1312	Rodriguez	Vehicular fuels: renewable and clean hydrogen: income tax: credit.		3/4/2021-Referred to Coms. on NAT. RES. and REV. & TAX.	3/4/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1346	Berman	Air pollution: small off-road engines.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1389	Reyes	Alternative and Renewable Fuel and Vehicle Technology Program.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/25/2021-A. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1500	Garcia, Eduardo	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.	4/14/2021	4/14/2021-Read second time and amended.	4/8/2021-A. NAT. RES.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1519	Gallagher	Forestry: fuels transportation program: biomass energy facility: grant program.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 45	Portantino	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.	3/16/2021-S. GOV. & F.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 66	Allen	California Council on the Future of Transportation: advisory committee: autonomous vehicle technology.	4/14/2021	4/14/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.	2/25/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 227	Jones	Off-highway vehicles.	4/5/2021	4/13/2021-From committee: Do pass and re-refer to Com. on N.R. & W. (Ayes 12. Noes 2.) (April 13). Re-referred to Com. on N.R. & W.	4/13/2021-S. N.R. & W.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 261	Allen	Regional transportation plans: sustainable communities strategies.		3/16/2021-From committee: Do pass and re-refer to Com. on TRANS. (Ayes 5. Noes 2.) (March 15). Re-referred to Com. on TRANS.	3/15/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 339	Wiener	Vehicles: road usage charge pilot program.	4/5/2021	4/13/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 4.) (April 13). Re-referred to Com. on APPR.	4/13/2021-S. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 372	Leyva	Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 495	Dahle	California Global Warming Solutions Act of 2006: scoping plan: Greenhouse Gas Reduction Fund.	3/5/2021	4/12/2021-April 12 set for first hearing canceled at the request of author.	2/17/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 500	Min	Autonomous vehicles: zero emissions.	4/5/2021	4/14/2021-From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 12. Noes 2.) (April 13).	4/13/2021-S. APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 506	Jones	California Environmental Quality Act: Greenhouse Gas Reduction Fund monies: greenhouse gas emissions: vegetation management projects.		3/12/2021-March 16 set for first hearing canceled at the request of author.	2/25/2021-S. N.R. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 527	Melendez	Greenhouse Gas Reduction Fund: high-speed rail: Salton Sea restoration.		4/7/2021-April 12 set for first hearing canceled at the request of author.	2/25/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 542	Limón	Vehicle license fees for zero-emission vehicles: sales and use taxes on medium- or heavy-duty zero-emission trucks.	3/25/2021	4/13/2021-VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Governance and Finance] (PASS)	4/13/2021-S. GOV. & F.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 551	Stern	California Electric Vehicle Authority.	4/7/2021	4/7/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/6/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 589	Hueso	Air pollution: alternative vehicles and vehicle infrastructure.	3/25/2021	4/13/2021-From committee: Do pass and re-refer to Com. on TRANS. (Ayes 14. Noes 0.) (April 12). Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 643	Archuleta	Fuel cell electric vehicle fueling infrastructure and fuel production: working group: statewide assessment.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 671	Gonzalez	Transportation: Clean Freight Corridor Efficiency Assessment.	4/6/2021	4/13/2021-From committee: Do pass and re-refer to Com. on E.Q. (Ayes 15. Noes 0.) (April 13). Re-referred to Com. on E.Q.	4/13/2021-S. E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 726	Gonzalez	Alternative fuel and vehicle technologies: transportation sustainability strategy.	4/13/2021	4/13/2021-Read second time and amended. Re-referred to Com. on TRANS.	4/12/2021-S. TRANS.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 771	Becker	Sales and Use Tax Law: zero emissions vehicle exemption.		3/3/2021-Referred to Com. on GOV. & F.	3/3/2021-S. GOV. & F.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 798	Wieckowski	Trade Corridor Enhancement Account.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Spot bill.		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 220	Voepel	Smog check: exemption.	4/13/2021	4/14/2021-Re-referred to Com. on TRANS.	1/28/2021-A. TRANS.		Oppose	Medium	General-Air District
AB 426	Bauer-Kahan	Toxic air contaminants.	3/17/2021	4/14/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/12/2021-A. NAT. RES.		Air District-Sponsored	High	General-Air District
AB 762	Lee	Hazardous emissions and substances: schoolsites: private and charter schools.	3/30/2021	4/7/2021-Coauthors revised. From committee: Do pass and re-refer to Com. on ED. (Ayes 6. Noes 0.) (April 7). Re-referred to Com. on ED.	4/7/2021-A. ED.		Air District-Sponsored	High	General-Air District
AB 766	Gabriel	Climate change: corporate disclosures.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Medium	General-Air District
AB 905	Quirk	Mobile fueling on-demand tank vehicles: performance standards.	4/5/2021	4/12/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/25/2021-A. TRANS.		Oppose	Medium	General-Air District
AB 1296	Kamlager	South Coast Air Quality Management District: district board: membership.		3/4/2021-Referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.			Low	General-Air District
AB 9	Wood	Fire safety: wildfires: fire adapted communities.	4/5/2021	4/14/2021-VOTE: Do pass as amended and be re-referred to the Committee on [Local Government] (PASS)	4/14/2021-A. L. GOV.			Medium	Wildfire/Smoke/PSPS
AB 52	Frazier	California Global Warming Solutions Act of 2006: scoping plan updates: wildfires.		1/11/2021-Referred to Com. on NAT. RES.	1/11/2021-A. NAT. RES.			Low	Wildfire/Smoke/PSPS
AB 73	Rivas, Robert	Employment safety: agricultural workers: wildfire smoke.	4/12/2021	4/13/2021-Re-referred to Com. on APPR.	4/8/2021-A. APPR.			Low	Wildfire/Smoke/PSPS
AB 297	Gallagher	Fire prevention.		2/12/2021-Referred to Coms. on NAT. RES. and REV. & TAX.	2/12/2021-A. NAT. RES.			Low	Wildfire/Smoke/PSPS
AB 575	Fong	Civil liability: prescribed burning activities: gross negligence.		3/26/2021-In committee: Set, first hearing. Hearing canceled at the request of author.	2/18/2021-A. JUD.			Low	Wildfire/Smoke/PSPS
AB 619	Calderon	Lung health.	4/14/2021	4/14/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on E.M. Read second time and amended.	4/6/2021-A. EMERGENCY MANAGEMENT			Low	Wildfire/Smoke/PSPS
AB 642	Friedman	Wildfires.		3/25/2021-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (March 24). Re-referred to Com. on APPR.	3/24/2021-A. APPR.			Low	Wildfire/Smoke/PSPS
AB 792	Flora	Forestry: prescribed burning agreements.		2/25/2021-Referred to Com. on NAT. RES.	2/25/2021-A. NAT. RES.			Low	Wildfire/Smoke/PSPS
AB 800	Gabriel	Wildfires: local general plans: safety elements: fire hazard severity zones.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Low	Wildfire/Smoke/PSPS
AB 1100	Aguiar-Curry	Communications service: emergencies and disasters: reports.		3/4/2021-Referred to Coms. on C. & C. and E.M.	3/4/2021-A. C. & C.			Low	Wildfire/Smoke/PSPS
SB 52	Dodd	State of emergency: local emergency: planned power outage.	4/12/2021	4/13/2021-Read second time. Ordered to third reading.	4/13/2021-S. THIRD READING			Low	Wildfire/Smoke/PSPS
SB 63	Stern	Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones: forest management.		3/26/2021-Set for hearing April 29.	3/16/2021-S. HOUSING			Low	Wildfire/Smoke/PSPS
SB 332	Dodd	Civil liability: prescribed burning operations: gross negligence.		2/22/2021-Art. IV, Sec. 8(a) of the Constitution dispensed with. (Ayes 32. Noes 4.) Joint Rule 55 suspended. (Ayes 32. Noes 4.)	2/17/2021-S. JUD.			Low	Wildfire/Smoke/PSPS
AB 214	Ting	Budget Act of 2021.		1/28/2021-Referred to Com. on BUDGET.	1/28/2021-A. BUDGET			High	Other
AB 339	Lee	State and local government: open meetings.		1/29/2021-From printer. May be heard in committee February 28.	1/28/2021-A. PRINT			Low	Other
AB 844	Grayson	Green Empowerment Zone for the Northern Waterfront area of the Counties of Contra Costa and Solano.	3/18/2021	3/22/2021-Re-referred to Com. on J.E.D., & E.	3/22/2021-A. J., E.D. & E.			Low	Other
AB 983	Garcia, Eduardo	Public contracts: construction projects: community workforce agreements: battery manufacturing and lithium-based technology.	4/12/2021	4/13/2021-Re-referred to Com. on L. & E.	3/4/2021-A. L. & E.			Low	Other
AB 1005	Muratsuchi	Scientific Review Panel on Toxic Air Contaminants.		2/19/2021-From printer. May be heard in committee March 21.	2/18/2021-A. PRINT	Spot bill.		Low	Other
AB 1205	Frazier	State Air Resources Board: elections.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Low	Other
AB 1240	Ting	Indoor air pollution.		3/4/2021-Referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.			Medium	Other
AB 1270	Rivas, Luz	Natural gas plants: methane monitoring systems and reporting.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Low	Other
AB 1365	Bonta	Public contracts: clean concrete.	3/25/2021	4/14/2021-VOTE: Do pass and be re-referred to the Committee on [Natural Resources] (PASS)	4/14/2021-A. NAT. RES.			Low	Other
AB 1397	Garcia, Eduardo	Public contracts: California Lithium Economy Act.		3/11/2021-Referred to Coms. on A. & A.R. and NAT. RES.	3/11/2021-A. A. & A.R.			Low	Other
SB 7	Atkins	Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2021.	2/18/2021	4/8/2021-Referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.			Low	Other

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 112	Skinner	Budget Act of 2021.		1/11/2021-From printer. Read first time. Referred to Com. on B. & F.R.	1/11/2021-S. BUDGET & F.R.			High	Other
SB 467	Wiener	Oil and gas: hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming: prohibition: job relocation.	3/22/2021	4/13/2021-April 13 set for first hearing. Failed passage in committee. (Ayes 4. Noes 3.) Reconsideration granted.	2/25/2021-S. N.R. & W.			Low	Other
SB 475	Cortese	Transportation planning: sustainable communities strategies.	3/10/2021	4/8/2021-Set for hearing April 26.	3/18/2021-S. E.Q.			Low	Other
SB 560	Rubio	Climate Pollution Reduction in Homes Initiative: grants.		4/14/2021-April 19 hearing postponed by committee.	3/3/2021-S. E. U., & C.			Medium	Other
AB 585	Rivas, Luz	Climate change: Extreme Heat and Community Resilience Program.	3/17/2021	4/14/2021-In committee: Set, first hearing. Referred to suspense file.	4/14/2021-A. APPR. SUSPENSE FILE			Low	Environmental Justice
AB 680	Burke	Greenhouse Gas Reduction Fund: California Just Transition Act.		4/8/2021-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 5. Noes 1.) (April 8). Re-referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.			Medium	Environmental Justice
AB 976	Rivas, Luz	Resilient Economies and Community Health Pilot Program.		4/14/2021-In committee: Set, first hearing. Referred to suspense file.	4/14/2021-A. APPR. SUSPENSE FILE			Low	Environmental Justice
AB 1001	Garcia, Cristina	Environmental permitting and air pollution.	3/15/2021	3/16/2021-Re-referred to Com. on NAT. RES.	3/4/2021-A. NAT. RES.			Medium	Environmental Justice
AB 1069	Lackey	Zero-emission passenger vehicles: underrepresented communities.		3/4/2021-Referred to Com. on TRANS.	3/4/2021-A. TRANS.			Low	Environmental Justice
AB 1087	Chiu	Environmental Justice Community Resilience Hubs Program.	4/14/2021	4/14/2021-Read second time and amended.	4/7/2021-A. NAT. RES.			Low	Environmental Justice
AB 1099	Rivas, Robert	Environmental equity: principles: bond and fund expenditures.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.			Low	Environmental Justice
AB 1218	McCarty	Motor vehicle greenhouse gas emissions standards: civil penalty: Equitable Access to Zero-Emissions Vehicles Fund.	4/12/2021	4/13/2021-Re-referred to Com. on TRANS.	3/4/2021-A. TRANS.			Low	Environmental Justice
AB 1453	Muratsuchi	Environmental justice: Just Transition Advisory Commission: Just Transition Plan.		4/8/2021-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 5. Noes 0.) (April 8). Re-referred to Com. on NAT. RES.	4/8/2021-A. NAT. RES.			Low	Environmental Justice
SB 342	Gonzalez	South Coast Air Quality Management District: board membership.	3/10/2021	4/12/2021-From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 5. Noes 0.) (April 12). Re-referred to Com. on GOV. & F.	4/12/2021-S. GOV. & F.			Low	Environmental Justice
SB 499	Leyva	General plan: land use element: uses adversely impacting health outcomes.		3/25/2021-April 8 set for first hearing canceled at the request of author.	2/25/2021-S. GOV. & F.			Low	Environmental Justice
SB 751	Gonzalez	Environmental justice.		3/3/2021-Referred to Com. on RLS.	2/19/2021-S. RLS.	Intent bill.		Low	Environmental Justice
AB 33	Ting	Energy Conservation Assistance Act of 1979: energy storage systems and transportation electrification infrastructure.	3/16/2021	3/17/2021-Re-referred to Com. on U. & E.	1/11/2021-A. U. & E.			Low	Energy
AB 64	Quirk	Electricity: long-term backup electricity supply strategy.	3/23/2021	3/24/2021-Re-referred to Com. on U. & E. In committee: Set, first hearing. Hearing canceled at the request of author.	1/11/2021-A. U. & E.			Low	Energy
AB 1161	Garcia, Eduardo	Electricity: eligible renewable energy and zero-carbon resources: state agencies: procurement.	4/13/2021	4/14/2021-Re-referred to Com. on U. & E.	3/4/2021-A. U. & E.			Low	Energy
AB 1261	Burke	State Air Resources Board: greenhouse gas emissions: incentive programs.	3/18/2021	4/14/2021-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (April 14). Re-referred to Com. on APPR.	4/14/2021-A. APPR.			Low	Energy
AB 1317	Berman	Clean energy.		2/22/2021-Read first time.	2/19/2021-A. PRINT			Low	Energy
AB 1325	Burke	Microgrids: Clean Community Microgrid Incentive Program.		3/4/2021-Referred to Com. on U. & E.	3/4/2021-A. U. & E.			Low	Energy
AB 1559	O'Donnell	Energy: Innovative Renewable Energy for Buildings Act of 2021.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.			Low	Energy
SB 18	Skinner	Green hydrogen.	3/23/2021	4/13/2021-Set for hearing April 29.	3/15/2021-S. E.Q.			Low	Energy
SB 32	Cortese	Energy: general plan: building decarbonization requirements.	4/8/2021	4/8/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.	1/28/2021-S. GOV. & F.		Support	Medium	Energy
SB 36	Skinner	Energy efficiency.		1/28/2021-Referred to Com. on RLS.	12/7/2020-S. RLS.	Spot bill.		Low	Energy
SB 67	Becker	Clean energy: California 24/7 Clean Energy Standard Program.	3/3/2021	3/26/2021-Set for hearing April 26.	3/11/2021-S. E. U., & C.			Low	Energy
SB 99	Dodd	Community Energy Resilience Act of 2021.	4/12/2021	4/12/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C. (Amended 4/12/2021, Published 4/13/2021)	1/28/2021-S. E. U., & C.			Low	Energy
SB 345	Becker	Energy programs and projects: nonenergy benefits.	3/23/2021	4/5/2021-April 5 hearing: Placed on APPR suspense file.	4/5/2021-S. APPR. SUSPENSE FILE			Low	Energy

Bill #	Author	Subject	Last Amended	Last Status - As of 4/15/2021	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 513	Hertzberg	Eligible fuel cell electrical generating facilities.		2/25/2021-Referred to Com. on RLS.	2/17/2021-S. RLS.			Low	Energy
SB 662	Archuleta	Energy: transportation sector: hydrogen.	3/25/2021	4/12/2021-VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Environmental Quality] (PASS)	4/12/2021-S. E.Q.			Low	Energy
AB 28	Chau	Service stations: definition: alternative fuels: Hate crimes.	3/30/2021	3/30/2021-From committee chair, with author's amendments: Amend, and re-refer to Com. on TRANS. Read second time and amended.	1/11/2021-A. TRANS.	No Longer Tracking: Amended/Removed		Low	Energy
AB 467	Grayson	Smog check: exemption: historic vehicles.		2/18/2021-Referred to Com. on TRANS.	2/18/2021-A. TRANS.	2-Year Bill	Oppose	Medium	General-Air District
AB 649	Bennett	CalRecycle Greenhouse Gas Reduction Revolving Loan Program. Department of Resources Recycling and Recovery: Office of Environmental Justice and Tribal Relations.	3/11/2021	3/15/2021-Re-referred to Com. on NAT. RES.	3/11/2021-A. NAT. RES.	No Longer Tracking: Amended/Removed		Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 833	Quirk-Silva	State government: grants: administrative costs.		2/25/2021-Referred to Com. on A. & A.R.	2/25/2021-A. A. & A.R.	2-Year Bill		Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1469	Santiago	Energy: energy efficiency programs. Solid waste: plastic products: labeling: compostability and biodegradability.	3/18/2021	3/22/2021-Re-referred to Com. on NAT. RES.	3/18/2021-A. NAT. RES.	No Longer Tracking: Amended/Removed		Low	Energy
AB 1512	Bauer-Kahan	Forest practices: burning of brush-covered lands. Off-highway vehicular recreation: Carnegie State Vehicular Recreation Area: Alameda-Tesla Expansion Area.	3/25/2021	3/25/2021-Referred to Com. on W.,P., & W. From committee chair, with author's amendments: Amend, and re-refer to Com. on W.,P., & W. Read second time and amended.	3/25/2021-A. W.,P. & W.	No Longer Tracking: Amended/Removed		Low	Wildfire/Smoke/PSPS
AB 1547	Reyes	Air pollution: warehouse facilities.	3/25/2021	3/26/2021-Re-referred to Com. on NAT. RES.	3/25/2021-A. NAT. RES.	2-Year Bill		Medium	General-Air District
Total Active Bills	121							Low: Medium: High:	95 22 4

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021

AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1346

Introduced by Assembly ~~Member Berman~~ Members *Berman and Lorena Gonzalez*

(Coauthors: Assembly Members *Bauer-Kahan, Carrillo, Gabriel, Cristina Garcia, Eduardo Garcia, Low, Mullin, Reyes, Robert Rivas, and Ting*)

February 19, 2021

~~An act to add Section 14299.5 to the Elections Code, relating to elections.~~ *An act to add Section 43018.11 to the Health and Safety Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1346, as amended, Berman. ~~Elections: ballots.~~ *Air pollution: small off-road engines.*

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law assigns the responsibility for controlling vehicular sources of air pollution to the State Air Resources Board.

This bill would require the state board, by July 1, 2022, consistent with federal law, to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines, as defined by the state board. The bill would require the state board to identify and, to the extent feasible, make available funding for commercial rebate or similar incentive funding as part of any updates to existing applicable funding program guidelines to local air pollution control districts and air quality management

districts to implement to support the transition to zero-emission small off-road equipment operations.

~~Existing law requires an elections official to deliver to a precinct additional ballots if the precinct board is unable to furnish a ballot to a qualified voter because there is an insufficient number of ballots. Existing law requires the precinct board to provide each voter with the option of casting a vote immediately using an alternative procedure, as specified. Existing law requires, in the case of an election for a state or federal office, for each polling place using a direct recording electronic voting system, the elections official to also provide paper ballots equivalent to specified percentages of voters depending on the type of election and to establish procedures for the use of the paper ballots in the event the direct recording electronic voting system becomes nonfunctional.~~

~~This bill would require an elections official to establish an alternative procedure for the use of paper ballots in the event that a ballot marking system, a ballot on demand system, or, except as specified, a voting system becomes nonfunctional. The bill would require the elections official to submit the alternative procedure to the Secretary of State for approval. By increasing the duties of local elections officials, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes-no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (1) *Small off-road engines (SORE), which are used primarily*
- 4 *in lawn and garden equipment, emit high levels of air pollutants,*
- 5 *including oxides of nitrogen (NOx), reactive organic gases (ROG),*
- 6 *and particulate matter (PM). NOx and ROG together contribute*
- 7 *to formation of ozone, a criteria pollutant with a national ambient*

1 *air quality standard set by the United States Environmental*
2 *Protection Agency (U.S. EPA) and a California ambient air quality*
3 *standard and that has adverse impacts on health. Currently,*
4 *California exceeds U.S. EPA and state standards for ozone in*
5 *many areas, including the South Coast Air Basin, the San*
6 *Francisco Bay area, and the County of Sacramento. NO_x also*
7 *contributes to formation of PM, which, along with directly emitted*
8 *PM, has direct negative health impacts. PM also has an air quality*
9 *standard set by the U.S. EPA and the state. Many areas in*
10 *California also currently fail to meet PM standards, including the*
11 *South Coast Air Basin and the San Joaquin Valley Air Basin.*

12 (2) *In 2020, California daily NO_x and ROG emissions from*
13 *SORE were higher than emissions from light-duty passenger cars.*
14 *SORE emitted an average of 16.8 tons per day of NO_x and 125*
15 *tons per day of ROG. Without further regulatory action, those*
16 *emission levels are expected to increase with increasing numbers*
17 *of SORE in California. Regulations of emissions from SORE have*
18 *not been as stringent as regulations of other engines, and one hour*
19 *of operation of a commercial leaf blower can emit as much ROG*
20 *plus NO_x as driving 1,100 miles in a new passenger vehicle.*

21 (3) *Currently, there are zero-emission equivalents to all SORE*
22 *equipment regulated by the State Air Resources Board. The battery*
23 *technology required for commercial-grade zero-emission*
24 *equipment is available and many users, both commercial and*
25 *residential, have already begun to transition to zero-emission*
26 *equipment.*

27 (4) *The Governor's Executive Order No. N-79-20 of September*
28 *23, 2020, directs the state board to implement strategies to achieve*
29 *100 percent zero emissions from off-road equipment in California*
30 *by 2035, where feasible and cost-effective. The state will not*
31 *achieve that goal without further regulation of SORE, including*
32 *a mandate to transition all sales of new equipment to zero-emission*
33 *equipment.*

34 (b) *It is the intent of the Legislature to encourage the state board*
35 *to act expeditiously to protect public health from the harmful effects*
36 *of emissions of small off-road engines.*

37 **SEC. 2.** *Section 43018.11 is added to the Health and Safety*
38 *Code, to read:*

39 **43018.11.** (a) *By July 1, 2022, the state board shall, consistent*
40 *with federal law, adopt cost-effective and technologically feasible*

1 regulations to prohibit engine exhaust and evaporative emissions
2 from new small off-road engines, as defined by the state board.
3 Those regulations shall apply to engines produced on or after
4 January 1, 2024, or as soon as the state board determines is
5 feasible, whichever is later.

6 (b) Consistent with the regulations adopted pursuant to this
7 section and relevant state law, the state board shall identify, and,
8 to the extent feasible, make available, funding for commercial
9 rebates or similar incentive funding as part of any updates to
10 existing, applicable funding program guidelines for districts to
11 implement to support the transition to zero-emission small off-road
12 equipment operations.

13 SECTION 1. ~~Section 14299.5 is added to the Elections Code,~~
14 ~~to read:~~

15 ~~14299.5. (a) An elections official shall establish an alternative~~
16 ~~procedure for the use of paper ballots in the event that a ballot~~
17 ~~marking system, a ballot on demand system, or, except for a direct~~
18 ~~recording electronic voting system governed by Section 14300, a~~
19 ~~voting system becomes nonfunctional.~~

20 ~~(b) The alternative procedure required by this section shall be~~
21 ~~subject to approval by the Secretary of State. The elections official~~
22 ~~shall submit the alternative procedure to the Secretary of State for~~
23 ~~approval by a date to be determined by the Secretary of State.~~

24 ~~SEC. 2. If the Commission on State Mandates determines that~~
25 ~~this act contains costs mandated by the state, reimbursement to~~
26 ~~local agencies and school districts for those costs shall be made~~
27 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
28 ~~4 of Title 2 of the Government Code.~~

AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL**No. 1547****Introduced by Assembly Member Reyes**

February 19, 2021

An act to add Chapter 2.8 (commencing with Section 65098) to Division 1 of Title 7 of the Government Code, and to amend Section 39602.5 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1547, as amended, Reyes. Air pollution: warehouse facilities.

Existing law regulates the emissions of air pollution. Existing law designates air pollution control districts and air quality management districts as having the primary responsibility for the control of air pollution from all sources other than vehicular sources, subject to the powers and duties of the State Air Resources Board. Existing law designates the state board as having the primary responsibility for the control of air pollution from vehicular sources.

This bill would authorize the State Air Resources Board to regulate indirect sources, as defined.

Existing law, the Planning and Zoning Law, sets forth various requirements relating to the review of development project permit applications and the issuance of development permits for particular specified classes of development projects. Existing law, the California Environmental Quality Act (CEQA), requires a lead agency to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the

environment, or to adopt a negative declaration if it finds that the project will not have that effect.

This bill would require local governments, before approving a warehouse development project, to take certain actions to identify and address the potential environmental impacts of the project and to ensure public participation by residents affected by the project on the consideration of the project, as provided. By imposing additional duties on local governments, this bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~This bill would state the intent of the Legislature to enact subsequent legislation relating to air pollution at warehouse facilities.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) Logistics includes the process of planning, implementing,
- 4 and controlling procedures for the efficient and effective
- 5 transportation and storage of goods.
- 6 (2) For communities already struggling with some of the worst
- 7 air quality in the nation, the expansion of the logistics industry
- 8 presents a serious air quality and environmental justice challenge.
- 9 (3) Environmental pollution and emissions of greenhouse gases
- 10 have a harmful impact on human health and ecosystem quality.
- 11 (4) For example, in the last decade, more than 150 million
- 12 square feet of industrial space, the vast majority of it warehouses,
- 13 has been built in the Inland Empire.
- 14 (5) The Counties of San Bernardino and Riverside are at the
- 15 top of the most ozone-polluted counties.

1 (6) *The use of diesel trucks in the logistics industry, especially*
2 *those that come and go from warehouses, are adding to what has*
3 *become an intractable problem.*

4 (7) *The trucks and trains that carry freight to be warehoused*
5 *and trucks idling engines at or near warehouse sites pollute by*
6 *emitting small toxic particles.*

7 (A) *These particles are of varying sizes and toxicity.*

8 (B) *Particulate emissions from diesel vehicles and equipment*
9 *contribute to health problems that include cardiovascular*
10 *problems, cancer, asthma, decreased lung function and capacity,*
11 *reproductive health problems, and premature death.*

12 (8) *Warehousing facilities threaten the health of residents living*
13 *and working near busy roads and logistics facilities.*

14 (9) *Beyond health threats from the transportation of freight,*
15 *warehouses are also associated with negative impacts on residents’*
16 *quality of life.*

17 (10) *Warehouse centers also deprive local communities of land*
18 *that could be used for future green space, schools and public*
19 *buildings, and new residential, retail, and commercial centers.*

20 (11) *While trucks may represent only a small share of the traffic*
21 *in urban areas, they generate more than one-half of overall*
22 *emissions for specific contaminants.*

23 (12) *One of the approaches to contend with these issues is to*
24 *promote the use of new technologies and alternative fuel pathways.*

25 (b) *It is the intent of the Legislature to encourage the continued*
26 *development and deployment of zero-emission medium- and*
27 *heavy-duty vehicles in the goods movement sector.*

28 SEC. 2. *Chapter 2.8 (commencing with Section 65098) is added*
29 *to Division 1 of Title 7 of the Government Code, to read:*

30
31 *CHAPTER 2.8. WAREHOUSE FACILITIES*
32

33 65098. (a) *For purposes of this section, the following*
34 *definitions apply:*

35 (1) *“Public agency” means a city, county, and city and county,*
36 *and subdivisions of those entities, including any agencies of the*
37 *city, county, or city and county.*

38 (2) *“Threshold language” means a language for the*
39 *geographical area in which a warehouse development project is*
40 *located as identified by the State Department of Health Care*

1 Services in its most recent determination required pursuant to
2 subdivision (b) of Section 14029.91 of the Welfare and Institution
3 Code.

4 (b) Before approving a warehouse development project, a public
5 agency shall do all of the following:

6 (1) Ensure that the design of the warehouse development project
7 provides for at least a 3,000-yard buffer zone between the boundary
8 of the project site and sensitive land use.

9 (2) Conduct a cumulative analysis of the air quality impacts of
10 the warehouse development project, taking into consideration air
11 quality impacts from other nearby sources of pollution and air
12 quality impacts of reasonably foreseeable future projects.

13 (3) Require all onsite equipment used at the warehouse to be
14 powered by electricity.

15 (4) Require all offroad construction equipment used for the
16 warehouse development project to meet the Tier 4 emission
17 standards set forth in Article 4 (commencing with Section 2420)
18 of Chapter 9 of Division 3 of Title 13 of the California Code of
19 Regulations.

20 (5) Require loading and unloading docks and trailer spaces for
21 cold storage warehouses to provide electrical connections to
22 provide electrical power to trucks.

23 (6) Require the project applicant to hold a series of community
24 meetings with affected residents to obtain community inputs and
25 incorporate consideration of those community inputs into the
26 project design.

27 (7) Require the project applicant to post a prominent notice on
28 the project site that contains a brief description of the warehouse
29 development project and directions on obtaining information
30 posted pursuant to paragraph (1) of subdivision (c).

31 (c) Upon receipt of an application for a warehouse development
32 project, a public agency shall do all of the following:

33 (1) Post information on its internet website that is easily
34 accessible and easily understandable by the public regarding both
35 of the following:

36 (A) The project, including a complete and accurate project
37 description, maps, and drawings of the project design.

38 (B) The process by which interested members of the public can
39 provide comments and input regarding the project.

1 (2) Mail or deliver a notice with a brief description of the
2 warehouse development project and directions on obtaining
3 information posted pursuant to paragraph (1) to both of the
4 following:

5 (A) All owners and occupants of properties located within 3,000
6 yards of the project site.

7 (B) All schools located within two miles of the project site.

8 (3) Provide the information and notices required pursuant to
9 this subdivision in English and all threshold languages.

10 (d) (1) (A) The lead agency shall conduct at least one scoping
11 meeting at a location within one mile of the project site.

12 (B) If, after making a good faith effort, the lead agency is unable
13 to secure a location for the scoping meeting within one mile of the
14 project site, the lead agency may hold the meeting at another
15 location that meets both of the following requirements:

16 (i) The meeting location is readily accessible to residents of
17 disadvantaged communities located within one-half mile of the
18 project site.

19 (ii) The meeting location is located within one-half mile of a
20 transit stop, if feasible.

21 (2) If the scoping meeting is held on a weekday, the scoping
22 meeting shall be held between the hours of 5 p.m. and 8 p.m.

23 (3) At the scoping meeting, the lead agency shall do both of the
24 following:

25 (A) Provide a description of the project and any information
26 known about the project's potential environmental impacts.

27 (B) Take public comments regarding potential environmental
28 impacts of the project, including any social and economic impacts
29 related to a direct or indirect physical change caused by the
30 project, project alternatives, and mitigation measures that would
31 avoid or reduce any potentially significant environmental impacts.

32 (e) In a meeting in which a warehouse development project is
33 being considered, the public agency, upon request, shall provide
34 translation services in a requested threshold language.

35 SEC. 3. Section 39602.5 of the Health and Safety Code is
36 amended to read:

37 39602.5. (a) The state board shall adopt rules and regulations
38 pursuant to Section 43013 that, in conjunction with other measures
39 adopted by the state board, the districts, and the United States
40 Environmental Protection Agency, will achieve ambient air quality

1 standards required by the federal Clean Air Act (42 U.S.C. Sec.
2 7401 et seq.) in all areas of the state by the applicable attainment
3 date, and to maintain these standards thereafter. The state board
4 shall adopt these measures if they are necessary, technologically
5 feasible, and cost effective, consistent with Section 43013.

6 (b) If necessary to carry out its duties under this section, the
7 state board shall adopt and enforce rules and regulations that
8 anticipate the development of new technologies or the improvement
9 of existing technologies. The rules and regulations shall require
10 standards that the state board finds and determines can likely be
11 achieved by the compliance date set forth in the rule.

12 (c) *The state board may adopt and enforce rules and regulations*
13 *applicable to indirect sources, as defined in Section 7410 of Title*
14 *42 of the United States Code.*

15 *SEC. 4. The Legislature finds and declares that the regulation*
16 *of warehouse development projects to identify and address the*
17 *potential environmental impacts and ensure public participation*
18 *by residents affected by projects is a matter of statewide concern*
19 *and is not a municipal affair as that term is used in Section 5 of*
20 *Article XI of the California Constitution. Therefore, Section 2 of*
21 *this act adding Chapter 2.8 (commencing with Section 65098) to*
22 *Division 1 of Title 7 of the Government Code applies to all cities,*
23 *including charter cities.*

24 *SEC. 5. No reimbursement is required by this act pursuant to*
25 *Section 6 of Article XIII B of the California Constitution because*
26 *a local agency or school district has the authority to levy service*
27 *charges, fees, or assessments sufficient to pay for the program or*
28 *level of service mandated by this act, within the meaning of Section*
29 *17556 of the Government Code.*

30 ~~SECTION 1. It is the intent of the Legislature to enact~~
31 ~~subsequent legislation relating to air pollution at warehouse~~
32 ~~facilities.~~

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AMENDED IN ASSEMBLY MARCH 15, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL**No. 1001****Introduced by Assembly Member Cristina Garcia**

February 18, 2021

~~An act to amend Section 71021 of the Public Resources Code, relating to the environment.~~ *An act to amend Sections 40920.6 and 40920.8 of the Health and Safety Code, and to add Section 71119 to the Public Resources Code, relating to the environment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1001, as amended, Cristina Garcia. Environmental-permitting-permitting and air pollution.

Existing law regulates facilities with operations that would or may cause the release of pollution to the environment. Existing law requires operators of those facilities to obtain a permit or other authorization from various public agencies for the operation of those facilities.

This bill would require the California Environmental Protection Agency, on or before May 1, 2022, to publish, maintain, and update a list of overburdened communities, as defined. The bill would, on or after July 1, 2022, require a permitting agency to take certain actions for an application for a new environmental permit, as defined, or the renewal of an environmental permit for a facility located in an overburdened community. The bill would require a permit applicant to prepare an environmental justice impact statement, to conduct a public hearing in the overburdened community, and to transmit the environmental justice impact statement to the permitting agency. The bill would require the permitting agency to deny the application or to apply conditions concerning the construction and operation of the

facility to protect public health if it finds that the approval of the application would, together with other environmental or public health stressors affecting the overburdened community, cause or contribute to adverse cumulative environmental or public health stressors in the overburdened community that are higher than those borne by other communities. The bill would require permitting agencies to electronically publish certain information on their internet websites. Because the bill would impose additional duties on local agencies that are permitting agencies, this bill would impose a state-mandated local program.

Existing law requires each air pollution control district and each air quality management district (air district) that has a nonattainment area for one or more air pollutants to adopt an expedited schedule for the implementation of best available retrofit control technology (BARCT) by the earliest feasible date, but not later than December 31, 2023. Existing law provides that the adopted expedited schedule applies only to each industrial source that, as of January 1, 2017, was subject to a market-based compliance mechanism for the emissions of greenhouse gases adopted by the State Air Resources Board, as provided.

This bill would additionally require those air districts to adopt an expedited schedule for the implementation of best available control technology (BACT). The bill would delete the provision applying the expedited schedule only to industrial sources that are subject to the market-based compliance mechanism. The bill would require the air districts to identify all emission units at an industrial source and to take certain actions regarding those emission units, as specified. The bill would require, by January 1, 2025, the air districts to adopt rules for the installation and operation of either BACT or BARCT at emission units by the earliest feasible date, but not later than December 31, 2026. Because this bill would impose additional duties on air districts, this bill would impose a state-mandated local program.

Existing law requires the state board to establish and maintain a statewide clearinghouse that identifies BACT and BARCT.

This bill would authorize the state board to create determinations for technologies that have been achieved in practice for sources or source categories.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law requires the Secretary for Environmental Protection to establish an administrative process that may be used, at the request of a permit applicant for a project that requires multiple environmental permits, for the designation of a consolidated permit agency to issue a consolidate permit for the project. Existing law requires the secretary, within 30 days of the date that the request is received, to either designate a consolidated permit agency for the project or refer the designation to the California Environmental Policy Council.~~

~~This bill would shorten the time period in which the secretary is to respond to 20 days.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *All California residents, regardless of income, race,*
- 4 *ethnicity, color, or national origin, have a right to live, work, and*
- 5 *recreate in a clean and healthy environment.*
- 6 (b) *Historically, California’s low-income communities and*
- 7 *communities of color have been subject to a disproportionately*
- 8 *high number of environmental and public health stressors,*
- 9 *including pollution from numerous industrial, commercial, and*
- 10 *governmental facilities located in those communities.*
- 11 (c) *As a result, residents in the state’s overburdened*
- 12 *communities have suffered from increased adverse health effects*
- 13 *including, but not limited to, asthma, cancer, elevated blood lead*
- 14 *levels, cardiovascular disease, and developmental disorders.*
- 15 (d) *Children are especially vulnerable to the adverse health*
- 16 *effects caused by exposure to pollution, and those health effects*
- 17 *may severely limit a child’s potential for future success.*
- 18 (e) *The adverse effects caused by pollution impede the growth,*
- 19 *stability, and long-term well-being of individuals and families*
- 20 *living in overburdened communities.*
- 21 (f) *The legacy of siting sources of pollution in overburdened*
- 22 *communities continues to pose a threat to the health, well-being,*
- 23 *and economic success of the state’s most vulnerable residents.*

1 (g) *It is past time for the state to correct this historical injustice.*

2 (h) *No community should bear a disproportionate share of the*
 3 *adverse environmental and public health consequences that*
 4 *accompany the state’s economic growth.*

5 (i) *The state’s overburdened communities must have a*
 6 *meaningful opportunity to participate in any decision to allow in*
 7 *those communities certain types of facilities which, by the nature*
 8 *of their activity, have the potential to increase environmental and*
 9 *public health stressors.*

10 (j) *It is in the public interest for the state, where appropriate,*
 11 *to limit the future placement and expansion of those facilities in*
 12 *overburdened communities.*

13 SEC. 2. *Section 40920.6 of the Health and Safety Code is*
 14 *amended to read:*

15 40920.6. (a) ~~Prior to~~ *Before* adopting rules or regulations to
 16 meet the requirement for best available retrofit control technology
 17 pursuant to Sections 40918, 40919, 40920, and 40920.5, or for a
 18 feasible measure pursuant to Section 40914, districts shall, in
 19 addition to other requirements of this division, do all of the
 20 following:

21 (1) Identify one or more potential control options which achieves
 22 the emission reduction objectives for the regulation.

23 (2) Review the information developed to assess the
 24 cost-effectiveness of the potential control option. For purposes of
 25 this paragraph, “cost-effectiveness” means the cost, in dollars, of
 26 the potential control option divided by emission reduction potential,
 27 in tons, of the potential control option.

28 (3) Calculate the incremental cost-effectiveness for the potential
 29 control options identified in paragraph (1). To determine the
 30 incremental cost-effectiveness under this paragraph, the district
 31 shall calculate the difference in the dollar costs divided by the
 32 difference in the emission reduction potentials between each
 33 progressively more stringent potential control option as compared
 34 to the next less expensive control option.

35 (4) Consider, and review in a public meeting, all of the
 36 following:

37 (A) The effectiveness of the proposed control option in meeting
 38 the requirements of this chapter and the requirements adopted by
 39 the state board pursuant to subdivision (b) of Section 39610.

1 (B) The cost-effectiveness of each potential control option as
2 assessed pursuant to paragraph (2).

3 (C) The incremental cost-effectiveness between the potential
4 control options as calculated pursuant to paragraph (3).

5 (5) Make findings at the public hearing at which the regulation
6 is adopted stating the reasons for the district's adoption of the
7 proposed control option or options.

8 (b) A district may establish its own best available retrofit control
9 technology requirement based upon consideration of the factors
10 specified in subdivision (a) and Section 40406 if the requirement
11 complies with subdivision (d) of Section 40001 and is consistent
12 with this chapter, other state law, and federal law, including, but
13 not limited to, the applicable state implementation plan.

14 (c) (1) ~~On or before January 1, 2019, each~~ *Each* district that is
15 a nonattainment area for one or more air pollutants shall adopt an
16 expedited schedule for the implementation of *best available control*
17 *technology (BACT) or best available retrofit control technology*
18 *(BARCT), by the earliest feasible date, but in any event not later*
19 ~~than December 31, 2023.~~ *date and in compliance with paragraph*
20 *(3) of subdivision (g).*

21 ~~(2) The schedule shall apply to each industrial source that, as~~
22 ~~of January 1, 2017, was subject to a market-based compliance~~
23 ~~mechanism adopted by the state board pursuant to subdivision (c)~~
24 ~~of Section 38562.~~

25 ~~(3)~~

26 (2) The schedule shall give highest priority to those permitted
27 units that have not modified emissions-related permit conditions
28 for the greatest period of time. The schedule shall not apply to an
29 emissions unit that has implemented *BACT or BARCT* due to a
30 permit revision or a new permit issuance since 2007.

31 (d) ~~Prior to~~ *Before* adopting the schedule pursuant to paragraph
32 (1) of subdivision (c), a district shall hold a public meeting and
33 take into account:

34 (1) The local public health and clean air benefits to the
35 surrounding community.

36 (2) The cost-effectiveness of each control option.

37 (3) The air quality and attainment benefits of each control
38 option.

39 (e) A district shall allow the retirement of marketable emission
40 reduction credits under a program which complies with all of the

1 requirements of Section 39616, or emission reduction credits which
2 meet all of the requirements of state and federal law, including,
3 but not limited to, the requirements that those emission reduction
4 credits be permanent, enforceable, quantifiable, and surplus, in
5 lieu of any requirement for best available retrofit control
6 technology, if the credit also complies with all district rules and
7 regulations affecting those credits.

8 (f) After a district has established the cost-effectiveness, in a
9 dollar amount, for any rule or regulation adopted pursuant to this
10 section or Section 40406, 40703, 40914, 40918, 40919, 40920,
11 40920.6, or 40922, the district, consistent with subdivision (d) of
12 Section 40001, shall allow alternative means of producing
13 equivalent emission reductions at an equal or lesser dollar amount
14 per ton reduced, including the use of emission reduction credits,
15 for any stationary source that has a demonstrated compliance cost
16 exceeding that established dollar amount.

17 (g) *To further implement the schedule adopted pursuant to*
18 *subdivision (c), each district subject to subdivision (c) shall take*
19 *the following actions:*

20 (1) *Identify all emissions units at an industrial source subject*
21 *to paragraph (1) of subdivision (c) that emit a pollutant for which*
22 *the region is in nonattainment to determine whether those*
23 *emissions units are individually permitted at BACT or BARCT*
24 *stringency levels that are applicable as of the time of the review*
25 *and do the following:*

26 (A) *Continue the implementation of the schedule adopted*
27 *pursuant to subdivision (c) if the district determines that the*
28 *emissions unit is subject to a rule that the district included on the*
29 *schedule for updating pursuant to subdivision (c).*

30 (B) *Add the rule to the schedule for updating to ensure that the*
31 *applicable BACT or BARCT rule applies to the emission unit if*
32 *the district determines that the emissions unit is subject to a rule*
33 *implementing BACT or BARCT that is not on the district's adopted*
34 *schedule pursuant to subdivision (c) and the rule has not been*
35 *updated or revised since 2007.*

36 (C) *Add the emissions unit to the schedule adopted pursuant to*
37 *subdivision (c) and adopt a rule to control the nonattainment*
38 *pollutant by implementing BACT or BARCT if the district*
39 *determines that the emission unit is not subject to a rule*
40 *implementing BACT or BARCT.*

1 (2) For all reviews of what constitutes BACT or BARCT for an
2 emissions unit under this subdivision and subdivision (c), the
3 district shall base its consideration of cost effectiveness of the
4 control option for the emissions unit and air quality benefits for
5 the surrounding community, and shall make determinations
6 consistent with information in the clearinghouse established
7 pursuant to Section 40920.8 and any technical assessments issued
8 by the state board.

9 (3) The district shall adopt each rule implementing BARCT
10 pursuant to subdivision (c) and this subdivision by January 1,
11 2025, for installation and operation of BACT or BARCT at each
12 emissions unit by the earliest feasible date, but not later than
13 December 31, 2026.

14 SEC. 3. Section 40920.8 of the Health and Safety Code is
15 amended to read:

16 40920.8. (a) (1) The state board shall establish and maintain
17 a statewide clearinghouse that identifies the best available control
18 technology and best available retrofit control technology for criteria
19 air pollutants, and related technologies for the control of toxic air
20 contaminants.

21 (2) (A) The state board may create determinations for
22 technologies that have been achieved in practice, and may provide
23 technical assessments of control options, including the availability
24 of alternative technologies, for sources or source categories.

25 (B) The Administrative Procedure Act (Chapter 3.5
26 commencing with Section 11340) of Part 1 of Division 3 of Title
27 2 of the Government Code) does not apply to the development of
28 technical assessments pursuant to subparagraph (A).

29 (b) When updating best available control technology
30 determinations, best available retrofit control technology rules,
31 and related determinations for the control of toxic air contaminants
32 in permits, schedules, and rules, a district shall use the information
33 in the statewide clearinghouse established and maintained by the
34 state ~~board.~~ board and any technical assessments that are
35 developed pursuant to paragraph (2) of subdivision (a).

36 SEC. 4. Section 71119 is added to the Public Resources Code,
37 to read:

38 71119. (a) For purposes of this section, the following
39 definitions apply:

1 (1) “Environmental or public health stressors” means sources
2 of environmental pollution, including, but not limited to,
3 concentrated areas of air pollution, mobile sources of air pollution,
4 contaminated sites, transfer stations or other solid waste facilities,
5 recycling facilities, scrap yards, and point sources of water
6 pollution, including, but not limited to, water pollution from
7 facilities or combined sewer overflows, or conditions that may
8 cause potential public health impacts, including, but not limited
9 to, asthma, cancer, elevated blood lead levels, cardiovascular
10 disease, and developmental problems in an overburdened
11 community.

12 (2) (A) “Environmental permit” means an authorization or
13 approval, or the renewal of an authorization or approval, that is
14 any of the following:

15 (i) A hazardous waste facility permit issued pursuant to Chapter
16 6.5 (commencing with Section 25001) of Division 20 of the Health
17 and Safety Code.

18 (ii) An air permit issued pursuant to Chapter 4 (commencing
19 with Section 42300) of Part 4 of Division 26 of the Health and
20 Safety Code.

21 (iii) A medical waste treatment facility permit issued pursuant
22 to Chapter 7 (commencing with Section 118130) of Part 14 of
23 Division 104 of the Health and Safety Code.

24 (iv) A well permit issued pursuant to Division 3 (commencing
25 with Section 3000).

26 (v) A solid waste facility permit issued pursuant to Part 4
27 (commencing with Section 43000) of Division 30.

28 (vi) A waste discharge requirement issued pursuant to the
29 Porter-Cologne Water Quality Control Act (Division 7
30 (commencing with Section 13000) of the Water Code).

31 (B) “Environmental permit” does not include any of the
32 following:

33 (i) An authorization or approval necessary to perform a
34 remediation.

35 (ii) An authorization or approval required for a minor
36 modification of a facility’s authorization or approval described
37 in subparagraph (A) for activities or improvements that do not
38 increase the release of a pollutant or contaminant.

1 (iii) *An authorization or approval that is a renewal of a facility’s*
2 *authorization or approval described in subparagraph (A) that does*
3 *not increase the release of a pollutant or contaminant.*

4 (3) (A) *“Facility” means a facility this is required to obtain an*
5 *environmental permit.*

6 (B) *“Facility” does not include a facility that accepts regulated*
7 *medical waste for disposal, including a medical waste incinerator,*
8 *that is attendant to a hospital or university and is intended to*
9 *process self-generated regulated medical waste.*

10 (4) *“Low-income household” has the same meaning as set forth*
11 *in Section 39713 of the Health and Safety Code.*

12 (5) *“Overburdened community” means a community identified*
13 *as a disadvantaged community pursuant to Section 39711 of the*
14 *Health and Safety Code.*

15 (6) *“Permitting agency” means any of the following:*

16 (A) *The Department of Toxic Substances Control.*

17 (B) *An air quality management or air pollution control district.*

18 (C) *The State Department of Public Health.*

19 (D) *The Geologic Energy Management Division in the*
20 *Department of Conservation.*

21 (E) *The Department of Resources Recovery and Recycling.*

22 (F) *A regional water quality control board.*

23 (b) *On or before May 1, 2022, the California Environmental*
24 *Protection Agency shall publish and maintain on its internet*
25 *website a list of overburdened communities in the state. The*
26 *California Environmental Protection Agency shall update annually*
27 *the list of overburdened communities. The California*
28 *Environmental Protection Agency shall notify a local municipal*
29 *or county government if any part of the municipality or county has*
30 *been designated as an overburdened community pursuant to this*
31 *subdivision.*

32 (c) *On and after July 1, 2022, for an application for an*
33 *environmental permit for a facility located in an overburdened*
34 *community, a permitting agency shall publish a draft environmental*
35 *permit for public notice, review, and comment for at least 60*
36 *calendar days before issuance. A permitting agency shall respond,*
37 *in writing, to all significant comments raised during the public*
38 *participation process, including written comments submitted during*
39 *the public comment period and any comments raised during any*
40 *public hearing on the environmental permit before finalization of*

1 *the environmental permit. A permitting agency shall electronically*
2 *publish the public comments for the draft permit and the permitting*
3 *agency's responses to significant public comments before the*
4 *finalization of the permit. This requirement applies in addition to*
5 *any public notices required by law.*

6 *(d) (1) On and after July 1, 2022, a permitting agency shall*
7 *not consider complete for review an application for an*
8 *environmental permit for a new facility or for an existing facility,*
9 *if the facility is located, or proposed to be located, in whole or in*
10 *part, in an overburdened community, unless the permit applicant*
11 *does all of the following:*

12 *(A) Prepares an environmental justice impact statement that*
13 *assesses the potential environmental and public health stressors*
14 *associated with the proposed new or existing facility, as applicable,*
15 *including any adverse environmental or public health stressors*
16 *that cannot be avoided if the environmental permit is granted, and*
17 *the environmental or public health stressors already borne by the*
18 *overburdened community as a result of existing conditions located*
19 *in or affecting the overburdened community.*

20 *(B) Transmits the environmental justice impact statement at*
21 *least 60 days in advance of the public hearing required pursuant*
22 *to subparagraph (C) to the permitting agency and to the governing*
23 *body and the clerk of the municipality in which the overburdened*
24 *community is located. Upon receipt, the permitting agency shall*
25 *publish the environmental justice impact statement on its internet*
26 *website.*

27 *(C) (i) Organizes and conducts a public hearing in the*
28 *overburdened community. The permit applicant shall publish a*
29 *notice of the public hearing in at least two newspapers circulating*
30 *within the overburdened community, including in local non-English*
31 *language newspapers for populations comprising at least 15*
32 *percent of the overburdened community, if applicable, not less*
33 *than 60 days before the public hearing. The permit applicant shall*
34 *provide a copy of the notice to the permitting agency, and the*
35 *permitting agency shall publish the notice on its internet website.*
36 *The notice of the public hearing shall provide the date, time, and*
37 *location of the public hearing, a description of the proposed new*
38 *or expanded facility or existing facility, as applicable, a map*
39 *indicating the location of the facility, a brief summary of the*
40 *environmental justice impact statement, information on how an*

1 interested person may review a copy of the complete environmental
2 justice impact statement, an address for the submission of written
3 comments to the permit applicant, and any other information
4 deemed appropriate by the permitting agency. At least 60 days
5 before the public hearing, the permit applicant shall send a copy
6 of the notice to the permitting agency and to the governing body
7 and the clerk of the municipality in which the overburdened
8 community is located. The permit applicant shall invite the
9 municipality to participate in the public hearing. At the public
10 hearing, the permit applicant shall provide clear, accurate, and
11 complete information about the proposed new or existing facility,
12 as applicable, and the potential environmental and public health
13 stressors associated with the facility. The permit applicant shall
14 accept written and oral comments from any interested party, and
15 shall provide an opportunity for meaningful public participation
16 at the public hearing. The permit applicant shall transcribe the
17 public hearing and, no later than 10 days after the public hearing,
18 submit the transcript along with any written comments received
19 to the permitting agency. Following the public hearing, the
20 permitting agency shall consider the testimony presented and any
21 written comments received, and shall evaluate the issuance of, or
22 conditions to, the environmental permit, as necessary, to avoid or
23 reduce the adverse environmental or public health stressors
24 affecting the overburdened community.

25 (ii) Clause (i) is satisfied if a public hearing required by other
26 law regarding the permit application is conducted, and the notice
27 of the public hearing is given, in a manner that meets the
28 requirements of clause (i).

29 (2) If a permit applicant is applying for more than one
30 environmental permit for a proposed new or existing facility, the
31 permit applicant shall only be required to comply with this
32 subdivision once, unless a permitting agency, in its discretion,
33 determines that more than one public hearing is necessary due to
34 the complexity of the permit applications necessary for the
35 proposed new or existing facility. Nothing in this section shall be
36 construed to limit the authority of the permitting agency to hold
37 or require additional public hearings, as may be required by any
38 other law.

39 (e) Notwithstanding any other law, the permitting agency shall
40 not issue a decision on an application for an environmental permit

1 for a new facility or for the expansion of an existing facility, or on
2 an application for the renewal of a facility's environmental permit,
3 if the facility is located, or proposed to be located, in whole or in
4 part in an overburdened community until at least 45 days after the
5 public hearing held pursuant to subparagraph (C) of paragraph
6 (1) of subdivision (d).

7 (f) Notwithstanding any other law, after review of the
8 environmental justice impact statement prepared pursuant to
9 paragraph (1) of subdivision (d) and any other relevant
10 information, including testimony and written comments received
11 at the public hearing, the permitting agency shall deny an
12 environmental permit for a new facility or for the expansion of, or
13 renewal of an environmental permit for, an existing facility, or
14 shall apply conditions concerning the construction and operation
15 of the facility to protect public health, upon a finding that approval
16 of the environmental permit or renewal, as proposed, would,
17 together with other environmental or public health stressors
18 affecting the overburdened community, cause or contribute to
19 adverse cumulative environmental or public health stressors in
20 the overburdened community that are higher than those borne by
21 other communities within the state, county, or other geographic
22 unit of analysis as determined by the permitting agency pursuant
23 to rule, regulation, or guidance adopted pursuant to this section.

24 (g) Nothing in this section shall be construed to limit the right
25 of a permit applicant to continue facility operations during the
26 process of permit renewal to the extent that right is provided by
27 applicable law.

28 (h) In addition to any other fee authorized by law, rule, or
29 regulation, the permitting agency shall assess each permit
30 applicant a reasonable fee to cover the permitting agency's costs
31 associated with the implementation of this section, including costs
32 to provide technical assistance to permit applicants and
33 overburdened communities as needed to comply with this section.

34 (i) (1) A permitting agency shall adopt rules and regulations
35 to implement the provisions of this section.

36 (2) The permitting agency may issue and publish, on its internet
37 website, technical guidance for compliance with this section.

38 (j) On or before January 1, 2024, a permitting agency shall
39 electronically publish, on its internet website, all authorizations
40 or approvals described in subparagraph (A) of paragraph (2) of

1 subdivision (a), immediately upon issuance, in a searchable
2 database accessible to the public. The authorizations or approvals
3 issued before January 1, 2022, shall be added to the database by
4 December 31, 2024.

5 (k) A permitting agency shall promptly make information related
6 to environmental permits and permitting decisions available to
7 the California Environmental Protection Agency upon request.

8 (l) A permitting agency shall electronically publish all final
9 enforcement settlement agreements on its internet website
10 immediately upon finalization of the settlements agreements.

11 SEC. 5. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 a local agency or school district has the authority to levy service
14 charges, fees, or assessments sufficient to pay for the program or
15 level of service mandated by this act, within the meaning of Section
16 17556 of the Government Code.

17 SECTION 1. ~~Section 71021 of the Public Resources Code is~~
18 ~~amended to read:~~

19 71021. (a) A permit applicant for a project may request the
20 secretary to designate a consolidated permit agency to administer
21 the processing and issuance of a consolidated permit for the project
22 pursuant to this division. The secretary, in accordance with the
23 guidelines and procedures adopted pursuant to Section 71020,
24 shall, within 20 days of the date that the request is received, either
25 designate a consolidated permit agency for the project or refer the
26 designation to the council.

27 (b) A permit applicant who requests the designation of a
28 consolidated permit agency shall provide the secretary with a
29 description of the project, a preliminary list of the environmental
30 permits that the project may require, the identity of any public
31 agency that has been designated the lead agency for the project
32 pursuant to Chapter 4.5 (commencing with Section 65920) of
33 Division 1 of Title 7 of the Government Code or Division 13
34 (commencing with Section 21000), and the identity of the
35 participating permit agencies. The secretary may request any
36 information from the permit applicant that is necessary to make
37 the designation under subdivision (a), and may convene a scoping
38 meeting of the likely consolidated permit agency and participating
39 permit agencies in order to make that designation.

1 (e) ~~The consolidated permit agency shall serve as the main point~~
2 ~~of contact for the permit applicant with regard to the processing~~
3 ~~of the consolidated permit for the project and shall manage the~~
4 ~~procedural aspects of that processing consistent with laws~~
5 ~~governing the consolidated permit agency and participating permit~~
6 ~~agencies, and with the procedures agreed to by those agencies in~~
7 ~~accordance with Section 71022. In carrying out these~~
8 ~~responsibilities, the consolidated permit agency shall ensure that~~
9 ~~the permit applicant has all the information needed to apply for~~
10 ~~all the component environmental permits that are incorporated in~~
11 ~~the consolidated permit for the project, coordinate the review of~~
12 ~~those environmental permits by the respective participating permit~~
13 ~~agencies, ensure that timely environmental permit decisions are~~
14 ~~made by the participating permit agencies, and assist in resolving~~
15 ~~any conflict or inconsistency among the environmental permit~~
16 ~~requirements and conditions that are to be imposed by the~~
17 ~~participating permit agencies with regard to the project.~~

18 (d) ~~This division shall not be construed to limit or abridge the~~
19 ~~powers and duties granted to a participating permit agency pursuant~~
20 ~~to the law that authorizes or requires the agency to issue an~~
21 ~~environmental permit for a project. Each participating permit~~
22 ~~agency shall retain its authority to make all decisions on all~~
23 ~~nonprocedural matters with regard to the respective component~~
24 ~~environmental permit that is within its scope of its responsibility,~~
25 ~~including, but not limited to, the determination of environmental~~
26 ~~permit application completeness, environmental permit approval~~
27 ~~or approval with conditions, or environmental permit denial. The~~
28 ~~consolidated permit agency shall not substitute its judgment for~~
29 ~~that of a participating permit agency on any of those nonprocedural~~
30 ~~matters.~~

AMENDED IN ASSEMBLY APRIL 5, 2021

AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 745

Introduced by Assembly Member Gipson

February 16, 2021

An act to amend Section 44124.5 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 745, as amended, Gipson. Air pollution: Clean Cars 4 All program.

Existing law establishes a motor vehicle inspection and maintenance program, commonly known as the smog check program, that is administered by the Department of Consumer Affairs. The smog check program requires inspection of motor vehicles upon initial registration, biennially upon renewal of registration, upon transfer of ownership, and in certain other circumstances. Existing law exempts motor vehicles that meet certain requirements from being inspected biennially upon renewal of registration.

Existing law establishes the Clean Cars 4 All Program, which is administered by the State Air Resources Board, to focus on achieving reductions in the emissions of greenhouse gases, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option.

This bill would require the state board, as a part of the Clean Cars 4 All Program, to provide vouchers for the purchase of zero-emission

vehicles to persons of low ~~or moderate income, as defined,~~ *income* living in disadvantaged communities to replace those persons' vehicles that have failed a smog check ~~inspection.~~ *inspection, as provided.* The bill would establish the maximum amount of the voucher at \$13,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 44124.5 of the Health and Safety Code
 2 is amended to read:

3 44124.5. (a) The Clean Cars 4 All Program is hereby
 4 established and is to be administered by the state board to focus
 5 on achieving reductions in the emissions of greenhouse gases,
 6 improvements in air quality, and benefits to low-income state
 7 residents through the replacement of high-polluter motor vehicles
 8 with cleaner and more efficient motor vehicles or a mobility option.

9 (b) Beginning in the 2018–19 fiscal year, and every fiscal year
 10 thereafter, the state board shall set specific, measurable goals for
 11 the replacement of passenger vehicles and light- and medium-duty
 12 trucks that are high polluters.

13 (c) The state board shall take steps to meet the goals set forth
 14 pursuant to subdivision (b). The steps shall include, but need not
 15 be limited to, updating the guidelines for Clean Cars 4 All no later
 16 than January 1, 2019.

17 (d) The regulation implementing this section shall ensure all of
 18 the following:

19 (1) Where applicable, there is improved coordination,
 20 integration, and partnerships with other programs that target
 21 disadvantaged communities and receive moneys from the
 22 Greenhouse Gas Reduction Fund, created pursuant to Section
 23 16428.8 of the Government Code.

24 (2) The replacement or a mobility option is consistent with
 25 paragraph (6) of subdivision (d) of Section 44125.

26 (3) Provisions enhance the prescreening of applicants to Clean
 27 Cars 4 All, if determined by the state board to be appropriate.

28 (e) (1) ~~As~~ *In participating districts,* as a part of the Clean Cars
 29 4 All Program, the state board shall provide vouchers to persons
 30 of low ~~or moderate income, as defined in Section 50093,~~ *income*
 31 living in disadvantaged communities, as identified pursuant to

1 Section 39711, for the purchase of zero-emission vehicles to
2 replace those persons' vehicles that *meet both of the following*:

3 (A) *The vehicles to be replaced* have failed a smog check
4 inspection.

5 (B) *The repair cost of each vehicle to be replaced in order to*
6 *pass the smog check inspection is greater than the maximum*
7 *amount of assistance provided by the bureau's Consumer*
8 *Assistance Program.*

9 (2) The maximum amount of a voucher available under
10 paragraph (1) shall be thirteen thousand dollars (\$13,000).

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021

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AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL**No. 794****Introduced by Assembly Member Carrillo**

February 16, 2021

An act to amend Section 16428.9 of the Government Code, and to amend Sections 39614, 39712, 43015, 44274, and 44282 of, to add Sections 39501, 39602.6, and 44295.5 to, and to add Chapter 3.6 (commencing with Section 39680) to Part 2 of Division 26 of, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 794, as amended, Carrillo. Air pollution: ~~financial incentive programs.~~ *purchase of vehicles and vehicle technology: incentive programs: eligibility: labor and workforce standards.*

Existing law establishes various *incentive* programs that are administered *or funded* by the State Air Resources Board to provide financial assistance for the purchase of ~~zero-emission vehicles.~~ *vehicles and vehicle technology by individuals and fleet purchasers.*

~~This bill would state the intent of the Legislature to enact subsequent legislation to provide the requisite authority to the state board to promulgate rules designed to maximize economic benefits of its grant, loan, and incentive programs.~~

This bill would establish specified labor and workforce standards that a manufacturer of vehicles or vehicle technology would be required to meet in order for the vehicles or vehicle technology to be eligible under the incentive programs. For this purpose, the bill would specify the percentage of incentives that a vehicle or vehicle technology would be eligible for, as provided. The bill would also establish specified labor

and workforce standards that a fleet purchaser would be required to meet in order to be eligible to receive incentives under the incentive programs.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16428.9 of the Government Code is
2 amended to read:

3 16428.9. (a) ~~Prior to~~ *Before* expending any moneys
4 appropriated to it by the Legislature from the fund, a state agency
5 shall prepare a record consisting of all of the following:

6 (1) A description of each expenditure proposed to be made by
7 the state agency pursuant to the appropriation.

8 (2) A description of how a proposed expenditure will further
9 the regulatory purposes of Division 25.5 (commencing with Section
10 38500) of the Health and Safety Code, including, but not limited
11 to, the limit established under Part 3 (commencing with Section
12 38550) and other applicable requirements of law.

13 (3) A description of how a proposed expenditure will contribute
14 to achieving and maintaining greenhouse gas emission reductions
15 pursuant to Division 25.5 (commencing with Section 38500) of
16 the Health and Safety Code.

17 (4) A description of how the state agency considered the
18 applicability and feasibility of other nongreenhouse gas reduction
19 objectives of Division 25.5 (commencing with Section 38500) of
20 the Health and Safety Code.

21 (5) A description of how the state agency will document the
22 result achieved from the expenditure to comply with Division 25.5
23 (commencing with Section 35800) of the Health and Safety Code.

24 (6) *A description of how grant, loan, voucher, or other incentive*
25 *programs for purchase of vehicles or vehicle technology that*
26 *receive moneys from the fund are implementing the labor and*
27 *workforce standards required by Chapter 3.6 (commencing with*
28 *Section 39680) of Part 2 of Division 26 of the Health and Safety*
29 *Code, as applicable.*

30 (b) The State Air Resources Board shall develop guidance on
31 reporting and quantification methods for all state agencies that
32 receive appropriations from the fund to ensure the requirements

1 of this section are met. Chapter 3.5 (commencing with Section
2 11340) of Part 1 of Division 3 does not apply to the procedures
3 developed pursuant to this subdivision.

4 (c) Nothing in this section alters, amends, or otherwise modifies
5 in any manner Division 25.5 (commencing with Section 35800)
6 of the Health and Safety Code, including the authority of the State
7 Air Resources Board to adopt and implement a fee pursuant to that
8 division.

9 (d) If any expenditure of moneys from the fund for any measure
10 or project is determined by a court to be inconsistent with law, the
11 funding for the remaining measures or projects shall be severable
12 and shall not be affected.

13 *SEC. 2. Section 39501 is added to the Health and Safety Code,*
14 *to read:*

15 *39501. It is the intent of the Legislature that the state board*
16 *maximize economic cobenefits by conditioning eligibility to*
17 *participate in grant, loan, voucher, or other incentive programs*
18 *to purchase vehicles or vehicle technology on compliance with the*
19 *labor and workforce standards required by Chapter 3.6*
20 *(commencing with Section 39680).*

21 *SEC. 3. Section 39602.6 is added to the Health and Safety*
22 *Code, to read:*

23 *39602.6. The state board shall condition eligibility to*
24 *participate in grant, loan, voucher, or other incentive programs*
25 *to purchase vehicles or vehicle technology on compliance with the*
26 *labor and workforce standards required by Chapter 3.6*
27 *(commencing with Section 39680), as applicable.*

28 *SEC. 4. Section 39614 of the Health and Safety Code is*
29 *amended to read:*

30 39614. (a) For purposes of this section, the following
31 definitions apply:

32 (1) “2.0L partial consent decree” means the October 25, 2016,
33 Amended Partial Consent Decree among the State Air Resources
34 Board, Volkswagen AG et al., and the United States Department
35 of Justice in the United States of America v. Volkswagen AG et
36 al., Case No. 16-cv-295 (N.D. Cal.).

37 (2) “Investment plans” mean the plans required to be submitted
38 to the state board for approval pursuant to Appendix C of the 2.0L
39 partial consent decree.

1 (3) “Lead agency” means the state agency appointed by the
2 Governor to implement Appendix D of the 2.0L partial consent
3 decree.

4 (4) “State board” means the State Air Resources Board.

5 (5) “Volkswagen” means the defendants in the United States
6 of America v. Volkswagen AG et al., Case No. 16-cv-295 (N.D.
7 Cal.).

8 (b) (1) The state board shall strive to ensure that investments
9 made pursuant to Appendix C of the 2.0L partial consent decree
10 are aligned with the state’s priorities and provide for public
11 transparency before approval.

12 (2) The lead agency shall strive to ensure that the expenditures
13 made pursuant to Appendix D of the 2.0L partial consent decree
14 are aligned with the state’s priorities and provide for public
15 transparency before approval.

16 (3) *If an investment plan for grants, loans, vouchers, or other*
17 *incentives is proposed after January 1, 2023, the plan shall*
18 *condition funds on the labor and workforce standards required*
19 *by Chapter 3.6 (commencing with Section 39680), as applicable.*

20 (c) (1) On and after the effective date of this section, the state
21 board, in approving each of the investment plans proposed by
22 Volkswagen, shall strive to ensure, to the maximum extent
23 allowable under the 2.0L partial consent decree, both of the
24 following:

25 (A) At least 35 percent of funds for the investment plan benefit
26 low-income or disadvantaged communities disproportionately
27 affected by air pollution.

28 (B) The periodic submission of progress reports to the state
29 board on the implementation of the investment plan from
30 Volkswagen or its subsidiary.

31 (2) The state board shall approve each investment plan at a
32 public hearing.

33 (3) The state board shall post each proposed investment plan
34 for public comment.

35 (4) Notwithstanding Section 10231.5 of the Government Code
36 and pursuant to Section 9795 of the Government Code, the state
37 board shall report annually to the Legislature on the progress of
38 the implementation of the investment plan.

39 (d) (1) The lead agency shall strive to ensure, to the maximum
40 extent allowable under the 2.0L partial consent decree, that 35

1 percent of the moneys received pursuant to Appendix D of the
2 2.0L partial consent decree benefit low-income or disadvantaged
3 communities disproportionately affected by air pollution.

4 (2) Notwithstanding Section 10231.5 of the Government Code
5 and pursuant to Section 9795 of the Government Code, the lead
6 agency shall report annually to the Legislature on the proposed
7 and actual expenditures of the moneys received pursuant to
8 Appendix D of the 2.0L partial consent decree.

9 *SEC. 5. Chapter 3.6 (commencing with Section 39680) is added*
10 *to Part 2 of Division 26 of the Health and Safety Code, to read:*

11
12 *CHAPTER 3.6. LABOR AND WORKFORCE STANDARDS*

13
14 *Article 1. General Provisions and Definitions*

15
16 39680. (a) *The Legislature finds and declares all of the*
17 *following:*

18 (1) (A) *California has established itself as a leader in national*
19 *and international energy conservation and environmental*
20 *stewardship.*

21 (B) *The California Global Warming Solutions Act of 2006*
22 *(Division 25.5 (commencing with Section 38500)) charges the*
23 *state board as the lead agency to monitor and regulate sources of*
24 *emissions of greenhouse gases. That act has set a goal of reducing*
25 *greenhouse gas emissions to 40 percent below the 1990 level by*
26 *2030. That act also authorizes the state board to develop*
27 *market-based mechanisms, including the cap-and-trade system,*
28 *which generates revenue for the Greenhouse Gas Reduction Fund,*
29 *and other transactional mechanisms.*

30 (C) *The state board, when expending moneys from the*
31 *Greenhouse Gas Reduction Fund, is required to maximize*
32 *economic and environmental cobenefits, including job-related*
33 *cobenefits, as California builds a low-carbon economy.*

34 (D) *However, the charge to seek job-related benefits is not*
35 *required within any timeframe, nor is there any legislative guidance*
36 *with respect to specific standards or implementation mechanisms.*

37 (E) *While the charge to develop job-related cobenefits is explicit*
38 *for the Greenhouse Gas Reduction Fund, it is implied rather than*
39 *explicit for other clean air funds that the state board administers.*

1 (2) To clarify the need for job-related cobenefits, Chapter 135
2 of the Statutes of 2017 required the California Workforce
3 Development Board, in consultation with the state board, to submit
4 a report to the Legislature. The California Workforce Development
5 Board commissioned the Center for Labor Research and Education
6 at the University of California, Berkeley, to prepare the report.
7 Published in June 2020, the report is entitled, *Putting California*
8 *on the High Road: A Jobs and Climate Action Plan for 2030* (2020
9 *Action Plan*).

10 (3) A study by the University of California shows that fleet
11 purchasers have a significant disparity of compliance with clean
12 vehicle regulations. While 83 percent of large firms that employ
13 drivers comply, only 61 percent of contractors comply.
14 Noncompliant trucks operated by contractors represent 44 percent
15 of all noncompliant trucks, a significantly greater share than their
16 share of all operating trucks. The study finds that many of the
17 noncompliant contractors are actually misclassified employees
18 who do not have the financial resources to comply with
19 clean-vehicle regulations. Many companies take advantage of the
20 fleet purchaser incentives but then pass on the cost of vehicles,
21 maintenance, and upkeep to misclassified drivers who do not have
22 the funds or ability to maintain those vehicles at a level that
23 maximizes their environmental benefits. For example, in drayage,
24 an investigation by USA Today found that “port trucking
25 companies in Southern California have spent the past decade
26 forcing drivers to finance their own trucks by taking on debt they
27 could not afford.” Drivers at dozens of companies “were handed
28 a lease-to-own contract by their employer and given a choice:
29 Sign immediately or be fired.” Such sublease arrangements directly
30 impede the state’s ability to advance its environmental stewardship.
31 Many contractors have later filed for bankruptcy, nullifying the
32 benefit from the state’s climate investments.

33 (4) The 2020 Action Plan creates a “high road framework”
34 based on demand-side strategies and supply-side strategies. The
35 Action Plan does all of the following:

36 (A) Stresses that “[d]emand-side strategies affect the demand
37 for labor, including the kinds of jobs that are generated, the skills
38 that are needed, the wages and benefits employers provide, and
39 who employers hire.”

1 (B) Emphasizes the importance of market participation through
2 incentive programs: “[a]gencies responsible for implementing
3 climate investments and other measures play a key role here
4 because they direct public investment and influence private
5 investments in lower carbon economic activity.”

6 (C) Proposes workforce standards that in general terms do all
7 of the following:

8 (i) Create high-quality jobs.

9 (ii) Prepare workers with the skills needed to adapt to and
10 master new zero- and low-emission technologies.

11 (iii) Broaden career opportunities for workers from
12 disadvantaged communities.

13 (iv) Support workers whose jobs may be at risk.

14 (D) Identifies industry sectors that pose challenges to attaining
15 clean air objectives and opportunities to incentivize development
16 of high-road jobs and working conditions. Among these are vehicle
17 manufacturing and trucking, both of which the plan faults as
18 high-risk subsectors for labor abuses, such as misclassification,
19 unpaid wages, and denial of unemployment benefits, workers’
20 compensation, or disability benefits.

21 (b) In enacting this chapter, it is the intent of the Legislature to
22 do all of the following:

23 (1) Implement the 2020 Action Plan’s high-road
24 recommendations that would apply to crucial windows for
25 high-road job development and working conditions. For vehicle
26 manufacturing, the window is the span of several years immediately
27 before receiving the incentive when the vehicle is designed and
28 manufactured. For the trucking industry, the window is a longer
29 span of years immediately after a fleet purchaser receives the
30 incentive when the vehicle is placed in service.

31 (2) Use market participation to increase demand for clean air
32 vehicles through incentive programs to attain equity goals for jobs
33 in disadvantaged communities and reward companies that respect
34 worker rights. In so doing, the Legislature will require the state
35 board to develop labor and workforce standards to determine
36 eligibility for programs that provide clean air incentives for
37 manufacturers of vehicles and technology and fleet purchasers
38 that operate drayage and short-haul trucking in California.

39 (3) Maximize the environmental benefits of its investments by
40 ensuring that recipients of fleet purchaser subsidies operate the

1 *equipment in compliance with all state laws rather than taking*
2 *advantage of state incentives and then selling or otherwise*
3 *transferring the equipment in question.*

4 *(4) Clarify that the state board’s authority to maximize*
5 *job-related cobenefits applies to all of the incentive funds and*
6 *programs that it administers.*

7 *(5) Collaborate with the Labor and Workforce Development*
8 *Agency, including the California Workforce Development Board*
9 *and the Labor Commissioner, to develop guidelines and implement*
10 *contract remedies for labor and workforce standards that include*
11 *repayment of incentive funds and public disclosure of labor and*
12 *workforce data.*

13 *(6) Expand upon the state board’s current approach of using*
14 *multiyear incentive contracts to clearly set the conditions for*
15 *attaining the state’s clean air objectives with workforce cobenefits.*
16 *Relevant conditions already in place for heavy-duty trucks include*
17 *compliance with state law and contract terms for multiyear*
18 *ownership and control of the equipment.*

19 *39681. This chapter establishes labor and workforce standards*
20 *as a cobenefit of incentive programs for the purchase of vehicles*
21 *or vehicle technology that are based on clean air standards. To*
22 *be eligible for an incentive program, a participant shall first meet*
23 *the clean air standard, and then they may qualify for all or a*
24 *percentage of that full incentive by meeting the labor and workforce*
25 *standards under this chapter.*

26 *39682. For purposes of this chapter, the following definitions*
27 *apply:*

28 *(a) “Clean air standards” include the standards that the state*
29 *board sets to reduce air pollution or reduce emissions of*
30 *greenhouse gases pursuant to this division or Division 25.5*
31 *(commencing with Section 38500).*

32 *(b) “Incentive” includes a grant, loan, voucher, or other*
33 *incentive, regardless of the source of revenue that funds the*
34 *incentive, for the purchase of motor vehicles or vehicle technology.*

35 *(c) “Short-haul trucking service” means movement of goods by*
36 *truck within an 150-air-mile radius of the normal working*
37 *reporting location while in service within the state.*

38 *39683. (a) The state board, in consultation with the Labor*
39 *and Workforce Development Agency, including the California*
40 *Workforce Development Board and the Labor Commissioner, shall*

1 *condition eligibility to participate in incentive programs for vehicle*
2 *or vehicle technology purchasing on compliance with the labor*
3 *and workforce standards described in this chapter.*

4 *(b) (1) The state board, in collaboration with the Labor and*
5 *Workforce Development Agency, including the California*
6 *Workforce Development Board and the Labor Commissioner, shall*
7 *develop operational guidelines for applying the standards in this*
8 *chapter to incentive programs subject to this chapter. In these*
9 *guidelines, the state board may interpret the scope of applicability,*
10 *terms of labor and workforce standards, and implementation,*
11 *consistent with this chapter.*

12 *(2) The state board may solicit recommendations regarding*
13 *implementation and delegate any duties in this chapter to the Labor*
14 *and Workforce Development Agency.*

15 *39683.5. (a) The state board shall provide an opportunity for*
16 *public input before finalizing the operational guidelines developed*
17 *pursuant to this chapter.*

18 *(b) Chapter 3.5 (commencing with Section 11340) of the Part*
19 *1 of Division 3 of Title 2 of the Government Code does not apply*
20 *to the adoption of the operational guidelines.*

21 *(c) The state board shall adopt the operational guidelines on*
22 *or before April 1, 2022, after consultation pursuant to subdivision*
23 *(b) of Section 39683 and after receiving public input pursuant to*
24 *subdivision (a).*

25 *(d) (1) On or before July 1, 2022, the state board shall*
26 *determine whether there are any constraints to applying the*
27 *requirements of Article 2 (commencing with Section 39690) and*
28 *Article 3 (commencing with Section 39695) to each incentive*
29 *program that is subject to this chapter.*

30 *(2) In determining whether there are any constraints to*
31 *implementation, the state board may consider consistency with*
32 *the statutory goals of the incentive program to reduce air pollution*
33 *or emissions of greenhouse gases and state board's capacity to*
34 *enforce the applicable labor and workforce standards.*

35 *(3) (A) Except as provided in subparagraph (B), this chapter*
36 *applies to an incentive program on or before July 1, 2022.*

37 *(B) If the state board determines that there are constraints*
38 *preventing the application of the requirements of Article 2*
39 *(commencing with Section 39690) and Article 3 (commencing with*
40 *Section 39695) to an incentive program, the state board shall notify*

1 *the Legislature, on or before July 1, 2022, with a written report,*
2 *submitted in accordance with Section 9795 of the Government*
3 *Code, of findings and constraints, and possible remedies that would*
4 *eliminate the constraints in question. To the extent the state board*
5 *can implement the remedy, the state board shall do so as soon as*
6 *possible. To the extent that the state board cannot implement the*
7 *necessary remedy that would allow for the implementation of this*
8 *chapter to an incentive program, the state board shall include this*
9 *fact in its report to the Legislature. The state board may defer the*
10 *application of this chapter to the incentive program, not to exceed*
11 *one year from the time of notification to the Legislature.*

12 *39684. This chapter applies to all incentive programs for the*
13 *purchase of vehicles or vehicle technology that receive funding*
14 *from, or are administered by, the state board, including, but not*
15 *limited to, all of the following:*

16 *(a) An incentive program funded by a fund, including, but not*
17 *limited to, all of the following funds:*

18 *(1) The Greenhouse Gas Reduction Fund.*

19 *(2) The Air Quality Improvement Fund.*

20 *(3) The Carl Moyer Memorial Air Standards Attainment Trust*
21 *Fund.*

22 *(4) The Air Pollution Control Fund.*

23 *(b) An incentive program funded wholly or partially by the state*
24 *board, including, but not limited to, all of the following:*

25 *(1) The Truck Loan Assistance Program under subdivision (c)*
26 *of Section 44274.*

27 *(2) A local or regional incentive program.*

28 *(3) A public-private partnership.*

29 *(c) An incentive program funded by a settlement fund under the*
30 *state board's jurisdiction, including, but not limited to, both of the*
31 *following:*

32 *(1) The partial consent decree in United States of America v.*
33 *Volkswagen AG et al., under Section 39614.*

34 *(2) The consent decree in United States of America v. Daimler*
35 *AG and Mercedes-Benz USA, LLC., Case No. 1:20-vc-2564 (N.D.*
36 *Cal.) and the partial consent decree in People of the State of*
37 *California v. Daimler AG and Mercedes-Benz USA, LLC., Case*
38 *No. 1:20-cv-2565 (N.D. Cal.).*

39 *39685. This chapter establishes baseline standards, job quality*
40 *standards, and a structure for full or partial eligibility to*

1 *participate in incentive programs for the purchase of vehicles or*
2 *vehicle technology. This chapter applies the standards to the*
3 *following program participants:*

4 *(a) Manufacturers of vehicles and technology.*

5 *(b) Fleet purchasers of vehicles and vehicle technology for*
6 *drayage and short-haul trucking services within the state. The*
7 *standards do not apply to other fleet purchases for operations*
8 *outside of this scope.*

9 *39686. The state board or an agency administering an incentive*
10 *program subject to this chapter, in collaboration with the Labor*
11 *Commissioner, shall enforce the standards set forth in Article 2*
12 *(commencing with Section 39690) and Article 3 (commencing with*
13 *Section 39695).*

14 *39687. (a) The Labor Commissioner, at the request of the*
15 *agency administering an incentive program or the state board,*
16 *may investigate an allegation regarding a violation of the*
17 *standards set forth in Article 2 (commencing with Section 39690)*
18 *or Article 3 (commencing with Section 39695).*

19 *(b) Unless contrary to Section 19542 of the Revenue and*
20 *Taxation Code, and notwithstanding any other law or effort to*
21 *maintain their secrecy, the data and certifications disclosed by a*
22 *manufacturer pursuant to Article 2 (commencing with Section*
23 *39690) or a fleet purchaser pursuant to Article 3 (commencing*
24 *with Section 39695) are public records that may be disclosed to*
25 *the public and are not trade secrets.*

26 *(c) The state board shall develop an internet website that*
27 *displays public information from manufacturers or fleet purchasers*
28 *participating in incentive programs that are subject to this chapter*
29 *regarding their disclosures and certifications of compliance with*
30 *the labor and workforce standards.*

31 *39687.5. (a) (1) In addition to requiring accurate certification*
32 *of compliance and disclosure of data, the state board or the agency*
33 *administering an incentive program shall require that*
34 *manufacturers of a vehicle or vehicle technology eligible for an*
35 *incentive sign a contract conditioning the eligibility on compliance*
36 *with this chapter.*

37 *(2) In addition to requiring accurate certification of compliance*
38 *and disclosure of data, the state board or the agency administering*
39 *an incentive program shall require that fleet purchasers receiving*

1 *an incentive sign contracts conditioning any incentive received on*
2 *compliance with this chapter.*

3 *(b) The contract entered into pursuant to subdivision (a) shall*
4 *state a timeframe for compliance with standards under this chapter,*
5 *as follows:*

6 *(1) For manufacturers, the timeframe includes the application*
7 *process and the three-year period before a vehicle is eligible to*
8 *receive the incentive.*

9 *(2) For fleet purchasers, the timeframe includes the application*
10 *process and a multiyear period after receiving the incentive of at*
11 *least 10 years.*

12 *39688. A manufacturer of a vehicle or vehicle technology that*
13 *is eligible to participate in, or a fleet purchaser receiving an*
14 *incentive from, an incentive program subject to this chapter shall*
15 *apply the labor and workforce standards set forth in Article 2*
16 *(commencing with Section 39690) or Article 3 (commencing with*
17 *Section 39695), as applicable, in its contracts with subcontractors*
18 *and suppliers.*

19 *39688.5. (a) If an agency administering an incentive program,*
20 *the state board, or the Labor Commissioner finds that a*
21 *manufacturer of vehicles or vehicle technology that is eligible for*
22 *an incentive is in violation of the standards set forth in Article 2*
23 *(commencing with Section 39690), the vehicles or vehicle*
24 *technology of that manufacturer shall not be eligible for an*
25 *incentive under the incentive program and the manufacturer shall*
26 *be liable for the repayment of an amount that is equal to the total*
27 *aggregate amount of all incentives provided for the purchase of*
28 *the vehicle or vehicle technology of that manufacturer under the*
29 *incentive programs subject to this chapter.*

30 *(b) If an agency administering an incentive program, the state*
31 *board, or the Labor Commissioner finds that a fleet purchaser*
32 *receiving an incentive is in violation of the standards set forth in*
33 *Article 3 (commencing with Section 39695), or that the fleet*
34 *purchaser failed to make correct and accurate disclosures required*
35 *under Section 39698, the fleet purchaser shall be liable for the*
36 *repayment of an amount that is equal to the total aggregate amount*
37 *of incentives received by the fleet purchaser during the preceding*
38 *10 years.*

39 *(c) The contract remedies specified in this section shall also*
40 *bind the manufacturer's or the fleet purchaser's successors or*

1 *assignees. The Labor Commissioner, the state board, or the agency*
2 *administering the incentive program may require that a successor*
3 *or assignee to repay any incentives received by manufacturers or*
4 *fleet purchasers.*

5 *39689. The provisions of this chapter are severable. If any*
6 *provision of this chapter or its application is held invalid, that*
7 *invalidity shall not affect other provisions or applications that can*
8 *be given effect without the invalid provision or application.*

9

10 *Article 2. Vehicle Manufacturing Labor and Workforce*
11 *Standards*

12

13 *39690. (a) This article establishes labor and workforce*
14 *standards for manufacturers to meet to qualify their vehicle or*
15 *vehicle technology, excluding public transit buses, for incentive*
16 *programs subject to this chapter.*

17 *(b) A vehicle or vehicle technology is eligible for an incentive*
18 *if the manufacturer demonstrates to the agency administering the*
19 *incentive program and the state board that it is in compliance with*
20 *the labor and workforce standards set forth in Sections 39691 and*
21 *39692 for the prior three-year period.*

22 *39691. For a vehicle or vehicle technology to be eligible for*
23 *a baseline incentive amount under Section 39693 or 39694, a*
24 *manufacturer shall meet all of the following requirements:*

25 *(a) (1) Comply with the labor laws of the state where the vehicle*
26 *or vehicle technology is manufactured.*

27 *(2) A manufacturer shall have a three-year history of compliance*
28 *with state labor laws, including, but not limited to, classification*
29 *of employees, wages and hours, unemployment compensation, and*
30 *occupational safety and health.*

31 *(3) A manufacturer shall certify to the agency administering*
32 *the incentive program compliance for the past three years with*
33 *state labor laws that apply to the point of manufacturing of vehicles*
34 *that qualify for an incentive.*

35 *(b) (1) Respect internationally recognized labor rights.*

36 *(2) A manufacturer shall comply with internationally recognized*
37 *labor rights in its supply chain of imported components. These*
38 *rights include, but are not limited to, the prohibitions on forced*
39 *labor, child labor, and discrimination with respect to work, and*
40 *the freedom of association and right to organize.*

1 (3) A manufacturer shall certify to the agency administering
2 the incentive program and the state board compliance with
3 internationally recognized labor rights. The state board may
4 provide standards for this certification based on the California
5 Sweatfree Policy, Section 6108 of the Public Contract Code, the
6 core conventions of the International Labour Organization, Social
7 Accountability 8000 standards, or comparable certification
8 standards.

9 (c) Achieve both of the following:

10 (1) Assemble 100 percent of the vehicle, at the final assembly
11 point, in the United States.

12 (2) Produce battery and nonbattery domestic content as provided
13 in Section 39693 for light-duty vehicles or Section 39694 for
14 medium- or heavy-duty vehicles.

15 (d) Disclose data that supports the certification of compliance
16 with this section and Section 39692.

17 39692. For a vehicle or vehicle technology to be eligible for
18 the amount under subdivision (b) of Section 39693 or Section
19 39694, a manufacturer shall do all of the following:

20 (a) Demonstrate to the agency administering the incentive
21 program and the state board its commitment to hiring
22 disadvantaged workers by doing both of the following:

23 (1) Demonstrate that it has commitments through a community
24 partnership to recruit, hire, and train all of the following:

25 (A) Individuals with employment barriers that limit their ability
26 to gain employment, including, but not limited to, unemployment,
27 lack of work experience, lack of English language skills, technical
28 skills or educational attainment, criminal justice history, disability
29 status, foster care history, vulnerability to discrimination, or other
30 barriers. The state board may further define the scope of
31 employment barriers with reference to eligibility factors for
32 unemployment insurance in California or other states.

33 (B) Workers who have been displaced, on and after January 1,
34 2020, from the fossil fuel industry for nondisciplinary reasons
35 after more than six months of service.

36 (2) Disclose to the agency administering the incentive program
37 and the state board both of the following:

38 (A) A community benefit or workforce agreement that commits
39 to hiring and training workers, to the extent it is available.

1 (B) Data showing that the manufacturer has hired disadvantaged
2 workers, including those recruited through a community
3 partnership.

4 (b) Demonstrate to the agency administering the incentive
5 program and the state board participation in job training programs
6 by doing both of the following:

7 (1) Produce vehicle or vehicle technology using apprentices
8 who are certified by a state or federal program, in conjunction
9 with a contractually mandated training program or a plan provided
10 to the state to train production workers, in the skills and technical
11 knowledge needed to manufacture the vehicle and related
12 technologies.

13 (2) Certify or disclose data to the agency administering the
14 incentive program and the state board that demonstrates its use
15 of certified apprentices, contractually mandated training, or a
16 plan to train production workers.

17 (c) (1) Demonstrate to the agency administering the incentive
18 program and the state board that it pays workers in a facility where
19 the vehicle or vehicle technology is assembled the following:

20 (A) For all workers, at least 120 percent of the California
21 minimum wage.

22 (B) For production workers, the prevailing wage for specific
23 occupational titles. The state board may provide guidance on the
24 prevailing wage based on data for average wages reported for
25 production employees in the motor vehicle industry by the United
26 States Bureau of Labor Statistics Occupational Employment
27 Statistics.

28 (2) The manufacturer shall disclose to the agency administering
29 the incentive program and the state board the wage average and
30 range that it pays for specific occupational titles in facilities that
31 assemble vehicles or vehicle technologies.

32 (d) (1) Preserve employee access to dispute settlement options
33 available under the laws of the state where the vehicle or vehicle
34 technology is assembled.

35 (2) The manufacturer shall disclose to the agency administering
36 the incentive program and the state board the incentive program
37 policies or contract terms that preserve dispute options, including
38 access to public agencies and courts, and availability of judicial
39 remedies.

1 (e) Demonstrate to the agency administering the incentive
2 program and the state board its commitment to using full-time
3 employees by disclosing both of the following:

4 (1) A community benefit or workforce agreement that sets
5 full-time employment as a goal.

6 (2) The number and percentage of its employees who are full
7 time and part time, permanent and temporary, and direct hire and
8 contractor employees.

9 39693. Incentives provided to light-duty vehicle or vehicle
10 technology shall be as follows:

11 (a) (1) For a manufacturer that demonstrates compliance with
12 Section 39691, a light-duty vehicle or vehicle technology shall be
13 eligible for incentives as follows:

14 (A) For a vehicle with nonbattery components that are produced
15 in the United States and the nonbattery components represent up
16 to 50 percent of the value of the vehicle, the vehicle is eligible for
17 up to 25 percent of the incentive provided under the incentive
18 program.

19 (B) For a vehicle with nonbattery components that are produced
20 in the United States and the nonbattery components represent
21 between 50 and 75 percent of the value of the vehicle, the vehicle
22 is eligible for up to 42.5 percent of the incentive provided under
23 the incentive program.

24 (C) For a vehicle with nonbattery components that are produced
25 in the United States and the nonbattery components represent
26 between 75 and 100 percent of the value of the vehicle, the vehicle
27 is eligible for up to 60 percent of the incentive provided under the
28 incentive program.

29 (2) On and after January 1, 2025, for a vehicle or vehicle
30 technology to be eligible for the incentive under paragraph (1),
31 all batteries and fuel cells for the vehicle or vehicle technology
32 shall be produced in the United States.

33 (b) For a manufacturer that demonstrates compliance with
34 Sections 39691 and 39692, a light-duty vehicle or vehicle
35 technology shall be eligible for an additional 40 percent of the
36 incentive provided under the incentive program.

37 39694. A medium- or heavy-duty vehicle or vehicle technology
38 shall be eligible for incentives if the manufacturer complies with
39 Sections 39691 and 39692. The incentive provided shall be based
40 on the model year of the vehicle or vehicle technology and the

1 *percentage of nonbattery components produced in the United*
2 *States as follows:*

3 *(a) (1) For model year 2023 vehicles with nonbattery*
4 *components that are produced in the United States and the*
5 *nonbattery components represent less than 60 percent of the value*
6 *of the vehicle, 75 percent of the incentive shall be provided.*

7 *(2) For model year 2023 vehicles with nonbattery components*
8 *that are produced in the United States and the nonbattery*
9 *components represent 60 percent or more of the value of the*
10 *vehicle, 100 percent of the incentive shall be provided.*

11 *(b) Model year 2024 vehicles with nonbattery components that*
12 *are produced in the United States and the nonbattery components*
13 *represent at least 65 percent of the value of the vehicle shall be*
14 *eligible under the incentive program.*

15 *(c) Model year 2025 vehicles with nonbattery components that*
16 *are produced in the United States and the nonbattery components*
17 *represent at least 70 percent of the value of the vehicle shall be*
18 *eligible under the incentive program.*

19 *(d) Model year 2026 vehicles with nonbattery components that*
20 *are produced in the United States and the nonbattery components*
21 *represent at least 75 percent of the value of the vehicle shall be*
22 *eligible under the incentive program.*

23 *(e) Model year 2027 and later model year vehicles with*
24 *nonbattery components that are produced in the United States and*
25 *the nonbattery components represent at least 80 percent of the*
26 *value of the vehicle shall be eligible under the incentive program.*

27

28 *Article 3. Fleet Purchaser Labor and Workforce Standards*

29

30 *39695. For purposes of this chapter, the following definitions*
31 *apply:*

32 *(a) "Applicable laws" mean California labor, employment,*
33 *payroll tax, and health and safety laws and regulations, including,*
34 *but not limited to, classification of employees, wages and hours,*
35 *unemployment compensation, and occupational health and safety.*

36 *(b) "Fleet operations" includes, but is not limited to, port*
37 *drayage service and short-haul transport of goods. The state board*
38 *may adopt guidance to interpret the scope of these operations to*
39 *conform with law.*

1 39696. (a) A fleet purchaser of vehicles or vehicle technologies
2 is eligible to participate in an incentive program subject to this
3 chapter if it is in compliance with all applicable laws at the time
4 of applying for the incentive.

5 (b) A fleet purchaser is not eligible to participate in an incentive
6 program subject to this chapter if there are final unsatisfied or
7 unabated judgments, rulings, citations, decisions, orders, or awards
8 finding that the fleet purchaser has violated applicable law with
9 regards to its fleet operations.

10 (c) A fleet purchaser that is on the list maintained by the
11 Division of Labor Standards Enforcement under Section 2810.4
12 of the Labor Code is not eligible to participate in an incentive
13 program subject to this chapter.

14 (d) The state board may accept information from a person
15 regarding a fleet purchaser's compliance with applicable laws.

16 (e) The state board shall affirmatively collaborate with the
17 Department of Industrial Relations or the Labor Commissioner
18 to identify fleet purchasers that are not in compliance with
19 applicable laws.

20 (f) A fleet purchaser is eligible to participate in an incentive
21 program only if it preserves for its employees access to dispute
22 settlement options under state law, including access to state
23 agencies and the courts, and judicial remedies.

24 39697. (a) A fleet purchaser that receives incentives for the
25 purchase of vehicles or vehicle technologies shall use the vehicle
26 or vehicle technology purchased with the incentives for its own
27 operation under its own operating authority and shall not sublease
28 or otherwise transfer the interest in the vehicle or vehicle
29 technology within 10 years of the purchase.

30 (b) A fleet purchaser shall retain direct control over the manner
31 and means for performance of any individual or entity using or
32 driving the vehicle or vehicle technology.

33 39698. (a) (1) Upon application for an incentive, a fleet
34 purchaser shall certify compliance with Section 39695 and make
35 the disclosure required under this section.

36 (2) (A) A fleet purchaser that receives an incentive as a grant,
37 loan, or other form of agreement shall, on a yearly basis, for the
38 life of the grant, loan, or agreement, or for 10 years after the
39 receipt of the incentive, whichever is longer, certify compliance
40 with Section 39695 and make the disclosure required pursuant to

1 *this section to the agency administering the incentive program and*
2 *to the state board.*

3 *(B) A fleet purchaser that receives an incentive as a one-time*
4 *rebate or voucher, on a yearly basis, for period of 10 years after*
5 *the receipt of the incentive, shall certify compliance with Section*
6 *39695 and make the disclosure required pursuant to this section*
7 *to the agency administering the incentive program and the state*
8 *board.*

9 *(b) A fleet purchaser applying for an incentive, upon application,*
10 *shall disclose to the agency administering the incentive program*
11 *and to the state board all of the following:*

12 *(1) A copy of any judgments, rulings, citations, decisions, orders,*
13 *or awards finding that the fleet purchaser or any parent company*
14 *or subsidiary or other commonly controlled entity has violated*
15 *any applicable law that remains unsatisfied or unabated as of the*
16 *date of application, even if they are being appealed.*

17 *(2) A copy of any judgments, rulings, citations, decisions, orders,*
18 *or award findings, after the date of application, that the fleet*
19 *purchaser or any parent company or subsidiary or other commonly*
20 *controlled entity has violated any labor, employment, or health*
21 *and safety law or regulation.*

22 *(3) A list of all operating authorities under which the vehicle*
23 *or vehicle technology purchased will be or was operated.*

24 *(c) A fleet purchaser that receives incentives as a grant, loan,*
25 *or other form of agreement shall, on a yearly basis, for the life of*
26 *the grant, loan, or agreement, disclose to the agency administering*
27 *the incentive program and the state board, all of the following:*

28 *(1) Information required pursuant to this chapter.*

29 *(2) A list of all of the individuals who have operated that vehicle*
30 *or vehicle technology.*

31 *(3) A certification that the fleet purchaser maintained control*
32 *of the individuals operating the vehicle or vehicle technology, and*
33 *maintained control of the vehicle or vehicle technology.*

34 *(4) A certification that the fleet purchaser has completed all*
35 *required maintenance and upkeep on the vehicle or vehicle*
36 *technology purchased with the incentive.*

37 *(d) A fleet purchaser shall disclose to the agency administering*
38 *the incentive program and the state board policies and contract*
39 *terms that preserve for its employees access to dispute settlement*
40 *options under state law.*

1 *SEC. 6. Section 39712 of the Health and Safety Code is*
2 *amended to read:*

3 39712. (a) (1) It is the intent of the Legislature that moneys
4 shall be appropriated from the fund only in a manner consistent
5 with the requirements of this chapter and Article 9.7 (commencing
6 with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title
7 2 of the Government Code.

8 (2) The state shall not approve allocations for a measure or
9 program using moneys appropriated from the fund except after
10 determining, based on the available evidence, that the use of those
11 moneys furthers the regulatory purposes of Division 25.5
12 (commencing with Section 38500) and is consistent with law. If
13 any expenditure of moneys from the fund for any measure or
14 project is determined by a court to be inconsistent with law, the
15 allocations for the remaining measures or projects shall be
16 severable and shall not be affected.

17 (3) An eligible expenditure of moneys appropriated to the
18 Department of Community Services and Development may occur
19 over multiple fiscal years and the department may make multiyear
20 funding commitments over a period of more than one fiscal year.

21 (b) Moneys shall be used to facilitate the achievement of
22 reductions of greenhouse gas emissions in this state consistent
23 with Division 25.5 (commencing with Section 38500) and, where
24 applicable and to the extent feasible:

25 (1) Maximize economic, environmental, and public health
26 benefits to the state.

27 (2) Foster job creation by promoting in-state greenhouse gas
28 emissions reduction projects carried out by California workers and
29 businesses.

30 (3) Complement efforts to improve air quality.

31 (4) Direct investment toward the most disadvantaged
32 communities and households in the state.

33 (5) Provide opportunities for businesses, public agencies, Native
34 American tribes in the state, nonprofits, and other community
35 institutions to participate in and benefit from statewide efforts to
36 reduce greenhouse gas emissions.

37 (6) Lessen the impacts and effects of climate change on the
38 state's communities, economy, and environment.

39 (c) Moneys appropriated from the fund may be allocated,
40 consistent with subdivision (a), for the purpose of reducing

1 greenhouse gas emissions in this state through investments that
2 may include, but are not limited to, any of the following:

3 (1) Funding to reduce greenhouse gas emissions through energy
4 efficiency, clean and renewable energy generation, distributed
5 renewable energy generation, transmission and storage, and other
6 related actions, including, but not limited to, at public universities,
7 state and local public buildings, and industrial and manufacturing
8 facilities.

9 (2) Funding to reduce greenhouse gas emissions through the
10 development of state-of-the-art systems to move goods and freight,
11 advanced technology vehicles and vehicle infrastructure, advanced
12 biofuels, and low-carbon and efficient public transportation.

13 (3) Funding to reduce greenhouse gas emissions associated with
14 water use and supply, land and natural resource conservation and
15 management, forestry, and sustainable agriculture.

16 (4) Funding to reduce greenhouse gas emissions through
17 strategic planning and development of sustainable infrastructure
18 projects, including, but not limited to, transportation and housing.

19 (5) Funding to reduce greenhouse gas emissions through
20 increased in-state diversion of municipal solid waste from disposal
21 through waste reduction, diversion, and reuse.

22 (6) Funding to reduce greenhouse gas emissions through
23 investments in programs implemented by local and regional
24 agencies, local and regional collaboratives, Native American tribes
25 in the state, and nonprofit organizations coordinating with local
26 governments.

27 (7) Funding research, development, and deployment of
28 innovative technologies, measures, and practices related to
29 programs and projects funded pursuant to this chapter.

30 *(d) Moneys directed to grant, loan, voucher, or other incentive*
31 *programs shall be conditioned on the requirements of Chapter 3.6*
32 *(commencing with Section 39680), as applicable.*

33 *SEC. 7. Section 43015 of the Health and Safety Code is*
34 *amended to read:*

35 43015. *(a) The Air Pollution Control Fund is continued in*
36 *existence in the State Treasury. Upon appropriation by the*
37 *Legislature, the money in the fund shall be available to the state*
38 *board to carry out its duties and functions.*

39 *(b) Projects using grants, loans, vouchers, or other incentives*
40 *funded in part or whole by the Air Pollution Control Fund shall*

1 *be conditioned on the requirements of Chapter 3.6 (commencing*
2 *with Section 39680) of Part 2, as applicable. The state board may*
3 *include in an existing report its description of how projects funded*
4 *by the Air Pollution Control Fund are implementing the labor and*
5 *workforce standards described in Chapter 3.6 (commencing with*
6 *Section 39680) of Part 2, as applicable.*

7 *SEC. 8. Section 44274 of the Health and Safety Code is*
8 *amended to read:*

9 44274. (a) The Air Quality Improvement Program is hereby
10 created. The program shall be administered by the state board, in
11 consultation with the districts. The state board shall develop
12 guidelines to implement the program. Prior to the adoption of the
13 guidelines, the state board shall hold at least one public hearing.
14 In addition, the state board shall hold at least three public
15 workshops with at least one workshop in northern California, one
16 in the central valley, and one in southern California. The purpose
17 of the program shall be to fund, upon appropriation by the
18 Legislature, air quality improvement projects relating to fuel and
19 vehicle technologies. The primary purpose of the program shall
20 be to fund projects to reduce criteria air pollutants, improve air
21 quality, and provide funding for research to determine and improve
22 the air quality impacts of alternative transportation fuels and
23 vehicles, vessels, and equipment technologies.

24 (b) The state board shall provide preference in awarding funding
25 to those projects with higher benefit-cost scores that maximize the
26 purposes and goals of the Air Quality Improvement Program. The
27 state board also may give additional preference based on the
28 following criteria, as applicable, in funding awards to projects:

29 (1) Proposed or potential reduction of criteria or toxic air
30 pollutants.

31 (2) Contribution to regional air quality improvement.

32 (3) Ability to promote the use of clean alternative fuels and
33 vehicle technologies as determined by the state board, in
34 coordination with the commission.

35 (4) Ability to achieve climate change benefits in addition to
36 criteria pollutant or air toxic emissions reductions.

37 (5) Ability to support market transformation of California's
38 vehicle or equipment fleet to utilize low carbon or zero-emission
39 technologies.

40 (6) Ability to leverage private capital investments.

1 (c) The program shall be limited to competitive grants, revolving
2 loans, loan guarantees, loans, and other appropriate funding
3 measures that further the purposes of the program. Projects to be
4 funded shall include only the following:

5 (1) Onroad and off-road equipment projects that are cost
6 effective.

7 (2) Projects that provide mitigation for off-road gasoline exhaust
8 and evaporative emissions.

9 (3) Projects that provide research to determine the air quality
10 impacts of alternative fuels and projects that study the life-cycle
11 impacts of alternative fuels and conventional fuels, the emissions
12 of biofuel and advanced reformulated gasoline blends, and air
13 pollution improvements and control technologies for use with
14 alternative fuels and vehicles.

15 (4) Projects that augment the University of California's
16 agricultural experiment station and cooperative extension programs
17 for research to increase sustainable biofuels production and
18 improve the collection of biomass feedstock.

19 (5) Incentives for small off-road equipment replacement to
20 encourage consumers to replace internal combustion engine lawn
21 and garden equipment.

22 (6) Incentives for medium- and heavy-duty vehicles and
23 equipment mitigation, including all of the following:

24 (A) Lower emission schoolbus programs.

25 (B) Electric, hybrid, and plug-in hybrid onroad and off-road
26 medium- and heavy-duty equipment.

27 (C) Regional air quality improvement and attainment programs
28 implemented by the state or districts in the most impacted regions
29 of the state.

30 (7) Workforce training initiatives related to advanced energy
31 technology designed to reduce air pollution, including
32 state-of-the-art equipment and goods, and new processes and
33 systems. Workforce training initiatives funded shall be broad-based
34 partnerships that leverage other public and private job training
35 programs and resources. These partnerships may include, though
36 are not limited to, employers, labor unions, labor-management
37 partnerships, community organizations, workforce investment
38 boards, postsecondary education providers including community
39 colleges, and economic development agencies.

1 (8) Incentives to identify and reduce emissions from
2 high-emitting light-duty vehicles.

3 (d) (1) Beginning January 1, 2011, the state board shall submit
4 to the Legislature a biennial report to evaluate the implementation
5 of the Air Quality Improvement Program established pursuant to
6 this chapter.

7 (2) The report shall include all of the following:

8 (A) A list of projects funded by the Air Quality Improvement
9 Account.

10 (B) The expected benefits of the projects in promoting clean,
11 alternative fuels and vehicle technologies.

12 (C) Improvement in air quality and public health, greenhouse
13 gas emissions reductions, and the progress made toward achieving
14 these benefits.

15 (D) The impact of the projects in making progress toward
16 attainment of state and federal air quality standards.

17 (E) Recommendations for future actions.

18 (3) The state board may include the information required to be
19 reported pursuant to paragraph (1) in an existing report to the
20 Legislature as the state board deems appropriate. *The state board*
21 *may also include in an existing report the description of how grant,*
22 *loan, voucher, or other incentive projects that receive moneys from*
23 *the Air Quality Improvement Fund are implementing the labor*
24 *and workforce standards required by Chapter 3.6 (commencing*
25 *with Section 39680) of Part 2, as applicable.*

26 (e) *Projects using grants, loans, vouchers, or other incentives*
27 *funded in part or whole by the Air Quality Improvement Fund shall*
28 *be conditioned on the requirements of Chapter 3.6 (commencing*
29 *with Section 39680) of Part 2, as applicable.*

30 SEC. 9. *Section 44282 of the Health and Safety Code, as*
31 *amended by Section 9 of Chapter 610 of the Statutes of 2015, is*
32 *amended to read:*

33 44282. The following criteria apply to all projects to be funded
34 through the program except for projects funded through the
35 infrastructure demonstration program and infrastructure projects,
36 pursuant to subdivision (c) of Section 44281 and Section 44284:

37 (a) The state board may establish project criteria, including
38 minimum project life for source categories, in the guidelines
39 described in Section 44287. For previously unregulated source

1 categories, project criteria shall consider the timing of newly
2 established regulatory requirements.

3 (b) To be eligible, projects shall meet the cost-effectiveness per
4 ton of covered emissions reduced requirements of Section 44283.

5 (c) To be eligible, retrofits, repowers, and installation of add-on
6 equipment for covered vehicles shall be performed, or new covered
7 vehicles delivered to the end user, or covered vehicles scrapped
8 on or after the date the program is implemented.

9 (d) Retrofit technologies, new engines, and new vehicles shall
10 be certified for sale or under experimental permit for operation in
11 California.

12 (e) Repower projects that replace older, uncontrolled engines
13 with new, emissions-certified engines or that replace
14 emissions-certified engines with new engines certified to a more
15 stringent NO_x emissions standard are approvable subject to the
16 other applicable selection criteria. The state board shall determine
17 appropriate baseline emission levels for the uncontrolled engines
18 being replaced.

19 (f) For heavy-duty-vehicle projects, retrofit and add-on
20 equipment projects shall document a NO_x or PM emission
21 reduction of at least 25 percent and no increase in other covered
22 emissions compared to the applicable baseline emissions accepted
23 by the state board for that engine year and application. The state
24 board shall determine appropriate baseline emission levels.
25 Acceptable documentation shall be defined by the state board.
26 After study of available emission reduction technologies and after
27 public notice and comment, the state board may revise the
28 minimum percentage emission reduction criterion for retrofits and
29 add-on equipment provided for in this section to improve the ability
30 of the program to achieve its goals.

31 (g) (1) For heavy-duty-vehicle projects involving the purchase
32 of new very low or zero-emission vehicles, engines shall be
33 certified to an optional low NO_x emissions standard established
34 by the state board, except as provided for in paragraph (2).

35 (2) For heavy-duty-vehicle projects involving the purchase of
36 new very low or zero-emission covered vehicles for which no
37 optional low NO_x emission standards are available, documentation
38 shall be provided showing that the low or zero-emission engine
39 emits not more than 70 percent of the NO_x or NO_x plus
40 hydrocarbon emissions of a new engine certified to the applicable

1 baseline NO_x or NO_x plus hydrocarbon emission standard for that
2 engine and meets applicable particulate standards. The state board
3 shall specify the documentation required. If no baseline emission
4 standard exists for new vehicles in a particular category, the state
5 board shall determine an appropriate baseline emission level for
6 comparison.

7 (h) For projects other than heavy-duty-vehicle projects, the state
8 board shall determine appropriate criteria under the provisions of
9 Section 44287.

10 (i) *Projects using grants, loans, vouchers, or other incentives*
11 *pursuant to this chapter shall condition eligibility on the*
12 *requirements of Chapter 3.6 (commencing with Section 39680) of*
13 *Part 2, as applicable.*

14 (i)

15 (j) This section shall remain in effect only until January 1, 2024,
16 and as of that date is repealed, unless a later enacted statute, that
17 is enacted before January 1, 2024, deletes or extends that date.

18 *SEC. 10. Section 44282 of the Health and Safety Code, as*
19 *amended by Section 22 of Chapter 401 of the Statutes of 2013, is*
20 *amended to read:*

21 44282. The following criteria apply to all projects to be funded
22 through the program except for projects funded through the
23 infrastructure demonstration program:

24 (a) Except for projects involving marine vessels, 75 percent or
25 more of vehicle miles traveled or hours of operation shall be
26 projected to be in California for at least five years following the
27 grant award. Projects involving marine vessels and engines shall
28 be limited to those that spend enough time operating in California
29 air basins over the lifetime of the project to meet the
30 cost-effectiveness criteria based on NO_x reductions in California,
31 as provided in Section 44283.

32 (b) To be eligible, projects shall meet cost-effectiveness per ton
33 of NO_x reduced requirements of Section 44283.

34 (c) To be eligible, retrofits, repowers, and installation of add-on
35 equipment for covered vehicles shall be performed, or new covered
36 vehicles delivered to the end user, on or after the date the program
37 is implemented.

38 (d) Retrofit technologies, new engines, and new vehicles shall
39 be certified for sale or under experimental permit for operation in
40 California.

1 (e) Repower projects that replace older, uncontrolled engines
2 with new, emissions-certified engines or that replace
3 emissions-certified engines with new engines certified to a more
4 stringent NO_x emissions standard are approvable subject to the
5 other applicable selection criteria. The state board shall determine
6 appropriate baseline emission levels for the uncontrolled engines
7 being replaced.

8 (f) Retrofit and add-on equipment projects shall document a
9 NO_x emission reduction of at least 25 percent and no increase in
10 particulate emissions compared to the applicable baseline emissions
11 accepted by the state board for that engine year and application.
12 The state board shall determine appropriate baseline emission
13 levels. Acceptable documentation shall be defined by the state
14 board. After study of available emission reduction technologies
15 and after public notice and comment, the state board may revise
16 the minimum percentage NO_x reduction criterion for retrofits and
17 add-on equipment provided for in this section to improve the ability
18 of the program to achieve its goals.

19 (g) (1) For projects involving the purchase of new very low or
20 zero-emission vehicles, engines shall be certified to an optional
21 low NO_x emissions standard established by the state board, except
22 as provided for in paragraph (2).

23 (2) For projects involving the purchase of new very low or
24 zero-emission covered vehicles for which no optional low NO_x
25 emission standards are available, documentation shall be provided
26 showing that the low or zero-emission engine emits not more than
27 70 percent of the NO_x or NO_x plus hydrocarbon emissions of a
28 new engine certified to the applicable baseline NO_x or NO_x plus
29 hydrocarbon emission standard for that engine and meets applicable
30 particulate standards. The state board shall specify the
31 documentation required. If no baseline emission standard exists
32 for new vehicles in a particular category, the state board shall
33 determine an appropriate baseline emission level for comparison.

34 (h) *Projects using grants, loans, vouchers, or other incentives*
35 *pursuant to this chapter shall condition eligibility on the*
36 *requirements of Chapter 3.6 (commencing with Section 39680) of*
37 *Part 2, as applicable.*

38 ~~(h)~~

39 (i) This section shall become operative on January 1, 2024.

1 SEC. 11. Section 44295.5 is added to the Health and Safety
2 Code, to read:

3 44295.5. Beginning January 1, 2023, any program funded by
4 the Carl Moyer Memorial Air Quality Standards Attainment
5 Program that provides grants, loans, vouchers, or other incentives
6 shall comply with the reporting requirements in Chapter 3.6
7 (commencing with Section 39680) of Part 2. The state board may
8 include in an existing report its description of how Carl Moyer
9 programs are implementing the labor and workforce standards
10 required by Chapter 3.6 (commencing with Section 39680) of Part
11 2, as applicable.

12 ~~SECTION 1. It is the intent of the Legislature to enact~~
13 ~~subsequent legislation to provide the requisite authority to the State~~
14 ~~Air Resources Board to promulgate rules designed to maximize~~
15 ~~economic benefits of its grant, loan, and incentive programs.~~

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021

AMENDED IN SENATE MARCH 3, 2021

SENATE BILL**No. 67****Introduced by Senator Becker**

December 7, 2020

~~An act relating to energy.~~ *An act to amend Section 25746 of the Public Resources Code, and to amend Sections 399.11, 399.12, 399.13, 399.21, 399.25, 399.26, 399.30, 399.31, 399.33, 454.52, and 454.53 of, to amend the heading of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of, and to add Section 399.15.1 to, the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 67, as amended, Becker. ~~Clean Energy.~~ *energy: California 24/7 Clean Energy Standard Program.*

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. The California Renewables Portfolio Standard Program requires the PUC to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 44% by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. The program requires the PUC to establish appropriate 3-year compliance periods for all subsequent years that require retail sellers to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity

products from eligible renewable energy resources to achieve the procurement requirements established by the program. The program requires the State Energy Resources Conservation and Development Commission (*Energy Commission*) to establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources.

Existing law establishes as policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045.

~~This bill would state the intent of the Legislature to enact subsequent legislation to accelerate the state's progress toward having 100% of electricity provided by renewable or other zero-carbon sources on a 24-hour, 7-day basis.~~

This bill would revise that policy to establish a goal that 100% of electrical load be supplied by eligible clean energy resources, as defined. The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. The bill would require the Energy Commission, in consultation with the PUC and California balancing authorities, to establish compliance periods and subperiods that meet certain criteria. The bill would require the PUC to establish for each retail seller, and the Energy Commission for each local publicly owned electric utility, clean energy procurement requirements for each compliance period and subperiod, as provided. Because the bill would impose additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25746 of the Public Resources Code is
2 amended to read:

3 25746. If the commission provides funding for a regional
4 accounting system to verify compliance with the renewables
5 portfolio standard *and clean energy standard* by retail sellers,
6 pursuant to subdivision (b) of Section 399.25 of the Public Utilities
7 Code, the commission shall recover all costs from user fees.

8 SEC. 2. The heading of Article 16 (commencing with Section
9 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities
10 Code is amended to read:

11
12 Article 16. California Renewables Portfolio Standard Program
13 and California 24/7 Clean Energy Standard Program
14

15 SEC. 3. Section 399.11 of the Public Utilities Code is amended
16 to read:

17 399.11. The Legislature finds and declares all of the following:

18 (a) ~~In order to~~(1) To attain a target of generating 20 percent of
19 total retail sales of electricity in California from eligible renewable
20 energy resources by December 31, 2013, 33 percent by December
21 31, 2020, 50 percent by December 31, 2026, and 60 percent by
22 December 31, 2030, it is the intent of the Legislature that the
23 commission and the Energy Commission implement the California
24 Renewables Portfolio Standard Program described in this article.

25 (2) To attain a target of having 100 percent of electrical loads
26 in the state be supplied by eligible clean energy resources by
27 December 31, 2045, with interim targets of 85 percent of retail
28 sales annually and at least 60 percent of retail sales within the net
29 peak subperiod, by December 31, 2030, and 90 percent of retail
30 sales annually and at least 75 percent of retail sales within the net
31 peak subperiod by December 31, 2035, it is the intent of the

1 *Legislature that the commission and the Energy Commission*
2 *implement the California 24/7 Clean Energy Standard Program*
3 *described in this article.*

4 (b) Achieving the renewables portfolio standard *and clean*
5 *energy standard* through the procurement of various electricity
6 products from eligible-renewable energy resources is intended to
7 provide unique benefits to California, including all of the following,
8 each of which independently justifies the program: *these programs:*

9 (1) Displacing fossil fuel consumption within the state.

10 (2) Adding new electrical generating facilities in the
11 transmission network within the WECC service area.

12 (3) Reducing air pollution, particularly criteria pollutant
13 emissions and toxic air contaminants, in the state.

14 (4) Meeting the state's climate change goals by reducing
15 emissions of greenhouse gases associated with electrical generation.

16 (5) Promoting stable retail rates for electric service.

17 (6) Meeting the state's need for a diversified and balanced
18 energy generation portfolio.

19 (7) Assisting with meeting the state's resource adequacy
20 requirements.

21 (8) Contributing to the safe and reliable operation of the
22 electrical grid, including providing predictable electrical supply,
23 voltage support, lower line losses, and congestion relief.

24 (9) Implementing the state's transmission and land use planning
25 activities related to development of eligible renewable energy
26 resources.

27 (c) The California Renewables Portfolio Standard Program is
28 intended to complement the Renewable Energy Resources Program
29 administered by the Energy Commission and established pursuant
30 to Chapter 8.6 (commencing with Section 25740) of Division 15
31 of the Public Resources Code.

32 (d) New and modified electric transmission facilities may be
33 necessary to facilitate the state achieving its renewables portfolio
34 standard *and clean energy standard* targets.

35 (e) (1) Supplying electricity to California end-use customers
36 that is generated by eligible-renewable *clean* energy resources is
37 necessary to improve California's air quality and public health,
38 particularly in disadvantaged communities identified pursuant to
39 Section 39711 of the Health and Safety Code, and the commission
40 shall ensure rates are just and reasonable, and are not significantly

1 affected by the procurement requirements of this article. This
2 electricity may be generated anywhere in the interconnected grid
3 that includes many states, and areas of both Canada and Mexico.

4 (2) This article requires generating resources located outside of
5 California that are able to supply that electricity to California
6 end-use customers to be treated identically to generating resources
7 located within the state, without discrimination.

8 (3) ~~California electrical corporations have already executed,~~
9 ~~and the commission has approved, corporations, local publicly~~
10 ~~owned electric utilities, community choice aggregators, and electric~~
11 ~~service providers have already executed~~ power purchase
12 agreements with eligible renewable energy ~~resources~~ *resources*,
13 *eligible clean energy resources, and clean energy storage*
14 *resources* located outside of California that will supply electricity
15 to California end-use customers. These resources will fully count
16 toward meeting the renewables portfolio standard *and clean energy*
17 *standard* procurement requirements.

18 *SEC. 4. Section 399.12 of the Public Utilities Code is amended*
19 *to read:*

20 399.12. For purposes of this article, the following terms have
21 the following meanings: *definitions apply:*

22 (a) ~~“Conduit hydroelectric facility” means a facility for the~~
23 ~~generation of electricity that uses only the hydroelectric potential~~
24 ~~of an existing pipe, ditch, flume, siphon, tunnel, canal, or other~~
25 ~~manmade conduit that is operated to distribute water for a~~
26 ~~beneficial use.~~

27 (b)

28 (a) “Balancing authority” means the responsible entity that
29 integrates resource plans ahead of time, maintains load-interchange
30 generation balance within a balancing authority area, and supports
31 interconnection frequency in real time.

32 (c)

33 (b) “Balancing authority area” means the collection of
34 generation, transmission, and loads within the metered boundaries
35 of the area within which the balancing authority maintains the
36 electrical load-resource balance.

37 (d)

38 (c) “California balancing authority” is a balancing authority
39 with control over a balancing authority area primarily located in
40 this state and operating for retail sellers and local publicly owned

1 electric utilities subject to the requirements of this article and
2 includes the Independent System Operator (ISO) and a local
3 publicly owned electric utility operating a transmission grid that
4 is not under the operational control of the ISO. A California
5 balancing authority is responsible for the operation of the
6 transmission grid within its metered boundaries which is not limited
7 by the political boundaries of the State of California.

8 (d) (1) *“Clean energy credit” means a certificate of proof*
9 *associated with the production of electricity from an eligible clean*
10 *energy resource, issued through the accounting system established*
11 *by the Energy Commission pursuant to Section 399.25, that one*
12 *unit of electricity was generated and delivered to a California*
13 *balancing authority by an eligible clean energy resource.*

14 (2) *“Clean energy credit” includes all environmental attributes*
15 *associated with the production of electricity from the eligible clean*
16 *energy resource, except for an emissions reduction credit issued*
17 *pursuant to Section 40709 of the Health and Safety Code and any*
18 *credits or payments associated with the reduction of solid waste*
19 *and treatment benefits created by the utilization of biomass or*
20 *biogas fuels.*

21 (e) *“Clean energy standard” means the specified percentage*
22 *of electricity from eligible clean energy resources that a retail*
23 *seller or a local publicly owned electric utility is required to*
24 *procure pursuant to this article.*

25 (f) *“Conduit hydroelectric facility” means a facility for the*
26 *generation of electricity that uses only the hydroelectric potential*
27 *of an existing pipe, ditch, flume, siphon, tunnel, canal, or other*
28 *manmade conduit that is operated to distribute water for a*
29 *beneficial use.*

30 (g) *“Eligible clean energy generation resource” means a facility*
31 *that qualifies as an eligible renewable energy resource or a facility*
32 *that satisfies all of the following:*

33 (1) *The facility is one of the following:*

34 (A) (i) *The facility uses hydroelectric generation that is not an*
35 *eligible renewable energy resource or the facility generates*
36 *electricity using nuclear fission or nuclear fusion.*

37 (ii) *A hydroelectric generation facility or nuclear generating*
38 *facility existing as of January 1, 2021, shall demonstrate either of*
39 *the following:*

1 (I) It was owned in whole or in part by the electrical corporation
2 or the local publicly owned electric utility as of January 1, 2021.
3 For facilities that were not wholly owned, only the portion of
4 electrical energy corresponding to the percentage ownership by
5 the electrical corporation or the local publicly owned utility as of
6 January 1, 2021, may be counted as eligible clean energy.

7 (II) It provided electricity under the retail seller's or the local
8 publicly owned electric utility's ownership agreement or contract
9 as of January 1, 2021, with the Western Area Power Administration
10 or the federal government as part of the federal Central Valley
11 Project. For these facilities, only the quantity of electrical energy
12 provided under these ownership agreements or contracts may be
13 counted as eligible clean energy, including an extension or renewal
14 of an agreement between a retail seller or local publicly owned
15 electrical utility and the Western Area Power Administration or
16 the federal government as part of the federal Central Valley Project
17 that renews or extends the existing agreement as of January 1,
18 2021, for an equal amount or share of electrical energy.

19 (B) The facility generates electricity exclusively using hydrogen
20 that meets all of the following:

21 (i) It is produced by an electrolytic or other process using only
22 electricity products generated in the same hour by another eligible
23 clean energy resource that satisfy the requirements of paragraph
24 (1) of subdivision (b) of Section 399.16. All clean energy credits
25 associated with electricity procured to produce the hydrogen must
26 be retired.

27 (ii) It is not produced from fossil fuel feedstock sources.

28 (iii) No greenhouse gases are emitted as a result of producing
29 the hydrogen.

30 (C) The facility uses any other method of generating electricity
31 that does not emit greenhouse gases as part of electricity
32 production and the creation of any fuel or feedstock used by the
33 facility.

34 (2) The facility satisfies paragraphs (2), (3), and (4) of
35 subdivision (a) of Section 25741 of the Public Resources Code.

36 (3) The electricity product provided by the facility meets the
37 requirements of paragraph (1) of subdivision (b) of Section 399.16.

38 (h) "Eligible clean energy storage resource" means a facility
39 consisting of an energy storage system, as defined in subdivision
40 (a) of Section 2835, and meets all of the following:

1 (1) The facility is metered separately from any generation
2 facility.

3 (2) The facility consumes only electricity procured from an
4 eligible clean energy generation resource for its stored energy,
5 does not consume system power, and does not emit any greenhouse
6 gases as part of storing energy or exporting electricity from that
7 stored energy.

8 (3) All clean energy credits associated with the electricity
9 procured for the facility must satisfy the requirements of paragraph
10 (1) of subdivision (b) of Section 399.16 and be retired.

11 (4) The facility satisfies one of the following requirements:

12 (A) The facility is located in the state or near the border of the
13 state with the first point of connection to the transmission network
14 of a balancing authority area primarily located within the state.

15 (B) The facility has its first point of interconnection to the
16 transmission network outside the state, within the WECC service
17 area, and satisfies both of the following requirements:

18 (i) It will not cause or contribute to any violation of a California
19 environmental quality standard or requirement.

20 (ii) It participates in the accounting system to verify compliance
21 with the clean energy standard once established by the commission
22 pursuant to subdivision (b) of Section 399.25 of the Public Utilities
23 Code.

24 (5) If the facility is outside the United States, it is developed
25 and operated in a manner that is as protective of the environment
26 as a similar facility located in the state.

27 (i) “Eligible clean energy resource” means an eligible clean
28 energy generation resource or an eligible clean energy storage
29 resource.

30 (j) “Eligible energy resource” means collectively an eligible
31 renewable energy resource or an eligible clean energy resource.

32 (e)

33 (k) “Eligible renewable energy resource” means an electrical
34 generating facility that meets the definition of a “renewable
35 electrical generation facility” in Section 25741 of the Public
36 Resources Code, subject to the following:

37 (1) (A) An existing small hydroelectric generation facility of
38 30 megawatts or less shall be eligible only if a retail seller or local
39 publicly owned electric utility procured the electricity from the
40 facility as of December 31, 2005. A new hydroelectric facility that

1 commences generation of electricity after December 31, 2005, is
2 not an eligible renewable energy resource if it will cause an adverse
3 impact on instream beneficial uses or cause a change in the volume
4 or timing of streamflow.

5 (B) Notwithstanding subparagraph (A), a conduit hydroelectric
6 facility of 30 megawatts or less that commenced operation before
7 January 1, 2006, is an eligible renewable energy resource. A
8 conduit hydroelectric facility of 30 megawatts or less that
9 commences operation after December 31, 2005, is an eligible
10 renewable energy resource so long as it does not cause an adverse
11 impact on instream beneficial uses or cause a change in the volume
12 or timing of streamflow.

13 (C) A facility approved by the governing board of a local
14 publicly owned electric utility prior to June 1, 2010, for
15 procurement to satisfy renewable energy procurement obligations
16 adopted pursuant to former Section 387, shall be certified as an
17 eligible renewable energy resource by the Energy Commission
18 pursuant to this article, if the facility is a “renewable electrical
19 generation facility” as defined in Section 25741 of the Public
20 Resources Code.

21 (D) (i) A small hydroelectric generation unit with a nameplate
22 capacity not exceeding 40 megawatts that is operated as part of a
23 water supply or conveyance system is an eligible renewable energy
24 resource only for the retail seller or local publicly owned electric
25 utility that procured the electricity from the unit as of December
26 31, 2005. No unit shall be eligible pursuant to this subparagraph
27 if an application for certification is submitted to the Energy
28 Commission after January 1, 2013. Only one retail seller or local
29 publicly owned electric utility shall be deemed to have procured
30 electricity from a given unit as of December 31, 2005.

31 (ii) Notwithstanding clause (i), a local publicly owned electric
32 utility that meets the criteria of subdivision (j) of Section 399.30
33 may sell to another local publicly owned electric utility electricity
34 from small hydroelectric generation units that qualify as eligible
35 renewable energy resources under clause (i), and that electricity
36 may be used by the local publicly owned electric utility that
37 purchased the electricity to meet its renewables portfolio standard
38 procurement requirements. The total of all those sales from the
39 utility shall be no greater than 100,000 megawatthours of
40 electricity.

1 (iii) The amendments made to this subdivision by the act adding
2 this subparagraph are intended to clarify existing law and apply
3 from December 10, 2011.

4 (2) (A) A facility engaged in the combustion of municipal solid
5 waste shall not be considered an eligible renewable energy
6 resource.

7 (B) Subparagraph (A) does not apply to generation before
8 January 1, 2017, from a facility located in Stanislaus County that
9 was operational prior to September 26, 1996.

10 (l) *“Energy credit” means the renewable energy credit or clean*
11 *energy credit associated with electricity production by an eligible*
12 *energy resource.*

13 ~~(f)~~

14 (m) “Procure” means to acquire through ownership or contract.

15 ~~(g)~~

16 (n) “Procurement entity” means any person or corporation
17 authorized by the commission to enter into contracts to procure
18 eligible renewable energy resources on behalf of customers of a
19 retail seller pursuant to subdivision (f) of Section 399.13.

20 ~~(h)~~

21 (o) (1) “Renewable energy credit” means a certificate of proof
22 associated with the generation of electricity from an eligible
23 renewable energy resource, issued through the accounting system
24 established by the Energy Commission pursuant to Section 399.25,
25 that one unit of electricity was generated and delivered by an
26 eligible renewable energy resource.

27 (2) “Renewable energy credit” includes all renewable and
28 environmental attributes associated with the production of
29 electricity from the eligible renewable energy resource, except for
30 an emissions reduction credit issued pursuant to Section 40709 of
31 the Health and Safety Code and any credits or payments associated
32 with the reduction of solid waste and treatment benefits created
33 by the utilization of biomass or biogas fuels.

34 (3) (A) Electricity generated by an eligible renewable energy
35 resource attributable to the use of nonrenewable fuels, beyond a
36 de minimis quantity used to generate electricity in the same process
37 through which the facility converts renewable fuel to electricity,
38 shall not result in the creation of a renewable energy credit. The
39 Energy Commission shall set the de minimis quantity of
40 nonrenewable fuels for each renewable energy technology at a

1 level of no more than 2 percent of the total quantity of fuel used
2 by the technology to generate electricity. The Energy Commission
3 may adjust the de minimis quantity for an individual facility, up
4 to a maximum of 5 percent, if it finds that all of the following
5 conditions are met:

6 (i) The facility demonstrates that the higher quantity of
7 nonrenewable fuel will lead to an increase in generation from the
8 eligible renewable energy facility that is significantly greater than
9 generation from the nonrenewable fuel alone.

10 (ii) The facility demonstrates that the higher quantity of
11 nonrenewable fuels will reduce the variability of its electrical
12 output in a manner that results in net environmental benefits to the
13 state.

14 (iii) The higher quantity of nonrenewable fuel is limited to either
15 natural gas or hydrogen derived by reformation of a fossil fuel.

16 (B) Electricity generated by a small hydroelectric generation
17 facility shall not result in the creation of a renewable energy credit
18 unless the facility meets the requirements of subparagraph (A) or
19 (D) of paragraph (1) of subdivision (e).

20 (C) Electricity generated by a conduit hydroelectric generation
21 facility shall not result in the creation of a renewable energy credit
22 unless the facility meets the requirements of subparagraph (B) of
23 paragraph (1) of subdivision (e).

24 (D) Electricity generated by a facility engaged in the combustion
25 of municipal solid waste shall not result in the creation of a
26 renewable energy credit. This subparagraph does not apply to
27 renewable energy credits that were generated before January 1,
28 2017, by a facility engaged in the combustion of municipal solid
29 waste located in Stanislaus County that was operational prior to
30 September 26, 1996, and sold pursuant to contacts entered into
31 before January 1, 2017.

32 (i)

33 (p) “Renewables portfolio standard” means the specified
34 percentage of electricity generated by eligible renewable energy
35 resources that a retail seller or a local publicly owned electric utility
36 is required to procure pursuant to this article.

37 (j)

38 (q) “Retail seller” means an entity engaged in the retail sale of
39 electricity to end-use customers located within the state, including
40 any of the following:

1 (1) An electrical corporation, as defined in Section 218.

2 (2) A community choice aggregator. A community choice
3 aggregator shall participate in the renewables portfolio standard
4 ~~program~~ *and clean energy standard programs* subject to the same
5 terms and conditions applicable to an electrical corporation.

6 (3) An electric service provider, as defined in Section 218.3.
7 The electric service provider shall be subject to the same terms
8 and conditions applicable to an electrical corporation pursuant to
9 this article. ~~This paragraph does not impair a contract entered into
10 between an electric service provider and a retail customer prior to
11 the suspension of direct access by the commission pursuant to
12 Section 80110 of the Water Code.~~

13 (4) “Retail seller” does not include any of the following:

14 (A) A corporation or person employing cogeneration technology
15 or producing electricity consistent with subdivision (b) of Section
16 218.

17 (B) The Department of Water Resources acting in its capacity
18 pursuant to Division 27 (commencing with Section 80000) of the
19 Water Code.

20 (C) A local publicly owned electric utility.

21 ~~(k)~~

22 (r) “WECC” means the Western Electricity Coordinating
23 Council of the North American Electric Reliability Corporation,
24 or a successor to the corporation.

25 *SEC. 5. Section 399.13 of the Public Utilities Code is amended*
26 *to read:*

27 399.13. (a) (1) The commission shall direct each electrical
28 corporation to annually prepare ~~a renewable~~ *an* energy procurement
29 plan that includes the elements specified in paragraph (6), to satisfy
30 its obligations under the renewables portfolio *standard and the*
31 *clean energy* standard. To the extent feasible, this procurement
32 plan shall be proposed, reviewed, and adopted by the commission
33 as part of, and pursuant to, a general procurement plan process.
34 The commission shall require each electrical corporation to review
35 and update its ~~renewable~~ energy procurement plan as it determines
36 to be necessary. The commission shall require all other retail sellers
37 to prepare and submit ~~renewable~~ energy procurement plans that
38 address the requirements identified in paragraph (6).

39 (2) Every electrical corporation that owns electrical transmission
40 facilities shall annually prepare, as part of the Federal Energy

1 Regulatory Commission Order 890 process, and submit to the
2 commission, a report identifying any electrical transmission
3 facility, upgrade, or enhancement that is reasonably necessary to
4 achieve the renewables portfolio standard *and clean energy*
5 *standard* procurement requirements of this article. Each report
6 shall look forward at least five years and, to ensure that adequate
7 investments are made in a timely manner, shall include a
8 preliminary schedule when an application for a certificate of public
9 convenience and necessity will be made, pursuant to Chapter 5
10 (commencing with Section 1001), for any electrical transmission
11 facility identified as being reasonably necessary to achieve the
12 ~~renewable~~ energy resources procurement requirements of this
13 article. Each electrical corporation that owns electrical transmission
14 facilities shall ensure that project-specific interconnection studies
15 are completed in a timely manner.

16 (3) The commission shall direct each retail seller to prepare and
17 submit an annual compliance report that includes all of the
18 following:

19 (A) The current status and progress made during the prior year
20 toward procurement of eligible renewable energy resources ~~as a~~
21 ~~percentage of retail sales, and eligible clean energy resources as~~
22 ~~required by Sections 399.15 and 399.15.1~~, including, if applicable,
23 the status of any necessary siting and permitting approvals from
24 federal, state, and local agencies for those eligible ~~renewable~~ energy
25 resources procured by the retail seller, and the current status of
26 compliance with the portfolio content requirements of subdivision
27 (c) of Section 399.16, including procurement of eligible ~~renewable~~
28 energy resources located outside the state and within the WECC
29 and unbundled renewable energy credits.

30 (B) If the retail seller is an electrical corporation, the current
31 status and progress made during the prior year toward construction
32 of, and upgrades to, transmission and distribution facilities and
33 other electrical system components it owns to interconnect eligible
34 ~~renewable~~ energy resources and to supply the electricity generated
35 by those resources to load, including the status of planning, siting,
36 and permitting transmission facilities by federal, state, and local
37 agencies.

38 (C) Recommendations to remove impediments to making
39 progress toward achieving the ~~renewable~~ energy resources
40 procurement requirements established pursuant to this article.

1 (4) The commission shall review each annual compliance report
2 filed by a retail seller. The commission shall notify a retail seller
3 if the commission has determined, based upon its review, that the
4 retail seller may be at risk of not satisfying the ~~renewable energy~~
5 procurement requirements for the then-current or ~~a future~~
6 compliance ~~period~~ *periods of the renewable portfolio standard or*
7 *clean energy standard* and shall provide recommendations in that
8 circumstance regarding satisfying those requirements.

9 (5) The commission shall adopt, by rulemaking, all of the
10 following:

11 (A) A process that provides criteria for the rank ordering and
12 selection of least-cost and best-fit eligible renewable energy
13 resources to comply with the California Renewables Portfolio
14 Standard Program obligations on a total cost and best-fit basis.
15 This process shall take into account all of the following:

16 (i) Estimates of indirect costs associated with needed
17 transmission investments.

18 (ii) The cost impact of procuring the eligible renewable energy
19 resources on the electrical corporation's electricity portfolio.

20 (iii) The viability of the project to construct and reliably operate
21 the eligible renewable energy resource, including the developer's
22 experience, the feasibility of the technology used to generate
23 electricity, and the risk that the facility will not be built, or that
24 construction will be delayed, with the result that electricity will
25 not be supplied as required by the contract.

26 (iv) Workforce recruitment, training, and retention efforts,
27 including the employment growth associated with the construction
28 and operation of eligible renewable energy resources and goals
29 for recruitment and training of women, minorities, and disabled
30 veterans.

31 (v) (I) Estimates of electrical corporation expenses resulting
32 from integrating and operating eligible renewable energy resources,
33 including, but not limited to, any additional wholesale energy and
34 capacity costs associated with integrating each eligible renewable
35 resource.

36 (II) No later than December 31, 2015, the commission shall
37 approve a methodology for determining the integration costs
38 described in subclause (I).

39 (vi) Consideration of any statewide greenhouse gas emissions
40 limit established pursuant to the California Global Warming

1 Solutions Act of 2006 (Division 25.5 (commencing with Section
2 38500) of the Health and Safety Code).

3 (vii) Consideration of capacity and system reliability of the
4 eligible renewable energy resource to ensure grid reliability.

5 (B) Rules permitting retail sellers to accumulate, beginning
6 January 1, 2011, excess procurement in one compliance period to
7 be applied to any subsequent compliance period. The rules shall
8 apply equally to all retail sellers. In determining the quantity of
9 excess procurement for the applicable compliance period, the
10 commission shall retain the rules adopted by the commission and
11 in effect as of January 1, 2015, for the compliance period specified
12 in subparagraphs (A) to (C), inclusive, of paragraph (1) of
13 subdivision (b) of Section 399.15. For any subsequent compliance
14 period, the rules shall allow the following:

15 (i) For electricity products meeting the portfolio content
16 requirements of paragraph (1) of subdivision (b) of Section 399.16,
17 contracts of any duration may count as excess procurement.

18 (ii) Electricity products meeting the portfolio content
19 requirements of paragraph (2) or (3) of subdivision (b) of Section
20 399.16 shall not be counted as excess procurement. Contracts of
21 any duration for electricity products meeting the portfolio content
22 requirements of paragraph (2) or (3) of subdivision (b) of Section
23 399.16 that are credited towards a compliance period shall not be
24 deducted from a retail seller's procurement for purposes of
25 calculating excess procurement.

26 (iii) If a retail seller notifies the commission that it will comply
27 with the provisions of subdivision (b) for the compliance period
28 beginning January 1, 2017, the provisions of clauses (i) and (ii)
29 shall take effect for that retail seller for that compliance period.

30 (iv) *For the purpose of excess procurement of eligible clean*
31 *energy resources relative to the procurement requirements for a*
32 *compliance period or subperiod, the following additional*
33 *conditions apply:*

34 (I) *Procurement of quantities greater than actual retail sales*
35 *in a specific hour shall not be counted as excess procurement.*

36 (II) *Excess procurement may be applied only to the*
37 *corresponding compliance subperiod in the following calendar*
38 *year that includes the same day of the year and hour of the day*
39 *during which the excess procurement occurred. Excess*
40 *procurement for one compliance subperiod shall not be used to*

1 *meet the procurement requirements of a different subperiod within*
2 *the same compliance period.*

3 (C) Standard terms and conditions to be used by all electrical
4 corporations in contracting for eligible ~~renewable~~ energy resources,
5 including performance requirements for ~~renewable~~ generators. A
6 contract for the purchase of electricity generated by an eligible
7 ~~renewable~~ energy resource, at a minimum, shall include the
8 renewable energy credits *and clean energy credits* associated with
9 all electricity generation specified under the contract. The standard
10 terms and conditions shall include the requirement that, no later
11 than six months after the commission's approval of an electricity
12 purchase agreement entered into pursuant to this article, the
13 following information about the agreement shall be disclosed by
14 the commission: party names, resource type, project location, and
15 project capacity.

16 (D) An appropriate minimum margin of procurement above the
17 minimum procurement level necessary to comply with the
18 renewables portfolio standard *and the clean energy standard* to
19 mitigate the risk that ~~renewable~~ projects planned or under contract
20 are delayed or canceled. This paragraph does not preclude an
21 electrical corporation from voluntarily proposing a margin of
22 procurement above the appropriate minimum margin established
23 by the commission.

24 (6) Consistent with the goal of increasing California's reliance
25 on eligible ~~renewable~~ energy resources, the ~~renewable~~ energy
26 procurement plan shall include all of the following:

27 (A) An assessment of annual or multiyear portfolio supplies
28 and demand to determine the optimal mix of *demand-side*
29 *resources and* eligible ~~renewable~~ energy resources with
30 deliverability characteristics that may include peaking,
31 dispatchable, baseload, firm, and as-available capacity.

32 (B) Potential compliance delays related to the conditions
33 described in paragraph (5) of subdivision (b) of Section 399.15.

34 (C) A bid solicitation setting forth the need for *demand-side*
35 *resources or for* eligible ~~renewable~~ energy resources of each
36 deliverability characteristic, required online dates, and locational
37 preferences, if any.

38 (D) A status update on the development schedule of all
39 *demand-side resources and* eligible ~~renewable~~ energy resources
40 currently under contract.

1 (E) Consideration of mechanisms for price adjustments
2 associated with the costs of key components for eligible ~~renewable~~
3 energy resource projects with online dates more than 24 months
4 after the date of contract execution.

5 (F) An assessment of the risk that an eligible ~~renewable~~ energy
6 resource will not be built, or that construction will be delayed,
7 with the result that electricity will not be delivered as required by
8 the contract.

9 (7) In soliciting and procuring eligible ~~renewable~~ energy
10 resources, each electrical corporation shall offer contracts of no
11 less than 10 years duration, unless the commission approves of a
12 contract of shorter duration.

13 (8) (A) In soliciting and procuring eligible ~~renewable~~ energy
14 resources for California-based projects, each electrical corporation
15 shall give preference to ~~renewable~~ energy projects that provide
16 environmental and economic benefits to communities afflicted
17 with poverty or high unemployment, or that suffer from high
18 emission levels of toxic air contaminants, criteria air pollutants,
19 and greenhouse gases.

20 (B) Subparagraph (A) applies to all procurement of eligible
21 ~~renewable~~ energy resources for California-based projects, whether
22 the procurement occurs through all-source requests for offers,
23 eligible renewable resources only requests for offers, or other
24 procurement mechanisms. This subparagraph is declaratory of
25 existing law.

26 (9) In soliciting and procuring eligible ~~renewable~~ energy
27 resources, each retail seller shall consider the best-fit attributes of
28 resource types that ensure a balanced resource mix to maintain the
29 reliability of the electrical grid.

30 (b) (1) A retail seller may enter into a combination of long- and
31 short-term contracts for electricity and associated renewable energy
32 *credits and clean energy* credits. Beginning January 1, 2021, at
33 least 65 percent of the procurement a retail seller counts toward
34 the renewables portfolio standard requirement of each compliance
35 period shall be from its contracts of 10 years or more in duration
36 or in its ownership or ownership agreements for eligible renewable
37 energy resources. *Beginning January 1, 2024, at least 65 percent*
38 *of the procurement a retail seller counts toward the clean energy*
39 *standard requirement of each annual compliance period and*
40 *subperiod shall be from its contracts of 10 years or more in*

1 *duration or in its ownership or ownership agreements for eligible*
2 *energy resources.*

3 (2) In demonstrating compliance with paragraph (1), a retail
4 seller may rely on contracts of 10 years or more in duration or
5 ownership agreements entered into ~~before January 1, 2019~~, directly
6 by its direct access, as described in Section 365.1, ~~nonprofit~~
7 ~~educational institution~~ end-use customer for eligible renewable
8 energy resources located in front of the customer meter to satisfy
9 the portion of the compliance requirement attributable to the retail
10 sales to that end-use customer. A retail seller shall furnish to the
11 commission documentation deemed necessary by the commission
12 to verify compliance with this paragraph.

13 (c) The commission shall review and accept, modify, or reject
14 each electrical corporation's ~~renewable~~ energy resource
15 procurement plan prior to the commencement of ~~renewable~~ energy
16 procurement pursuant to this article by an electrical corporation.
17 The commission shall assess adherence to the approved ~~renewable~~
18 energy resource procurement plans in determining compliance
19 with the obligations of this article.

20 (d) Unless previously preapproved by the commission, an
21 electrical corporation shall submit a contract for the generation of
22 an eligible ~~renewable~~ energy resource to the commission for review
23 and approval consistent with an approved ~~renewable~~ energy
24 resource procurement plan. If the commission determines that the
25 bid prices are elevated due to a lack of effective competition among
26 the bidders, the commission shall direct the electrical corporation
27 to renegotiate the contracts or conduct a new solicitation.

28 (e) If an electrical corporation fails to comply with a commission
29 order adopting a ~~renewable~~ *an* energy resource procurement plan,
30 the commission shall exercise its authority to require compliance.

31 (f) (1) The commission may authorize a procurement entity to
32 enter into contracts on behalf of customers of a retail seller for
33 electricity products from eligible ~~renewable~~ energy resources to
34 satisfy the retail seller's renewables portfolio standard *or clean*
35 *energy standard* procurement requirements. The commission shall
36 not require any person or corporation to act as a procurement entity
37 or require any party to purchase eligible ~~renewable~~ energy
38 resources from a procurement entity.

39 (2) Subject to review and approval by the commission, the
40 procurement entity shall be permitted to recover reasonable

1 administrative and procurement costs through the retail rates of
2 end-use customers that are served by the procurement entity and
3 are directly benefiting from the procurement of eligible renewable
4 energy resources.

5 (g) Procurement and administrative costs associated with
6 contracts entered into by an electrical corporation for eligible
7 renewable energy resources pursuant to this article and approved
8 by the commission are reasonable and prudent and shall be
9 recoverable in rates.

10 ~~(h) Construction, alteration, demolition, installation, and repair~~
11 ~~work on an eligible renewable energy resource that receives~~
12 ~~production incentives pursuant to Section 25742 of the Public~~
13 ~~Resources Code, including work performed to qualify, receive, or~~
14 ~~maintain production incentives, are “public works” for the purposes~~
15 ~~of Chapter 1 (commencing with Section 1720) of Part 7 of Division~~
16 ~~2 of the Labor Code.~~

17 *SEC. 6. Section 399.15.1 is added to the Public Utilities Code,*
18 *to read:*

19 *399.15.1. (a) The Energy Commission, in consultation with*
20 *the commission, the Independent System Operator, and other*
21 *California balancing authorities, shall establish compliance*
22 *periods and subperiods that meet the following criteria:*

23 *(1) A compliance period shall consist of a single calendar year*
24 *and shall contain one or more compliance subperiods.*

25 *(2) (A) The Energy Commission shall establish one initial*
26 *compliance subperiod, referred to as the net peak compliance*
27 *subperiod, consisting of a subset of hours covering peak demand*
28 *adjusted to account for the contribution of variable eligible clean*
29 *energy resources.*

30 *(B) The Energy Commission shall determine the specific hours*
31 *of each day, which may vary by season, and the beginning and*
32 *end dates for each season, that are included within the net peak*
33 *compliance subperiod, and any other subperiod established, based*
34 *on patterns of electricity demand during each subperiod to group*
35 *together time periods with similar load and clean energy*
36 *availability profiles. This determination may be different for utility*
37 *service areas located in different regions of the state.*

38 *(C) After establishing the initial compliance subperiod, but no*
39 *earlier than for the compliance period consisting of the year*
40 *beginning January 1, 2028, the Energy Commission may change*

1 *the number of compliance subperiods and the specific hours and*
2 *days included within each subperiod as warranted by patterns of*
3 *electricity demand and availability of eligible clean energy*
4 *resources. All compliance subperiods shall be established for the*
5 *purpose of identifying periods in which the supply of eligible clean*
6 *energy resources as a share of total electrical load is projected to*
7 *be significantly below the average for the full compliance period.*

8 (3) *The first compliance period and compliance subperiods as*
9 *provided in paragraph (2) shall begin on January 1, 2024, and*
10 *continue for each year thereafter.*

11 (b) (1) *The Energy Commission shall perform analysis to*
12 *support the establishment of a current baseline for each retail*
13 *seller and local publicly owned electric utility.*

14 (2) *The current baseline shall reflect the percentage of clean*
15 *energy resources used as a percentage of each retail seller's and*
16 *local publicly owned electric utility's total retail sales and the*
17 *aggregate percentage of clean energy resources across all retail*
18 *sellers and local publicly owned electric utilities during the net*
19 *peak compliance subperiod and during calendar year 2021, as if*
20 *this section had been in effect at that time.*

21 (3) *The Energy Commission may include other relevant years*
22 *in its development of the current baseline.*

23 (4) *The commission shall establish for each retail seller, and*
24 *the Energy Commission shall establish for each local publicly*
25 *owned electric utility, its period and net peak subperiod current*
26 *baseline.*

27 (c) *No later than April 1, 2023, the commission shall establish*
28 *for each retail seller and the Energy Commission shall establish*
29 *for each local publicly owned electric utility the clean energy*
30 *standard procurement requirements for each compliance period*
31 *and subperiod as follows:*

32 (1) *The current baseline established for each retail seller and*
33 *local publicly owned electric utility pursuant to subdivision (b)*
34 *shall be the clean energy standard procurement requirements for*
35 *each compliance period and subperiod for the year beginning*
36 *January 1, 2024, for that retail seller or local publicly owned*
37 *electric utility.*

38 (2) *The clean energy standard procurement requirement for*
39 *each retail seller and local publicly owned electric utility for the*
40 *compliance period and subperiod for each year from 2025 through*

1 2029 shall be established based on a straight-line increase from
2 its 2024 procurement requirement to the 2030 clean energy
3 standard procurement requirements in paragraph (3).

4 (3) For the compliance period consisting of the year beginning
5 January 1, 2030, the clean energy standard procurement
6 requirement shall be 85 percent of retail sales for the annual period
7 and 60 percent of retail sales for the net peak subperiod.

8 (4) The clean energy standard procurement requirement for the
9 compliance period and subperiod for each year from 2031 through
10 2034 shall be established based on a straight-line increase from
11 the 2030 clean energy standard procurement requirements in
12 paragraph (3) to the 2035 clean energy standard procurement
13 requirements in paragraph (5).

14 (5) For the compliance period consisting of the year beginning
15 January 1, 2035, the clean energy standard procurement
16 requirement shall be 90 percent of retail sales for the annual period
17 and 75 percent of retail sales for the net peak subperiod.

18 (6) For the compliance period consisting of the year 2045 and
19 all subsequent compliance periods, the clean energy standard
20 procurement requirement for every compliance period and
21 subperiod shall be 100 percent of electrical load.

22 (7) For any new compliance subperiods established by the
23 Energy Commission pursuant to subdivision (a), the commission
24 may establish for each retail seller and the Energy Commission
25 may establish for each local publicly owned electric utility the
26 clean energy standard procurement requirements that require
27 sufficient progress from the then-current levels of eligible clean
28 energy resources during the compliance subperiods toward the
29 requirement in paragraph (6).

30 (8) Procurement in excess of the actual retail sales for a retail
31 seller or local publicly owned utility in any hour shall not be
32 credited toward any compliance period or subperiod.

33 (d) No later than January 1, 2026, for compliance periods after
34 2035 and before 2045, the commission shall establish for each
35 retail seller and the Energy Commission shall establish for each
36 local publicly owned electric utility the clean energy standard
37 procurement requirements for each compliance period and
38 subperiod that require sufficient progress toward the requirement
39 in paragraph (6) of subdivision (c).

1 (e) Only for purposes of establishing the clean energy standard
2 procurement requirements of this section, the commission shall
3 include all electricity sold to retail customers by the Department
4 of Water Resources pursuant to Division 27 (commencing with
5 Section 80000) of the Water Code in the calculation of retail sales
6 by an electrical corporation.

7 (f) Paragraphs (5) through (9), inclusive, of subdivision (b) of
8 Section 399.15 relating to compliance with the renewables portfolio
9 standard program apply to compliance with the clean energy
10 standard program.

11 (g) The establishment of a clean energy standard shall not
12 constitute implementation by the commission of the federal Public
13 Utility Regulatory Policies Act of 1978 (Public Law 95-617).

14 SEC. 7. Section 399.21 of the Public Utilities Code is amended
15 to read:

16 399.21. (a) The commission, by rule, shall authorize the use
17 of renewable energy credits to satisfy the renewables portfolio
18 standard procurement requirements ~~established pursuant to~~ as
19 provided in this article and the use of clean energy credits to satisfy
20 the clean energy standard procurement requirements as provided
21 in this article, subject to the following conditions:

22 (1) The commission and the Energy Commission shall ensure
23 that the tracking system established pursuant to subdivision (c) of
24 Section 399.25, is operational, is capable of independently
25 verifying that electricity earning the credit is generated by an
26 eligible renewable energy resource, and can ensure that renewable
27 energy credits shall not be double counted by any seller of
28 electricity within the service territory of the WECC.

29 (2) (A) Each renewable energy credit shall be counted only
30 once for compliance with the renewables portfolio standard of this
31 state or any other state, or for verifying retail product claims in
32 this state or any other state.

33 (B) Each clean energy credit shall be counted only once for
34 compliance with the clean energy standard of this state or any
35 other state, or for verifying retail product claims in this state or
36 any other state.

37 (C) Energy credits that qualify as both renewable energy credits
38 and clean energy credits may be counted once in each program
39 without violating subparagraphs (A) and (B).

1 (3) All revenues received by an electrical corporation for the
2 sale of a ~~renewable~~ *an* energy credit shall be credited to the benefit
3 of ratepayers.

4 (4) ~~Renewable energy~~ *Energy* credits shall not be created for
5 electricity generated pursuant to any electricity purchase contract
6 with a retail seller or a local publicly owned electric utility executed
7 before January 1, 2005, unless the contract contains explicit terms
8 and conditions specifying the ownership or disposition of those
9 credits. Procurement under those contracts shall be tracked through
10 the accounting system described in subdivision (b) of Section
11 399.25 and included in the quantity of eligible ~~renewable~~ energy
12 resources of the purchasing retail seller pursuant to Section 399.15.

13 (5) ~~Renewable energy~~ *Energy* credits shall not be created for
14 electricity generated under any electricity purchase contract
15 executed after January 1, 2005, pursuant to the federal Public
16 Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et
17 seq.). Procurement under the electricity purchase contracts shall
18 be tracked through the accounting system implemented by the
19 Energy Commission pursuant to subdivision (b) of Section 399.25
20 and count toward the renewables portfolio standard *or clean energy*
21 *standard* procurement requirements of the purchasing retail seller.

22 (6) Nothing in the amendments to this article made by the Clean
23 Energy and Pollution Reduction Act of 2015 (Senate Bill 350 of
24 the 2015–16 Regular Session) is intended to change commission
25 Decision 11-12-052 regarding the classification of renewable
26 energy credits from generation on the customer side of the meter.

27 (7) ~~A renewable~~ *An* energy credit shall not be eligible for
28 compliance with a renewables portfolio standard *or clean energy*
29 *standard* procurement requirement unless it is retired in the
30 tracking system established pursuant to subdivision (c) of Section
31 399.25 by the retail seller or local publicly owned electric utility
32 within 36 months from the initial date of generation of the
33 associated electricity.

34 (8) *Clean energy credits created by electricity exported from*
35 *an eligible clean energy storage resource shall not be eligible for*
36 *compliance with a clean energy standard procurement requirement*
37 *unless the energy storage resource has retired clean energy credits*
38 *and, if applicable, the corresponding renewable energy credits,*
39 *for the electricity consumed in storing the energy used for that*
40 *generation.*

1 (b) The commission shall allow an electrical corporation to
2 recover the reasonable costs of purchasing, selling, and
3 administering ~~renewable~~ energy credit contracts in rates.

4 *SEC. 8. Section 399.25 of the Public Utilities Code is amended*
5 *to read:*

6 399.25. The Energy Commission shall do all of the following:

7 (a) (1) Certify eligible renewable energy resources that it
8 determines meet the criteria described in subdivision ~~(e)~~ (k) of
9 Section 399.12.

10 (2) *Certify eligible clean energy resources that it determines*
11 *meet the criteria described in subdivision (i) of Section 399.12.*

12 (b) Design and implement an accounting system to verify
13 compliance with the renewables portfolio standard *and clean*
14 *energy standard* by retail sellers and local publicly owned electric
15 utilities, to ensure that electricity generated by an eligible
16 ~~renewable~~ energy resource is counted only once *pursuant to*
17 *paragraph (2) of subdivision (a) of Section 399.21* for the purpose
18 of meeting the renewables portfolio standard *and clean energy*
19 *standards* of this state or any other state, to certify ~~renewable~~
20 energy credits produced by eligible ~~renewable~~ energy resources,
21 and to verify retail product claims in this state or any other state.
22 In establishing the guidelines governing this accounting system,
23 the Energy Commission shall collect data from electricity market
24 participants that it deems necessary to verify compliance of retail
25 sellers and local publicly owned electric utilities, in accordance
26 with the requirements of this article and the California Public
27 Records Act (Chapter 3.5 (commencing with Section 6250) of
28 Division 7 of Title 1 of the Government Code). In seeking data
29 from electrical corporations, the Energy Commission shall request
30 data from the commission. The commission shall collect data from
31 electrical corporations and remit the data to the Energy
32 Commission within 90 days of the request.

33 (c) (1) Establish a system for tracking and verifying ~~renewable~~
34 energy credits that, through the use of independently audited data,
35 verifies the generation of electricity associated with each ~~renewable~~
36 energy credit and protects against multiple counting of the same
37 ~~renewable~~ energy credit. The Energy Commission shall consult
38 with other western states and with the WECC in the development
39 of this system.

1 (2) *Enhance the system for tracking and verifying energy credits,*
2 *as necessary, so that the generation of energy associated with each*
3 *eligible clean energy generation resource and export of energy*
4 *associated with each eligible clean energy storage resource is*
5 *recorded for each individual hour.*

6 (d) Certify, for purposes of compliance with the renewables
7 portfolio standard *and clean energy standard* requirements by a
8 retail seller, the eligibility of ~~renewable~~ energy credits associated
9 with eligible ~~renewable~~ energy resources procured by a local
10 publicly owned electric utility, if the Energy Commission
11 determines that all of the conditions of Section 399.31 have been
12 met.

13 *SEC. 9. Section 399.26 of the Public Utilities Code is amended*
14 *to read:*

15 399.26. (a) In order for the state to meet the requirements of
16 the California Renewables Portfolio Standard *Program and the*
17 *California 24/7 Clean Energy Standard Program*, substantially
18 increased amounts of electricity generated by eligible ~~renewable~~
19 energy resources must be integrated with, and interconnected to,
20 the transmission grid that is either owned by, or under the
21 operational control of, the local publicly owned electric utilities
22 and the transmission grid that is under the operational control of
23 the Independent System Operator.

24 (b) The Independent System Operator and the balancing
25 authority of each area in California shall do both of the following:

26 (1) Work cooperatively to integrate and interconnect eligible
27 ~~renewable~~ energy resources to the transmission grid by the most
28 efficient means possible with the goal of minimizing the impact
29 and cost of new transmission needed to meet both reliability needs
30 and the renewables portfolio standard *and clean energy standard*
31 procurement requirements.

32 (2) Accomplish the requirements of paragraph (1) in a manner
33 that respects the ownership, business, and dispatch models for
34 transmission facilities owned by electrical corporations, local
35 publicly owned electric utilities, joint powers agencies, and
36 independent transmission companies.

37 (c) The Independent System Operator shall seek any approvals
38 from the Federal Energy Regulatory Commission that are necessary
39 to accomplish the goals and requirements of this article.

1 (d) In order to maintain electric service reliability and to
2 minimize the construction of fossil fuel electrical generation
3 capacity to support the integration of intermittent renewable
4 electrical generation into the electrical grid, by July 1, 2011, the
5 commission shall determine the effective load carrying capacity
6 of wind and solar energy resources on the California electrical
7 grid. The commission shall use those effective load carrying
8 capacity values in establishing the contribution of wind and solar
9 energy resources toward meeting the resource adequacy
10 requirements established pursuant to Section 380.

11 *SEC. 10. Section 399.30 of the Public Utilities Code is amended*
12 *to read:*

13 399.30. (a) (1) To fulfill unmet long-term generation resource
14 needs, each local publicly owned electric utility shall adopt and
15 implement a renewable energy resources procurement plan that
16 requires the utility to ~~procure~~ *do both of the following:*

17 (A) *Procure* a minimum quantity of electricity products from
18 eligible renewable energy resources, including renewable energy
19 credits, as a specified percentage of total kilowatthours sold to the
20 utility's retail end-use customers, each compliance period, to
21 achieve the targets of subdivision (c).

22 (B) *Procure a minimum quantity of electricity products from*
23 *eligible clean energy resources, including clean energy credits,*
24 *to meet its obligations under Section 399.15.1.*

25 (2) Beginning January 1, 2019, a local publicly owned electric
26 utility subject to Section 9621 shall incorporate the ~~renewable~~
27 energy resources procurement plan required by this section as part
28 of a broader integrated resource plan developed and adopted
29 pursuant to Section 9621.

30 (b) The governing board shall implement procurement targets
31 for a local publicly owned electric utility that require the utility to
32 procure a minimum quantity of eligible renewable energy resources
33 for each of the following compliance periods:

- 34 (1) January 1, 2011, to December 31, 2013, inclusive.
- 35 (2) January 1, 2014, to December 31, 2016, inclusive.
- 36 (3) January 1, 2017, to December 31, 2020, inclusive.
- 37 (4) January 1, 2021, to December 31, 2024, inclusive.
- 38 (5) January 1, 2025, to December 31, 2027, inclusive.
- 39 (6) January 1, 2028, to December 31, 2030, inclusive.

1 (c) The governing board of a local publicly owned electric utility
2 shall ensure all of the following:

3 (1) The quantities of eligible renewable energy resources to be
4 procured for the compliance period from January 1, 2011, to
5 December 31, 2013, inclusive, are equal to an average of 20 percent
6 of retail sales.

7 (2) The quantities of eligible renewable energy resources to be
8 procured for all other compliance periods reflect reasonable
9 progress in each of the intervening years sufficient to ensure that
10 the procurement of electricity products from eligible renewable
11 energy resources achieves 25 percent of retail sales by December
12 31, 2016, 33 percent by December 31, 2020, 44 percent by
13 December 31, 2024, 52 percent by December 31, 2027, and 60
14 percent by December 31, 2030. The Energy Commission shall
15 establish appropriate multiyear compliance periods for all
16 subsequent years that require the local publicly owned electric
17 utility to procure not less than 60 percent of retail sales of
18 electricity products from eligible renewable energy resources.

19 (3) A local publicly owned electric utility shall adopt *eligible*
20 *energy resource* procurement requirements consistent with Section
21 399.16.

22 (4) Beginning January 1, 2014, in calculating the procurement
23 requirements under this article, a local publicly owned electric
24 utility may exclude from its total retail sales the kilowatthours
25 generated by an eligible ~~renewable~~ energy resource that is credited
26 to a participating customer pursuant to a voluntary green pricing
27 or shared renewable generation program. Any exclusion shall be
28 limited to electricity products that do not meet the portfolio content
29 criteria set forth in paragraph (2) or (3) of subdivision (b) of Section
30 399.16. Any ~~renewable~~ energy credits associated with electricity
31 credited to a participating customer shall not be used for
32 compliance with procurement requirements under this article, shall
33 be retired on behalf of the participating customer, and shall not be
34 further sold, transferred, or otherwise monetized for any purpose.
35 To the extent possible for generation that is excluded from retail
36 sales under this subdivision, a local publicly owned electric utility
37 shall seek to procure those eligible ~~renewable~~ energy resources
38 that are located in reasonable proximity to program participants.

39 (d) (1) The governing board of a local publicly owned electric
40 utility shall adopt procurement requirements consistent with

1 subparagraph (B) of paragraph (5) of subdivision (a) of, and
2 paragraph (1) of subdivision (b) of, Section 399.13.

3 (2) The governing board of a local publicly owned electric utility
4 may adopt the following measures:

5 (A) Conditions that allow for delaying timely compliance *for*
6 *eligible renewable energy resource procurement* consistent with
7 subdivision (b) of Section 399.15.

8 (B) Cost limitations for *eligible renewable energy resource*
9 procurement expenditures consistent with subdivision (c) of Section
10 399.15.

11 (e) The governing board of the local publicly owned electric
12 utility shall adopt a program for the enforcement of this article.
13 The program shall be adopted at a publicly noticed meeting offering
14 all interested parties an opportunity to comment. Not less than 30
15 days' notice shall be given to the public of any meeting held for
16 purposes of adopting the program. Not less than 10 days' notice
17 shall be given to the public before any meeting is held to make a
18 substantive change to the program.

19 (f) Each local publicly owned electric utility shall annually post
20 notice, in accordance with the Ralph M. Brown Act (Chapter 9
21 (commencing with Section 54950) of Part 1 of Division 2 of Title
22 5 of the Government Code), whenever its governing body will
23 deliberate in public on its ~~renewable~~ energy resources procurement
24 plan.

25 (g) A public utility district that receives all of its electricity
26 pursuant to a preference right adopted and authorized by the United
27 States Congress pursuant to Section 4 of the Trinity River Division
28 Act of August 12, 1955 (Public Law 84-386), shall be in
29 compliance with the *renewable energy and clean energy*
30 procurement requirements of this article.

31 (h) For a local publicly owned electric utility that was in
32 existence on or before January 1, 2009, that provides retail electric
33 service to 15,000 or fewer customer accounts in California, and is
34 interconnected to a balancing authority located outside this state
35 but within the WECC, an ~~eligible-renewable~~ energy resource
36 includes a facility that is located outside California that is
37 connected to the WECC transmission system, if all of the following
38 conditions are met:

39 (1) The electricity generated by the facility is procured by the
40 local publicly owned electric utility, is delivered to the balancing

1 authority area in which the local publicly owned electric utility is
2 located, and is not used to fulfill renewable *or clean* energy
3 procurement requirements of other states.

4 (2) The local publicly owned electric utility participates in, and
5 complies with, the accounting system administered by the Energy
6 Commission pursuant to this article.

7 (3) The Energy Commission verifies that the electricity
8 generated by the facility is eligible to meet the renewables portfolio
9 standard *or the clean energy standard* procurement requirements.

10 (i) Notwithstanding subdivision (a), for a local publicly owned
11 electric utility that is a joint powers authority of districts established
12 pursuant to state law on or before January 1, 2005, that furnishes
13 electric services other than to residential customers, and is formed
14 pursuant to the Irrigation District Law (Division 11 (commencing
15 with Section 20500) of the Water Code), the percentage of total
16 kilowatthours sold to the district's retail end-use customers, upon
17 which the renewables portfolio standard *or clean energy standard*
18 procurement requirements in subdivision (b) *or Section 399.15.1*
19 are calculated, shall be based on the authority's average retail sales
20 over the previous seven years. If the authority has not furnished
21 electric service for seven years, then the calculation shall be based
22 on average retail sales over the number of completed years during
23 which the authority has provided electric service.

24 (j) A local publicly owned electric utility in a city and county
25 that only receives greater than 67 percent of its electricity sources
26 from hydroelectric generation located within the state that it owns
27 and operates, and that does not meet the definition of a "renewable
28 electrical generation facility" pursuant to Section 25741 of the
29 Public Resources Code, shall be required to procure eligible
30 renewable energy resources, including renewable energy credits,
31 to meet only the electricity demands unsatisfied by its hydroelectric
32 generation in any given year, in order to satisfy its renewable
33 energy procurement requirements.

34 (k) (1) For purposes of this subdivision, "large hydroelectric
35 generation" means electricity generated from an existing
36 hydroelectric facility located within the state that does not qualify
37 as an eligible renewable energy resource and, as of January 1,
38 2018, was owned by a local publicly owned electric utility, the
39 federal government as a part of the federal Central Valley Project,
40 or a joint powers agency formed and created pursuant to the Joint

1 Exercise of Powers Act (Chapter 5 (commencing with Section
2 6500) of Division 7 of Title 1 of the Government Code).

3 (2) If, during a year within a compliance period set forth in
4 subdivision (b), a local publicly owned electric utility receives
5 more than 40 percent of its retail sales from large hydroelectric
6 generation under an ownership agreement or contract in effect as
7 of January 1, 2018, it is not required to procure eligible renewable
8 energy resources that exceed the lesser of the following for that
9 year:

10 (A) The portion of the local publicly owned electric utility's
11 retail sales unsatisfied by the local publicly owned electric utility's
12 large hydroelectric generation.

13 (B) The soft target adopted by the Energy Commission for the
14 intervening years of the relevant compliance period.

15 (3) An extension or renewal of a procurement agreement shall
16 not be eligible to count towards the determination that the local
17 publicly owned electric utility receives more than 40 percent of
18 its retail sales from large hydroelectric generation in any year. This
19 paragraph shall not apply to any agreement in effect on January
20 1, 2015, between a local publicly owned electric utility and the
21 Western Area Power Administration or federal government as part
22 of the federal Central Valley Project.

23 (4) The Energy Commission shall adjust the total quantities of
24 eligible renewable energy resources to be procured by a local
25 publicly owned electric utility for a compliance period to reflect
26 any reductions required pursuant to paragraph (2).

27 (5) This subdivision does not modify the compliance obligation
28 of a local publicly owned electric utility to satisfy the requirements
29 of subdivision (c) of Section 399.16.

30 (l) (1) (A) For purposes of this subdivision, "unavoidable
31 long-term contracts and ownership agreements" means
32 commitments for electricity from a coal-fired powerplant, located
33 outside the state, originally entered into by a local publicly owned
34 electric utility before June 1, 2010, that is not subsequently
35 modified to result in an extension of the duration of the agreement
36 or result in an increase in total quantities of energy delivered during
37 any compliance period set forth in subdivision (b).

38 (B) The governing board of a local publicly owned electric
39 utility shall demonstrate in its renewable energy resources
40 procurement plan required pursuant to subdivision (a) that any

1 cancellation or divestment of the commitment would result in
2 significant economic harm to its retail customers that cannot be
3 substantially mitigated through resale, transfer to another entity,
4 early closure of the facility, or other feasible measures.

5 (2) For the compliance period set forth in paragraph (4) of
6 subdivision (b), a local publicly owned electric utility meeting the
7 requirement of subparagraph (B) of paragraph (1) may adjust its
8 renewable energy procurement targets to ensure that the
9 procurement of additional electricity from eligible renewable
10 energy resources, in combination with the procurement of
11 electricity from unavoidable long-term contracts and ownership
12 agreements, does not exceed the total retail sales of the local
13 publicly owned electric utility during that compliance period. The
14 local publicly owned electric utility may limit its procurement of
15 eligible renewable energy resources for that compliance period to
16 no less than an average of 33 percent of its retail sales.

17 (3) The Energy Commission shall approve any reductions in
18 procurement targets proposed by a local publicly owned electric
19 utility if it determines that the requirements of this subdivision are
20 satisfied.

21 (m) A local publicly owned electric utility shall retain discretion
22 over both of the following:

23 (1) The mix of eligible ~~renewable~~ energy resources procured
24 by the utility and those additional generation resources procured
25 by the utility for purposes of ensuring resource adequacy and
26 reliability.

27 (2) The reasonable costs incurred by the utility for eligible
28 ~~renewable~~ energy resources owned by the utility.

29 (n) The Energy Commission shall adopt regulations specifying
30 procedures for enforcement of this article. The regulations shall
31 include a public process under which the Energy Commission may
32 issue a notice of violation and correction against a local publicly
33 owned electric utility for failure to comply with this article, and
34 for referral of violations to the State Air Resources Board for
35 penalties pursuant to subdivision (o).

36 (o) (1) Upon a determination by the Energy Commission that
37 a local publicly owned electric utility has failed to comply with
38 this article, the Energy Commission shall refer the failure to comply
39 with this article to the State Air Resources Board, which may
40 impose penalties to enforce this article consistent with Part 6

1 (commencing with Section 38580) of Division 25.5 of the Health
2 and Safety Code. Any penalties imposed shall be comparable to
3 those adopted by the commission for noncompliance by retail
4 sellers.

5 (2) Any penalties collected by the State Air Resources Board
6 pursuant to this article shall be deposited in the Air Pollution
7 Control Fund and, upon appropriation by the Legislature, shall be
8 expended for reducing emissions of air pollution or greenhouse
9 gases within the same geographic area as the local publicly owned
10 electric utility.

11 *SEC. 11. Section 399.31 of the Public Utilities Code is amended*
12 *to read:*

13 399.31. A retail seller may procure ~~renewable~~ energy credits
14 associated with deliveries of electricity by an eligible ~~renewable~~
15 energy resource to a local publicly owned electric utility, for
16 purposes of compliance with the renewables portfolio standard
17 *and clean energy standard* requirements, if both of the following
18 conditions are met:

19 (a) The local publicly owned electric utility has adopted and
20 implemented a ~~renewable~~ energy resources procurement plan
21 *adopted pursuant to Section 399.30* that complies with the
22 renewables portfolio standard ~~adopted pursuant to Section 399.30.~~
23 *and clean energy standard.*

24 (b) The local publicly owned electric utility is procuring
25 sufficient eligible ~~renewable~~ energy resources to satisfy the target
26 standard, and will not fail to satisfy the target standard in the event
27 that the ~~renewable~~ energy credit is sold to the retail seller.

28 *SEC. 12. Section 399.33 of the Public Utilities Code is amended*
29 *to read:*

30 399.33. (a) This section shall only apply to a gas-fired
31 powerplant that is located inside the state, is owned by and serves
32 the electrical demands of a single local publicly owned electric
33 utility, and meets all of the following conditions:

34 (1) The local publicly owned electric utility has outstanding
35 public indebtedness associated with the powerplant, the powerplant
36 was planned and built after January 1, 2000, and the debt was
37 secured before January 1, 2017.

38 (2) Operating the powerplant below a 20-percent capacity factor
39 on an annual average on a yearly basis may result in the loss of

1 employment of a powerplant employee who receives a prevailing
2 wage.

3 (3) The powerplant is subject to and meets the state’s greenhouse
4 gases emission performance standard established by the Energy
5 Commission pursuant to Section 8341.

6 (4) The powerplant is not located in a disadvantaged community.
7 For purposes of this paragraph, “disadvantaged community” means
8 a census tract that, pursuant to Section 39711 of the Health and
9 Safety Code, has received a score on the California Communities
10 Environmental Health Screening 3.0, also known as
11 CalEnviroScreen 3.0, in the 81st to 100th percentile, inclusive.

12 (5) The local publicly owned electric utility can demonstrate
13 with official documentation, such as an adopted city council
14 resolution, to the satisfaction of the Energy Commission, that the
15 powerplant was built in response to the energy crisis of 2000–01.

16 (6) The powerplant has not undergone repowering and is not
17 serving as a peaker powerplant.

18 (b) If the procurement requirements of this article require more
19 than 50 percent of retail sales of electricity to come from eligible
20 renewable energy resources, then a local publicly owned electric
21 utility that is the sole owner of a powerplant that both meets the
22 requirements of subdivision (a) and is operating below 20 percent
23 of its total capacity on an average annual basis during a given
24 compliance period may, based on the utility’s operations, adjust
25 its renewable energy procurement targets *and its clean energy*
26 *procurement targets* by an amount equal to the difference between
27 the actual generation from the powerplant and the amount of
28 generation that the powerplant would have produced if it had
29 operated at 20 percent of its total capacity, if all of the following
30 conditions are met:

31 (1) The local publicly owned electric utility has procured eligible
32 renewable energy resources as required by Section 399.30, as it
33 existed on January 1, 2018.

34 (2) Additional procurement of eligible ~~renewable~~ energy
35 resources ~~or zero-carbon generational resources~~ resulted in the
36 powerplant operating at, or below, a 20-percent capacity factor on
37 an annual average during a *renewables portfolio standard*
38 compliance period.

39 (3) The local publicly owned electric utility has attempted to
40 mitigate against the reduction of generation to below 20 percent

1 of the powerplant's total capacity by attempting to sell the
2 powerplant or attempting to sell the generation from the powerplant
3 to the extent it is practicable and does not result in resource
4 shuffling.

5 (c) A local publicly owned electric utility shall notify the Energy
6 Commission by April 1, 2019, of its intent to act pursuant to the
7 authorization granted by this section.

8 (d) The Energy Commission shall review, and either approve
9 or reject, a publicly owned electric utility's adjustment of its
10 procurement targets pursuant to this section.

11 (e) The Energy Commission may request relevant supporting
12 documentation from a local publicly owned electric utility acting
13 pursuant to this section.

14 (f) This section shall apply only until the end of the calendar
15 year during which the powerplant's original term of bonded
16 indebtedness expires.

17 *SEC. 13. Section 454.52 of the Public Utilities Code is amended*
18 *to read:*

19 454.52. (a) (1) Beginning in 2017, and to be updated regularly
20 thereafter, the commission shall adopt a process for each
21 load-serving entity, as defined in Section 380, to file an integrated
22 resource plan, and a schedule for periodic updates to the plan, and
23 shall ensure that load-serving entities do the following:

24 (A) Meet the greenhouse gas emissions reduction targets
25 established by the State Air Resources Board, in coordination with
26 the commission and the Energy Commission, for the electricity
27 sector and each load-serving entity that reflect the electricity
28 sector's percentage in achieving the economywide greenhouse gas
29 emissions reductions of 40 percent from 1990 levels by 2030.

30 (B) Procure at least 60 percent eligible renewable energy
31 resources *and 85 percent eligible clean energy resources* by
32 December 31, 2030, *and at least 90 percent eligible clean energy*
33 *resources by December 31, 2035*, consistent with Article 16
34 (commencing with Section 399.11) of Chapter 2.3.

35 (C) Enable each electrical corporation to fulfill its obligation to
36 serve its customers at just and reasonable rates.

37 (D) Minimize impacts on ratepayers' bills.

38 (E) Ensure system and local reliability on both a near-term and
39 long-term basis, including meeting the near-term and forecast
40 long-term resource adequacy requirements of Section 380.

1 (F) Comply with paragraph (1) of subdivision (b) of Section
2 399.13.

3 (G) Strengthen the diversity, sustainability, and resilience of
4 the bulk transmission and distribution systems, and local
5 communities.

6 (H) Enhance distribution systems and demand-side energy
7 management.

8 (I) Minimize localized air pollutants and other greenhouse gas
9 emissions, with early priority on disadvantaged communities
10 identified pursuant to Section 39711 of the Health and Safety Code.

11 (J) *Plan to meet all of the requirements of the California 24/7*
12 *Clean Energy Standard Program as provided in Article 16*
13 *(commencing with Section 399.11) of Chapter 2.3).*

14 (2) (A) The commission may authorize all source procurement
15 for electrical corporations that includes various resource types
16 including demand-side resources, supply side resources, and
17 resources that may be either demand-side resources or supply side
18 resources, taking into account the differing electrical corporations'
19 geographic service areas, to ensure that each load-serving entity
20 meets the goals set forth in paragraph (1).

21 (B) The commission may approve procurement of resource
22 types that will reduce overall greenhouse gas emissions from the
23 electricity sector and meet the other goals specified in paragraph
24 (1), but due to the nature of the technology or fuel source may not
25 compete favorably in price against other resources over the time
26 period of the integrated resource plan.

27 (3) In furtherance of the requirements of paragraph (1), the
28 commission shall consider the role of existing renewable
29 generation, grid operational efficiencies, energy storage, *demand*
30 *response*, and distributed energy resources, including energy
31 efficiency, in helping to ensure each load-serving entity meets
32 energy needs and reliability needs in ~~all hours to encompass the~~
33 ~~hour of peak demand of electricity, excluding demand met by~~
34 ~~variable renewable generation directly connected to a California~~
35 ~~balancing authority, as defined in Section 399.12, and all seasons,~~
36 while reducing the need for new electricity generation resources
37 and new transmission resources in achieving the state's energy
38 goals at the least cost to ratepayers.

39 (b) (1) Each load-serving entity shall prepare and file an
40 integrated resource plan consistent with ~~paragraph (2) of~~

1 subdivision (a) on a time schedule directed by the commission and
2 subject to commission review.

3 (2) Each electrical corporation's plan shall follow the provisions
4 of Section 454.5.

5 (3) The plan of a community choice aggregator shall be
6 submitted to its governing board for approval and provided to the
7 commission for certification, consistent with paragraph (5) of
8 subdivision (a) of Section 366.2, and shall achieve the following:

9 (A) Economic, reliability, environmental, security, and other
10 benefits and performance characteristics that are consistent with
11 the goals set forth in paragraph (1) of subdivision (a).

12 (B) A diversified procurement portfolio consisting of both
13 short-term and long-term electricity and electricity-related and
14 demand reduction products.

15 (C) The resource adequacy requirements established pursuant
16 to Section 380.

17 (4) The plan of an electric service provider shall achieve the
18 goals set forth in paragraph (1) of subdivision (a) through a
19 diversified portfolio consisting of both short-term and long-term
20 electricity, electricity-related, and demand reduction products.

21 (c) To the extent that additional procurement is authorized for
22 the electrical corporation in the integrated resource plan or the
23 procurement process authorized pursuant to Section 454.5, the
24 commission shall ensure that the costs are allocated in a fair and
25 equitable manner to all customers consistent with Section 454.51,
26 that there is no cost shifting among customers of load-serving
27 entities, and that community choice aggregators may self-provide
28 renewable integration resources consistent with Section 454.51.

29 (d) To eliminate redundancy and increase efficiency, the process
30 adopted pursuant to subdivision (a) shall incorporate, and not
31 duplicate, any other planning processes of the commission.

32 (e) This section applies to an electrical cooperative, as defined
33 in Section 2776, only if the electrical cooperative has an annual
34 electrical demand exceeding 700 gigawatthours, as determined
35 based on a three-year average commencing with January 1, 2013.

36 *SEC. 14. Section 454.53 of the Public Utilities Code is amended*
37 *to read:*

38 454.53. (a) It is the policy of the state that by *December 31,*
39 *2045, eligible ~~renewable clean energy resources and zero-carbon~~*
40 *resources resources, as defined in Section 399.12, supply 100*

1 percent of all retail sales of electricity to California *electrical loads*
2 *in California, including, but not limited to, retail sales of electricity*
3 *to end-use customers and 100 percent of customers, electricity*
4 *procured to serve all state agencies by December 31, 2045. The*
5 *achievement of agencies, electricity uses by electric utilities,*
6 *electrical line losses during the transmission and distribution of*
7 *electricity, and, excepted as provided in subdivision (e), electric*
8 *loads met by end-user self-generation. Achieving this policy for*
9 California shall not increase carbon emissions elsewhere in the
10 western grid and shall not allow resource shuffling. The
11 commission and Energy Commission, in consultation with the
12 State Air Resources Board, shall take steps to ensure that a
13 transition to a ~~zero-carbon~~ *clean* electric system for the State of
14 California does not cause or contribute to greenhouse gas emissions
15 increases elsewhere in the western grid, and is undertaken in a
16 manner consistent with clause 3 of Section 8 of Article I of the
17 United States Constitution. The commission, the Energy
18 Commission, the State Air Resources Board, and all other state
19 agencies shall incorporate this policy into all relevant planning.

20 (b) The commission, Energy Commission, state board, and all
21 other state agencies shall ensure that actions taken in furtherance
22 of subdivision (a) do all of the following:

23 (1) Maintain and protect the safety, reliable operation, and
24 balancing of the electric system.

25 (2) Prevent unreasonable impacts to electricity, gas, and water
26 customer rates and bills resulting from implementation of this
27 section, taking into full consideration the economic and
28 environmental costs and benefits of ~~renewable energy and~~
29 ~~zero-carbon~~ *clean energy* resources.

30 (3) To the extent feasible and authorized under law, lead to the
31 adoption of policies and taking of actions in other sectors to obtain
32 greenhouse gas emission reductions that ensure equity between
33 other sectors and the electricity sector.

34 (4) Not affect in any manner the rules and requirements for the
35 oversight of, and enforcement against, retail sellers and local
36 publicly owned utilities pursuant to the California Renewables
37 Portfolio Standard Program (Article 16 (commencing with Section
38 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and
39 9622.

1 (c) Nothing in this section shall affect a retail seller's obligation
2 to comply with the federal Public Utility Regulatory Policies Act
3 of 1978 (16 U.S.C. Sec. 2601 et seq.).

4 (d) The commission, Energy Commission, and state board shall
5 do both of the following:

6 (1) Utilize programs authorized under existing statutes to achieve
7 the policy described in subdivision (a).

8 (2) In consultation with all California balancing authorities, as
9 defined in subdivision (d) of Section 399.12, as part of a public
10 process, issue a joint report to the Legislature by January 1, 2021,
11 and at least every four years thereafter. The joint report shall
12 include all of the following:

13 (A) A review of the policy described in subdivision (a) focused
14 on technologies, forecasts, then-existing transmission, and
15 maintaining safety, environmental and public safety protection,
16 affordability, and system and local reliability.

17 (B) An evaluation identifying the potential benefits and impacts
18 on system and local reliability associated with achieving the policy
19 described in subdivision (a).

20 (C) An evaluation identifying the nature of any anticipated
21 financial costs and benefits to electric, gas, and water utilities,
22 including customer rate impacts and benefits.

23 (D) The barriers to, and benefits of, achieving the policy
24 described in subdivision (a).

25 (E) Alternative scenarios in which the policy described in
26 subdivision (a) can be achieved and the estimated costs and benefits
27 of each scenario.

28 (F) *An evaluation of clean firm power capacity needed to*
29 *achieve the policy described in subdivision (a) cost effectively,*
30 *including the quantity of clean firm power needed, the performance*
31 *requirements for clean firm resources, such as load-following*
32 *capability and minimum duration once dispatched, and the*
33 *technologies that could satisfy these requirements.*

34 (e) Nothing in this section authorizes the commission to establish
35 any requirements on a nonmobile self-cogeneration or cogeneration
36 facility that served onsite load, or that served load pursuant to an
37 over-the-fence arrangement if that arrangement existed on or before
38 December 20, 1995.

39 *SEC. 15. No reimbursement is required by this act pursuant*
40 *to Section 6 of Article XIII B of the California Constitution because*

1 *a local agency or school district has the authority to levy service*
2 *charges, fees, or assessments sufficient to pay for the program or*
3 *level of service mandated by this act or because costs that may be*
4 *incurred by a local agency or school district will be incurred*
5 *because this act creates a new crime or infraction, eliminates a*
6 *crime or infraction, or changes the penalty for a crime or*
7 *infraction, within the meaning of Section 17556 of the Government*
8 *Code, or changes the definition of a crime within the meaning of*
9 *Section 6 of Article XIII B of the California Constitution.*

10 ~~SECTION 1. It is the intent of the Legislature to enact~~
11 ~~subsequent legislation to accelerate the state's progress toward~~
12 ~~having 100 percent of electricity provided by renewable or other~~
13 ~~zero-carbon sources on a 24-hour, seven-day basis, by doing all~~
14 ~~of the following:~~

15 ~~(a) Set an earlier target date for achieving 100 percent clean~~
16 ~~energy.~~

17 ~~(b) Define electric loads that are subject to the 100-percent clean~~
18 ~~energy requirement to include all in-state consumption.~~

19 ~~(c) Direct the State Air Resources Board and the Public Utilities~~
20 ~~Commission to establish a system for tracking the provision and~~
21 ~~consumption of clean energy, similar to tracking renewable energy~~
22 ~~credits today, but with higher granularity so that clean energy~~
23 ~~provision can be tracked on an hourly basis.~~

24 ~~(d) Require the tracking system to take into account the ability~~
25 ~~of storage-like resources to move the timing of the provision of~~
26 ~~clean energy.~~

27 ~~(e) Direct the Public Utilities Commission to establish a clean~~
28 ~~energy standard with compliance periods and procurement targets~~
29 ~~that require load-serving entities to procure clean energy equivalent~~
30 ~~to defined portions of their load during different periods of the day~~
31 ~~and during different seasons of the year, in addition to the existing~~
32 ~~annual renewable portfolio standard compliance target.~~

AMENDED IN SENATE MARCH 23, 2021

SENATE BILL**No. 18**

Introduced by Senator Skinner
(Coauthor: Senator Eggman)

December 7, 2020

An act to add Section 38561.7 to the Health and Safety Code, to add and repeal Section 25327.5 of the Public Resources Code, and to amend Sections 400.2 and 400.3 of, and to add Sections 380.1 and 380.6 to, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 18, as amended, Skinner. Green hydrogen.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

This bill would require the state board, by December 31, 2022, as a part of the scoping plan and the state's goal for carbon neutrality, to prepare a strategic plan for accelerating the production and use of *hydrogen, including a specific plan to accelerate production and use of green hydrogen*, as defined, in California and an analysis of how curtailed ~~power~~ *electrical generation* could be better utilized to help meet the state's greenhouse gas emissions reduction goals. *The bill would require the state board, in developing the strategic plan, to*

consult with the California Workforce Development Board and labor and workforce organizations.

Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and requires the Energy Commission, on a biennial basis, to adopt an integrated energy policy report containing an overview of major energy trends and issues facing the state. Existing law requires the Energy Commission, as a part of the report, to conduct transportation forecasting and assessment activities that include, among other things, an assessment of trends in transportation fuels, technologies, and infrastructure supply and demand.

~~This bill would require the Energy Commission, by June 1, 2022, to submit to the Legislature a report studying and modeling green hydrogen and its role in decarbonizing the power and transportation sectors, and helping to achieve, state's clean energy as part of its update to the integrated energy policy report due by November 1, 2023, to study and model potential growth for hydrogen and its role in decarbonizing, as defined, the electrical and transportation sectors of the economy, and helping to achieve specified environmental, energy, and climate change goals.~~

Existing law requires the Public Utilities Commission (PUC) and the Energy Commission to undertake specified actions to advance the state's clean energy and pollution reduction objectives, including, where feasible, cost effective, and consistent with other state policy objectives, increasing the use of large- and small-scale energy storage with a variety of technologies. Existing law specifies that green electrolytic hydrogen, as defined, is one of these energy storage technologies to be targeted for increased use and requires the PUC, state board, and Energy Commission to consider green electrolytic hydrogen an eligible form of energy storage, and to consider other potential uses of green electrolytic hydrogen.

Existing law requires the PUC to identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner. Existing law requires that the portfolio rely upon zero carbon-emitting resources to the maximum extent reasonable and be designed to achieve any statewide limit on emissions of greenhouse gases established by the state board pursuant to the California Global Warming Solutions Act of 2006.

~~This~~

Except as provided, this bill would require the PUC to consider both green hydrogen and green electrolytic hydrogen to be a zero carbon-emitting resource for purposes of identifying a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner.

Existing law requires the PUC to adopt a process for each load-serving entity to file an integrated resources plan to meet various requirements.

This bill would require the PUC to work to ~~advance~~ *include* green hydrogen within the integrated resources plan.

Existing law establishes a policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. Existing law requires the PUC, Energy Commission, and state board to utilize programs authorized under existing statutes to achieve this policy.

~~This~~

Except as provided, this bill would require that the PUC, state board, and Energy Commission consider green hydrogen to be a zero-carbon resource for these purposes.

Existing law requires the PUC, in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities to ensure reliability of electrical services in California while advancing, to the extent feasible, the state's goals for clean energy, reducing air pollution, and reducing emissions of greenhouse gases.

~~This~~

Except as provided, this bill would require the PUC to modify the resource adequacy requirements and accounting rules to provide equal consideration for dispatchable local and system resource adequacy resources made from green hydrogen. The bill would require the PUC, in a rulemaking proceeding related to energy storage, to consider green electrolytic hydrogen as part of encouraging portfolio diversity.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:

1 (1) Climate change and air pollution threaten the health and
2 prosperity of all Californians. Historic droughts, devastating
3 wildfires, storms, extreme heat, and the death of millions of trees
4 are creating billions of dollars in property damage and threatening
5 human health and food supplies.

6 (2) California has set ambitious targets to reduce the effects of
7 climate change by reducing carbon emissions 40 percent below
8 1990 levels by 2030 and 80 percent below 1990 levels by 2050.

9 (3) In 2018, Governor Brown issued Executive Order No.
10 B-55-18, creating a state goal to reach greenhouse gas neutrality
11 by no later than 2045 and to maintain net negative greenhouse gas
12 emissions thereafter, and directing the State Air Resources Board
13 to work with relevant state agencies to develop a framework for
14 implementation and accounting that tracks progress toward these
15 goals.

16 (4) California's leadership in driving aggressive emissions
17 reductions has helped bring to market many new forms of
18 renewable energy and fuels, including supporting a rapid decline
19 in prices for renewable power such as solar, wind, and battery
20 storage, and has accelerated adoption and price reduction of
21 zero-emission vehicles. The cost of utility-scale solar power
22 dropped by 50 percent in just four years between 2011 and 2015,
23 and electric vehicle battery prices dropped 87 percent in real terms
24 from 2010 to 2019.

25 (5) Multiple studies show that renewable hydrogen, particularly
26 green electrolytic hydrogen produced by splitting water, is poised
27 to experience similar cost declines over the next decade.

28 (6) Achieving these cost reductions and deploying green
29 hydrogen at scale would help decarbonize many
30 difficult-to-decarbonize sectors, including buildings, industry,
31 thermal power plants, and the transportation sector, including
32 light-, ~~medium-~~ *medium-*, and heavy-duty vehicles, goods
33 movement, and air travel, and accelerate progress towards the
34 state's climate, clean air, and clean energy goals.

35 (7) Green hydrogen offers many climate and energy cobenefits,
36 including better utilizing curtailed power and better integrating
37 renewable resources into the electrical grid to achieve greater than
38 100 percent zero-carbon energy and put renewable electricity to
39 use to decarbonize many other sectors of the economy.

1 (8) Green hydrogen is a flexible resource that can be used for
2 many things, including oil refining, ammonia and fertilizer
3 production, and other industrial and chemical processes; storing
4 renewable and zero-carbon electricity for multiple days and
5 seasons; powering a variety of ~~on-road~~, *onroad*, off-road, rail,
6 aviation, and maritime transport and materials handling
7 applications; providing dispatchable electricity production
8 including enhancing resiliency for behind-the-meter emergency
9 backup generation and islanded microgrids; displacing coking coal
10 used in the production of steel; fueling industrial thermal
11 applications; and decarbonizing the existing natural gas pipeline.

12 (b) It is the intent of the Legislature to develop a leading green
13 hydrogen industry in California in order to provide accelerated
14 clean air, climate, and energy benefits, better integrate existing
15 renewable resources into the electrical grid, create jobs, and provide
16 new clean technology to decarbonize challenging sectors.

17 SEC. 2. Section 38561.7 is added to the Health and Safety
18 Code, to read:

19 38561.7. (a) Not later than December 31, 2022, as part of the
20 scoping plan prepared pursuant to Section 38561 and the state's
21 goal for carbon neutrality, the state board shall prepare both of the
22 following:

23 (a)

24 (1) A strategic plan for accelerating the production and use of
25 ~~green hydrogen, as defined in subdivision (a) of Section 400.2 of~~
26 ~~the Public Utilities Code~~, *hydrogen, including a specific plan to*
27 *accelerate production and use of green hydrogen*, in California to
28 help meet the goals set forth in this division. *For purposes of this*
29 *section, "green hydrogen" has the same meaning as defined in*
30 *Section 400.2 of the Public Utilities Code*. The scoping plan shall
31 include all of the following: ~~following~~:

32 (1)

33 (A) A strategic plan for *promoting, scaling, and utilizing green*
34 ~~hydrogen industry~~ in the state to help achieve the state's climate,
35 clean energy, and clean air objectives.

36 (2)

37 (B) An *assessment of difficult to decarbonize sectors of the*
38 *economy for which green hydrogen may be a more feasible and*
39 *cost-effective decarbonization method than other alternatives*. For
40 *purposes of this section, to "decarbonize" means to reduce or*

1 *eliminate associated emissions of greenhouse gases. This*
2 *assessment shall include an estimate of the amount of greenhouse*
3 *gas emissions reduction and air quality benefits the state could*
4 *achieve through deploying green hydrogen through a variety of*
5 ~~scenarios.~~ *scenarios and the costs associated with using green*
6 *hydrogen, when compared to other alternatives.*

7 ~~(3)~~

8 (C) A review of similar efforts to deploy ~~green~~ hydrogen
9 internationally, including opportunities to collaborate with other
10 jurisdictions to accelerate market scale, cost reductions, and global
11 climate benefits.

12 ~~(4)~~

13 (D) Recommendations to the Legislature for legislative or
14 agency actions to implement the strategic plan. The
15 recommendations shall include ~~both of the following:~~

16 ~~(A) Recommendations~~ *recommendations* on how to overcome
17 market barriers and accelerate progress in green hydrogen
18 production and use, including through demonstration projects,
19 incentives, financing mechanisms, or other policies, and
20 recommendations to maximize economic, environmental, and
21 equity benefits resulting from increased utilization of green
22 hydrogen.

23 ~~(B) An analysis of how curtailed power could be better utilized~~
24 ~~to help meet the goals set forth in this division, including, but not~~
25 ~~limited to, whether curtailed power could be made available for~~
26 ~~the production of green hydrogen. The state board shall consult~~
27 ~~with the Independent System Operator in the preparation of the~~
28 ~~analysis.~~

29 (E) *A strategic plan for supporting hydrogen infrastructure and*
30 *end uses in difficult to decarbonize sectors of the economy for the*
31 *purpose of preparing infrastructure and end uses for green*
32 *hydrogen deployment. This plan shall identify policies that promote*
33 *the reduction of economywide emissions of greenhouse gases*
34 *through the deployment of hydrogen, including green hydrogen,*
35 *while ensuring that hydrogen infrastructure will support the*
36 *employment of a skilled and trained workforce in California to*
37 *perform that work.*

38 (F) *The strategic plan should also include the potential for other*
39 *forms of hydrogen, outside of green hydrogen, to achieve emission*

1 *reductions that can contribute to achieving the state’s climate,*
2 *clean energy, and clean air objectives.*

3 ~~(b)~~

4 (2) An analysis of how curtailed ~~power~~ *electrical generation*
5 could be better utilized to help meet the goals set forth in this
6 division, including, but not limited to, whether curtailed ~~power~~
7 *electrical generation* could be made available for the production
8 of green hydrogen. The state board shall consult with the
9 Independent System Operator in the preparation of the analysis.

10 (b) *In developing the strategic plan pursuant to subdivision (a),*
11 *the state board shall consult the California Workforce Development*
12 *Board and labor and workforce organizations, including those*
13 *that administer state approved apprenticeship programs that train*
14 *workers to construct, install, and maintain hydrogen infrastructure.*

15 SEC. 3. Section 25327.5 is added to the Public Resources Code,
16 to read:

17 25327.5. (a) ~~By June 1, 2022, the commission shall, in~~
18 ~~accordance with Section 9795 of the Government Code, submit a~~
19 ~~report to the Legislature studying and modeling green hydrogen,~~
20 ~~as defined in subdivision (a) of Section 400.2 of the Public Utilities~~
21 ~~Code, and its role in decarbonizing the power and transportation~~
22 ~~sectors. As part of its next update to the report required pursuant~~
23 ~~to section 25301, the commission shall study and model potential~~
24 ~~growth for hydrogen and its role in decarbonizing the electrical~~
25 ~~and transportation sectors of the economy, and helping to achieve~~
26 ~~goals set forth in The 100 percent Clean Energy Act of 2018~~
27 ~~(Chapter 312 of the Statutes of 2018), the California Global~~
28 ~~Warming Solutions Act of 2006 (Division 25.5 (commencing with~~
29 ~~Section 38500 of the Health and Safety Code)), and the Clean~~
30 ~~Energy and Pollution Reduction Act of 2015 (Chapter 547 of the~~
31 ~~Statutes of 2015). For purposes of this section, “decarbonizing”~~
32 ~~means reducing or eliminating associated emissions of greenhouse~~
33 ~~gases.~~

34 (b) Pursuant to Section 10231.5 of the Government Code, this
35 section becomes inoperative on June 1, 2026, and is repealed on
36 January 1, 2027.

37 SEC. 4. Section 380.1 is added to the Public Utilities Code, to
38 read:

39 380.1. ~~The~~ (a) *Except as provided in subdivision (b), the*
40 *commission shall modify the resource adequacy requirements*

1 established pursuant to Section 380 and accounting rules to provide
2 equal consideration for dispatchable local and system resource
3 adequacy resources made from green hydrogen, as defined in
4 subdivision (a) of Section 400.2.

5 *(b) If insufficient information exists to consider a hydrogen*
6 *resource pursuant to subdivision (a), the commission may make*
7 *a finding that the resource cannot be considered for resource*
8 *adequacy purposes.*

9 SEC. 5. Section 380.6 is added to the Public Utilities Code, to
10 read:

11 380.6. In a new rulemaking proceeding related to energy
12 storage, the commission shall consider green *electrolytic* hydrogen,
13 as defined in subdivision ~~(a)~~ (b) of Section 400.2, as part of
14 encouraging portfolio diversity.

15 SEC. 6. Section 400.2 of the Public Utilities Code is amended
16 to read:

17 400.2. For the purposes of this article, the following definitions
18 apply:

19 (a) “Green hydrogen” means hydrogen gas that is not produced
20 from fossil fuel feedstock sources and does not produce incremental
21 carbon emissions during its primary production process.

22 (b) “Green electrolytic hydrogen” means hydrogen gas produced
23 through electrolysis and does not include hydrogen gas
24 manufactured using steam reforming or any other conversion
25 technology that produces hydrogen from a fossil fuel feedstock.

26 SEC. 7. Section 400.3 of the Public Utilities Code is amended
27 to read:

28 400.3. (a) The commission, State Air Resources Board, and
29 Energy Commission shall consider green electrolytic hydrogen an
30 eligible form of energy storage, both green hydrogen and green
31 electrolytic hydrogen as a zero carbon-emitting resource pursuant
32 to Section 454.51, and a zero-carbon resource pursuant to Section
33 454.53, shall work to ~~advance the~~ *include* green hydrogen in the
34 integrated resource plan required pursuant to Section 454.52, and
35 shall consider other potential uses of green hydrogen in all of their
36 decarbonization strategies.

- 1 **(b)** *A green hydrogen or green electrolytic hydrogen resource*
- 2 *shall only be considered a zero-carbon resource if it complies with*
- 3 *protections against resource shuffling pursuant to section 454.53.*

LEGISLATIVE COMMITTEE
MEETING OF 04/21/2021

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2021

Re: 2021 Legislative Platform

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The legislative platform is an attempt to provide overall advocacy principles to the Legislative Committee (Committee) and Board of Directors, as well as provide guidance to Air District staff for the upcoming year.

DISCUSSION

Attached is the legislative platform for 2021, after comments from Committee Members at the February and March Committee meetings. The Committee voted and approved the legislative platform at the March Committee meeting with the inclusion of "Wildfire Smoke Mitigation" for State Legislation and "Climate Change" for Federal Legislation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 6A: Legislative Platform for 2021



Legislative Platform (2021)

State Budget

1. **State Funding for Clean Air Projects:** Advocate for new and continued funding for investment in projects that reduce air pollution and exposure in the Bay Area. The Air District will pursue funding to support programs in the Bay Area Region from all available sources, including Carl Moyer, the Greenhouse Gas Revenue Fund, Assembly Bill (AB) 118, and the Air Pollution Control Fund.
2. **AB 617 Community Air Protection Implementation and Incentive Funding:** Advocate for adequate and continuous funding to support the Air District's AB 617 Community Air Protection Program. The state should provide necessary resources to fund the emissions inventory, regulatory, administrative, air monitoring, and community outreach activities necessary to effectively implement AB 617 requirements. The 2021/22 budget includes \$50 million (M) and \$265M statewide for implementation and incentives, respectively. When possible, the Air District will advocate support for continued funding and/or increases to funding.
3. **Carl Moyer Program AB 1274 Funding:** While passed in 2017 to boost funding to the Carl Moyer Program, AB 1274 funding was collected from certain motor vehicle registrations but not dispersed to air districts due to unchanged state budget caps. The 2021/22 budget corrects this error by providing approximately \$150M in collected funds to the Carl Moyer Program, of which approximately \$25M would go to the Bay Area Air District. The Air District will strongly advocate for this line item.
4. **Carl Moyer/Mobile Source Incentive Fund/AB 118 Reauthorization:** The 2021/22 budget proposes a reauthorization of the Carl Moyer Memorial Air Quality Standards Program, the AB 923 Program (also known as the Air District's Mobile Source Incentive Fund [MSIF]), and the California Energy Commission's AB 118 Program through 2045. These programs currently sunset at the end of 2023. The Air District will strongly advocate for extension of Moyer and 923 as part of the state budget process.
5. **Wildfire Smoke Public Health Response:** The Air District sponsored AB 836 Wildfire Smoke Clean Air Centers Pilot Program by Assemblymember Wicks in 2019, which received funding in the state budget for 2020/21 for \$5M. The 2021/22 budget does not currently fund this program, and the Air District will strongly advocate for continued funding.
6. **Support for Air District Activities Related to Wildfire Mitigation:** The passage of Senate Bill (SB) 1260 in 2018 provided funding for air districts to support prescribed fire and other forest health activities by land managers. The 2021/22 budget includes a small amount of funding for this purpose, which the Air District will continue to advocate for.
7. **Clean Tech Financing:** Support proposals to provide financing assistance to clean technology projects, and if possible, funding for the Air District's Climate Tech Finance Program.



Legislative Platform (2021)

State Legislation

1. **Vehicle Emissions and Congestion Relief:** Support legislative proposals that encourage active transportation, reduce vehicle miles traveled, and reduce emissions in the transportation sector. Oppose legislative proposals that roll back existing smog check and vehicle maintenance requirements.
2. **Climate Change:** Support legislative proposals that align with the Air District's 2017 Bay Area Clean Air Plan, including limiting fossil fuel combustion, stopping methane leaks, advancing zero-emission vehicle usage, advancing clean fuel adoption, accelerate low carbon buildings, supporting Community Choice Aggregation programs, and building energy efficiency in both new and existing buildings.
3. **AB 617 Community Air Protection Program:** Support legislative proposals that seek to reduce emissions and exposure in overburdened communities within the parameters of the Federal Clean Air Act and California Clean Air Act.
4. **Wildfire Smoke Public Health Response:** Support legislative proposals that would improve indoor air quality in public and non-public spaces through improved filtration or weatherization, especially in vulnerable and disadvantaged communities.
5. **Emergency Backup Generation:** Support legislative proposals that seek to reduce diesel particulate emissions in backup generation through use of cleaner generation. Oppose legislative proposals that restrict air district regulatory authority of diesel backup generators.
6. **Toxic Air Emissions:** Support legislative proposals to reduce emissions and exposure of air toxics. Oppose legislation that would potentially result in increases of air toxic emissions in the Bay Area Region.
7. **Stationary Source Greenhouse Gas Authority:** Support legislative proposals to allow local air district the authority to establish stationary source greenhouse gas permit requirements.
8. **Wildfire Smoke Mitigation/Prescribed Fire:** Support legislative proposals to proactively reduce smoke from catastrophic wildfires through responsible fuel management policies, including the use of prescribed fire.



Legislative Platform (2021)

Federal Legislation

1. **Federal Funding for Air District Clean Air Programs:** Advocate for continuous and increased funding for Air District programs that reduce emissions and exposure, or that support monitoring and planning efforts in the Bay Area Region, including federal 103 and 105 grants, Diesel Emission Reduction Act grants, and Targeted Airshed Grants.
2. **Wildfire Smoke Public Health Response:** Support federal level efforts, including legislative efforts, to improve wildfire smoke public health response and indoor air quality in the Bay Area Region.
3. **Clean Transportation Programs:** Support efforts to include funding for clean transportation infrastructure in future federal transportation bills and economic stimulus bills.
4. **Clean Energy Programs:** Support efforts to promote clean energy technology through incentive funding or tax credits, especially in disadvantaged communities in the Bay Area. Support proposals to provide financing assistance to clean technology projects, and if possible, funding for the Air District's Climate Tech Finance Program.
5. **Particulate Matter Standards:** Support efforts to review EPA's 2020 decision to leave federal PM_{2.5} unchanged, per recommendations of Air District Board and Advisory Committee.
6. **Vehicle Emission Standards:** Support efforts to develop more stringent vehicle emission standards that align with current California standards for light duty, medium duty, and heavy-duty vehicles. Support efforts to retain California vehicle emission standard authority.
7. **Climate Change:** Support federal level efforts, including legislative efforts, that align with the Air District's 2017 Bay Area Clean Air Plan, including limiting fossil fuel combustion, stopping methane leaks, advancing zero-emission vehicle usage, advancing clean fuel adoption, accelerate low carbon buildings, supporting Community Choice Aggregation programs, and building energy efficiency in both new and existing buildings.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Margaret Abe-Koga and Pauline Russo Cutter, and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2021

Re: Federal Legislative Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Legislative Committee (Committee) will receive an update on recent events of significance on the federal level.

DISCUSSION

Staff will provide a verbal update of any significant bill introductions for the 117th Congress (2021-2022).

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

**COMMITTEE CHAIR SUMMARY REPORT OF THE MOBILE SOURCE
AND CLIMATE IMPACTS COMMITTEE**

(Co-Chairs: David Canepa; Katie Rice)

The Mobile Source and Climate Impacts Committee met on Thursday, April 22, 2021, and approved the minutes of March 25, 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.

The Committee reviewed and discussed the staff presentation *Projects and Contracts with Proposed Awards Over \$100,000*. Prior to the presentation, Damian Breen, Senior Deputy Executive Officer of Operations, announced that one Transportation Fund for Clean Air project is an on-road project that will deploy up to 30 new zero-emission hydrogen fuel cell Class 8 drayage trucks in Northern California, and be domiciled near the Port of Oakland. Through a statewide competition, the Air District was recently awarded \$17,165,729 from the California Energy Commission and California Air Resources Board for this project, and Air District staff is recommending the award of up to an additional \$3,360,000 as matching funding. In addition, the Alameda County Transportation Commission is contributing \$3,640,000 in matching funds and requested the Air District serve as the fiscal agent for the monies that are contributing. The project sponsor and other partners will provide the remaining balance of approximately \$54 million in funding for this project. The Committee recommends the Board:

1. Approve recommended projects with proposed grant awards over \$100,000;
2. Approve the acceptance, obligation, and expenditure of up to \$3,640,000 from the Alameda County Transportation Commission that will be provided to the Air District to use as matching funds for Project 21R07;

[OVER]

3. Adopt a resolution authorizing the Air District award of Transportation Fund for Clean Air and Alameda County Transportation Commission funds in support of the Center for Transportation and the Environment's Project 21R07; and

The Committee then reviewed and discussed the staff presentation *Transportation Fund for Clean Air Program Audit #21 Results*.

The Committee then reviewed and discussed the staff presentation *Transportation Fund for Clean Air County Program Manager Expenditure Plans for Fiscal Year Ending 2022*. The Committee recommends the Board:

1. Approve the allocation of new Transportation Fund for Clean Air revenue to each of the nine County Program Managers for Fiscal Year Ending 2022; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into funding agreements with the County Program Managers for Transportation Fund for Clean Air revenues to be programmed in Fiscal Year Ending 2022.

Finally, the Committee reviewed and discussed the staff presentation *Clean Cars for All Program Funding*. The Committee recommends the Board:

1. Adopt a resolution authorizing the Executive Officer/Air Pollution Control Officer to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all agreements necessary to accept, obligate, and expend this funding.

The next meeting of the Mobile Source Committee will be held on Thursday, May 27, 2021, at 9:30 a.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. I move that the Board approves the Committee's recommended actions. This concludes the Chair Report of the Mobile Source and Climate Impacts Committee.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Report of the Mobile Source and Climate Impacts Committee Meeting of April 22,
2021

RECOMMENDED ACTIONS

The Administration Committee (Committee) recommends Board of Directors (Board) approval of the following:

- A) ACTION REQUESTED: Projects and Contracts with Proposed Grant Awards Over \$100,000;
 - 1) Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1;
 - 2) Approve the acceptance, obligation, and expenditure of up to \$3,640,000 from the Alameda County Transportation Commission (ACTC) that will be provided to the Air District to use as matching funds for project 21R07;
 - 3) Adopt a resolution authorizing the Air District award of Transportation Fund for Clean Air (TFCA) and ACTC funds in support of the Center for Transportation and the Environment's project 21R07; and
 - 4) Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.
- B) Transportation Fund for Clean Air (TFCA) Audit #21 Results: Air District-Sponsored Programs and County Program Manager Fund Projects
 - 1) None; receive and file.
- C) ACTION REQUESTED: Transportation Fund for Clean Air County Program Manager Expenditure Plans for Fiscal Year Ending 2022
 - 1) Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue to each of the nine County Program Managers (CPM) for Fiscal Year Ending (FYE) 2022, as listed in Column A of Table 1; and

- 2) Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for TFCA revenues to be programmed in FYE 2022 as listed in Column C of Table 1.
- D) Clean Cars for All Program Funding
- 1) Adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program; and
 - 2) Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.

BACKGROUND

The Committee met on Thursday, April 22, 2021, and received the following reports:

- A) Projects and Contracts with Proposed Grant Awards Over \$100,000;
- B) Transportation Fund for Clean Air (TFCA) Audit #21 Results: Air District-Sponsored Programs and County Program Manager Fund Projects;
- C) Transportation Fund for Clean Air County Program Manager Expenditure Plans for Fiscal Year Ending 2022; and
- D) Clean Cars for All Program Funding.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source;
- B) None. Administrative costs for the TFCA audit and staff are provided by the funding source;
- C) None. TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the CPMs. Administrative costs for the CPMs and the Air District are reimbursed by TFCA program revenue; and
- D) None. These funds from CARB are considered “pass-through” funds, which are offered to grantees directly or to reduce the purchase or lease costs for vehicles. Funds from CARB also cover Air District staff and other program costs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

- Attachment 16.2A: 04/22/2021 – Mobile Source and Climate Impacts Committee Meeting
Agenda #3
- Attachment 16.2B: 04/22/2021 – Mobile Source and Climate Impacts Committee Meeting
Agenda #4
- Attachment 16.2C: 04/22/2021 – Mobile Source and Climate Impacts Committee Meeting
Agenda #5
- Attachment 16.2D: 04/22/2021 – Mobile Source and Climate Impacts Committee Meeting
Agenda #6

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 16, 2021

Re: Projects and Contracts with Proposed Grant Awards Over \$100,000

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1;
2. Approve the acceptance, obligation, and expenditure of up to \$3,640,000 from the Alameda County Transportation Commission (ACTC) that will be provided to the Air District to use as matching funds for project 21R07;
3. Adopt a resolution authorizing the Air District award of Transportation Fund for Clean Air (TFCA) and ACTC funds in support of the Center for Transportation and the Environment's project 21R07; and
4. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (CARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (NO_x), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, and stationary agricultural pump engines. Since 2018, this funding may also be used to incentivize the installation of infrastructure that will support the deployment of new zero-emissions vehicles and equipment.

Assembly Bill (AB) 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in

the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible under the CMP.

On March 4, 2020, the Board of Directors (Board) authorized Air District participation in Year 22 of the CMP and authorized the Executive Officer/APCO to execute grant agreements and amendments for projects funded with CMP funds or MSIF revenues with individual grant award amounts up to \$100,000.

In 2017, AB 617 directed the CARB, in conjunction with local air districts to establish the Community Air Protection Program (CAPP). AB 617 provides a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for reducing air pollution and public health impacts from mobile and stationary sources. Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending (FYE) 2018. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases.

In May 2020, the Governor issued a revised budget that authorized up to \$200 million for a third cycle of CAPP incentive funding. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to \$40 million in year-3 CAPP. These funds are primarily distributed through the Air District's Community Health Protection Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also begun working with CARB to expand eligibility to include stationary source projects and projects that have been identified and prioritized by communities with a Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

In February 2018, CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines that outlines requirements for eligible equipment, e.g., agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. On October 21, 2019, CARB's Executive Officer approved an update to the FARMER Program Guidelines to include eligibility criteria for demonstration projects. The 2020 California State Budget appropriated \$65 million in Fiscal Year 2019-20 GGRF funds to the CARB for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector through the FARMER Program. On November 20, 2019, the Board authorized the Air District's participation in the current cycle of the FARMER program.

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in the HSC Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a

program referred to as the Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. The remaining forty percent of TFCA funds are passed through to the designated County Program Manager in each of the nine counties within the Air District's jurisdiction that in turn award TFCA funds to eligible projects within their communities.

On April 15, 2020 and July 15, 2020, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in FYE 2021, cost-effectiveness limits for Air District-sponsored FYE 2021 programs, and the Executive Officer/APCO to execute grant agreements and amendments for projects with individual grant award amounts up to \$100,000. On June 3, 2020, the Board adopted policies and evaluation criteria for the FYE 2021 Regional Fund program.

Projects with grant award amounts over \$100,000 are brought to the Mobile Source and Climate Impacts Committee for consideration at least on a quarterly basis. Staff reviews and evaluates grant applications based upon the respective governing policies and guidelines established by the CARB, the Board, and other funding agencies.

DISCUSSION

Carl Moyer Program and Community Health Protection Grant Program:

For the FYE 2021, the Air District had approximately \$45.9 million available in CMP, MSIF, Community Health Protection (CHP) Grant Program, and FARMER funds for eligible projects, including approximately \$3.4 million from prior year funds. The Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

As of March 22, 2021, the Air District had received or evaluated 106 project applications. Of the applications that were evaluated between February 23, 2021 and March 22, 2021, five eligible projects have proposed grant awards over \$100,000. Three off-road agricultural projects will replace four pieces of mobile, diesel-powered equipment. One marine project will replace two propulsion diesel engines of a tugboat. One school bus project will replace four compressed natural gas school buses with cleaner CNG buses. These projects will reduce over 21.4 tons of NOx, ROG, and PM per year. Staff recommends the allocation of \$4,206,270 for these projects from a combination of CMP, FARMER, Community Health Protection, and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been awarded by the Air District between July 1, 2020 and March 22, 2021, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. To date, approximately 66% of the

funds¹ have been awarded or allocated to low-income residents or to projects that reduce emissions in Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (Senate Bill (SB) 535) and/or low-income (AB 1550) communities. This percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

Transportation Fund for Clean Air Program:

For the FYE 2021, the Air District had approximately \$31.44 million in TFCA monies available for eligible projects and programs consisting of new and prior-year revenues. The Air District accepts project applications for certain project categories on a rolling basis and evaluates them on a first-come, first-served basis.

As of April 16, 2021, the Air District had received seven project applications. One project has a proposed grant award of over \$100,000. This on-road project will deploy up to 30 hydrogen fuel cell drayage trucks in northern California, be domiciled near the Port of Oakland, and reduce approximately 2.29 tons of NOx, ROG, and PM per year. This project was recently awarded \$17,165,729 from the California Energy Commission (CEC) and CARB, and staff is recommending the award of up to an additional \$3,360,000 in TFCA funding for this project as match. In addition, ACTC is contributing \$3,640,000 in matching funds and requested the Air District serve as the fiscal agent for the monies that are contributing. The project sponsor and other partners will provide the remaining balance of approximately \$54 million in funding for this project. The CEC and CARB require a Resolution from the Air District Board of Directors to show commitment of matching funds before they will enter into a contract for this project.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2020 and March 22, 2021, including information about the project category, award amount, estimated emissions reduction, and county location. To date, approximately 92.5% of the funds have been awarded or allocated to low-income residents or to projects that reduce emissions in CARE, SB 535, and/or low-income AB 1550 communities. This percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

¹ For the purpose of determining whether funding was awarded or allocated to low-income residents or to projects that reduce emissions in CARE, SB 535, and/or low-income AB 1550 communities, funds awarded and allocated to date does not include any amounts awarded to regional projects where all communities receive the benefit. It also does not include amounts awarded to projects where the location of the benefit is unknown until additional information becomes available.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alona Davis, Linda Hui, Minda Berbeco, Ken Mak, and Chad White
Reviewed by: Karen Schkolnick

- Attachment 1: Projects with grant awards greater than \$100,000
- Attachment 2: CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated between 7/1/20 and 3/22/21
- Attachment 3: TFCA projects awarded and allocated projects between 7/1/20 and 4/16/21
- Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 4/16/21
- Attachment 5: A Resolution Committing Matching Funds in Support of the Center for Transportation and the Environment's Application to the California Energy Commission's Zero-Emission Drayage Truck and Infrastructure Pilot Project

AGENDA 3 - ATTACHMENT 1

Table 1 - Carl Moyer Program/ Mobile Source Incentive Fund, FARMER, and Community Health Protection Grant Program projects with grant awards greater than \$100k (Evaluated between 2/23/21 and 3/22/21)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
22MOY101	Foss Maritime Company LLC	Marine	Replacement of tugboat's two Tier 2 marine propulsion engines with Tier 4 propulsion engines	\$ 2,886,000	\$ 3,038,487	16.443	1.467	0.548	Contra Costa
22MOY67	Morrison Dairy	Off-Road/Ag	Replace one diesel ag tractor Tier-2 engine with one diesel ag tractor Tier-4 engine. Replace additional diesel ag tractor Tier-1 engine with one diesel ag tractor Tier-4 engine.	\$ 107,400	\$ 170,807.00	0.201	0.026	0.023	Sonoma
22MOY100	Poncia Fertilizer, Inc.	Off-Road/Ag	Replace one diesel ag tractor Tier-0 engine with one diesel ag tractor Tier-4 engine	\$ 166,700	\$ 185,272	1.140	0.111	0.059	Sonoma
22MOY85	Bordessa Family Dairies	Off-Road/Ag	Replace one diesel ag tractor Tier-0 engine with one diesel ag tractor Tier-4 engine	\$ 218,350	\$ 272,991	0.717	0.066	0.041	Sonoma
22SBP9	Napa Valley Unified School District	School Bus	Replace four CNG school buses with four low-NOx CNG school buses.	\$ 827,820	\$ 827,820	0.564	0.055	0.000	Napa
5 Projects				\$ 4,206,270	\$ 4,495,377	19.065	1.725	0.671	

Table 2 - Transportation Fund for Clean Air projects with grant awards greater than \$100k (Evaluated between 2/23/21 and 4/16/21)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
21R07*	Center for Transportation and the Environment	On-road Trucks & Buses	Purchase and deploy 30 hydrogen fuel cell drayage trucks	\$ 7,000,000	\$ 54,581,953	2.148	0.140	0.005	Multi-County
1 Project				\$ 7,000,000	\$ 54,581,953	2.148	0.140	0.005	

* This award includes \$3,360,000 from TFCA and \$3,640,000 from the Alameda County Transportation Commission

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
21MOY203	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Rider Vineyards dba Joseph Rider	0.104	0.005	0.006	APCO	No	No	Napa
21MOY198	On-road	Equipment replacement	1	\$ 10,000.00	EPP Transport, LLC	0.181	0.015	0.000	APCO	Yes	Yes	Alameda
21MOY206	Ag/ off-road	Equipment replacement	2	\$ 90,840.00	Hudson Vineyards LLC	0.162	0.005	0.009	APCO	No	No	Napa
21MOY210	On-road	Equipment replacement	1	\$ 20,000.00	Samuel's Trucking	0.466	0.039	0.003	APCO	Yes	Yes	Alameda
21MOY217	On-road	Equipment replacement	1	\$ 25,000.00	Daxin Trucking, LLC.	0.566	0.048	0.000	APCO	Yes	Yes	Alameda
21MOY208	Ag/ off-road	Equipment replacement	2	\$ 76,300.00	M. German & Son Partnership	0.345	0.055	0.028	APCO	No	No	Solano
21MOY209	Ag/ off-road	Equipment replacement	1	\$ 48,800.00	Lum Family Farms Inc	0.145	0.026	0.018	APCO	No	No	Solano
21MOY214	Ag/ off-road	Equipment replacement	5	\$ 255,400.00	Robledo Vineyard Mgmt LLC	0.563	0.092	0.061	10/7/2020	No	No	Sonoma/ Napa
21MOY212	On-road	Equipment replacement	1	\$ 55,000.00	Ram Harak & Son Trucking	0.352	0.030	0.002	APCO	Yes	Yes	Alameda
21MOY235	Ag/ off-road	Equipment replacement	1	\$ 51,600.00	Mertens Dairy	0.213	0.038	0.028	APCO	No	No	Sonoma
21MOY228	Ag/ off-road	Equipment replacement	3	\$ 130,200.00	Tumbull Wine Cellars	0.191	0.037	0.026	10/7/2020	No	No	Napa
21MOY239	Ag/ off-road	Equipment replacement	4	\$ 170,100.00	Michael Wolf Vineyard Services Inc.	0.206	0.016	0.021	10/7/2020	No	Yes	Napa
21MOY121	On-road	Equipment replacement	1	\$ 15,000.00	Prabhjit	0.321	0.027	0.000	APCO	No	Yes	San Joaquin
21MOY218	Ag/ off-road	Equipment replacement	2	\$ 76,100.00	Richard A. Zimmerman	0.194	0.030	0.017	APCO	No	No	Solano
21MOY240	On-road	Equipment replacement	1	\$ 20,000.00	Sunny Trucking	0.301	0.025	0.000	APCO	No	Yes	San Joaquin
21MOY227	On-road	Equipment replacement	1	\$ 40,000.00	Streamline Trans Inc., dba DM Trucking	0.836	0.071	0.006	APCO	Yes	Yes	Alameda
21MOY246	On-road	Equipment replacement	1	\$ 30,000.00	Ali Transportation	0.375	0.032	0.000	APCO	Yes	No	Alameda
21MOY241	Ag/ off-road	Equipment replacement	1	\$ 62,950.00	Wight Vineyard Management, Inc.	0.126	0.008	0.008	APCO	No	Yes	Napa
21MOY102	Off-Road	Equipment replacement	1	\$ 48,850.00	San Mateo Union High School District	0.184	0.041	0.033	APCO	No	Yes	San Mateo
21MOY166	Ag/ off-road	2-for-1 Equipment Replacment	1	\$ 39,400.00	Beckstoffer Vineyards Napa Valley	0.250	0.037	0.025	APCO	No	No	Napa
21MOY223	On-road	Equipment replacement	1	\$ 30,000.00	Oakland Container Trucking	0.525	0.038	0.000	APCO	Yes	Yes	Alameda

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
21MOY265	Ag/ off-road	Equipment replacement	1	\$ 182,700.00	Paul P. Bianchi, Inc	1.251	0.138	0.079	11/18/2020	No	No	Sonoma
21MOY245	Ag/ off-road	Equipment replacement	4	\$ 143,400.00	Ilsley Brothers Farming, LLC	0.209	0.078	0.035	11/18/2020	No	No	Napa
21MOY236	Ag/ off-road	Equipment replacement	1	\$ 604,150.00	Morrison Cazares Boyer Construction inc.	1.060	0.098	0.056	11/18/2020	No	No	Napa
21MOY232	Off-Road	Equipment replacement	1	\$ 125,000.00	L.H. Voss Materials	0.725	0.036	0.018	11/18/2020	Yes	Yes	Alameda/ Contra Costa
21SBP196	School Bus	Equipment replacement	2	\$ 258,081.00	Fairfield-Suisun Unified School District	0.113	0.001	0.000	11/18/2020	No	Yes	Solano
21MOY249	On-road	Equipment replacement	1	\$ 25,000.00	Jeevan Trucking Inc	0.478	0.040	0.000	APCO	Yes	Yes	Alameda
21MOY221	Ag/ off-road	Equipment replacement	2	\$ 91,650.00	Robert J Camozzi II	0.211	0.024	0.021	APCO	No	No	Sonoma
21MOY257	On-road	Equipment replacement	1	\$ 25,000.00	Harpinderpal Singh	0.466	0.035	0.000	APCO	Yes	Yes	Alameda
21MOY238	Ag/ off-road	Equipment replacement	1	\$ 64,700.00	Foley Family Farms, LLC	0.141	0.018	0.012	APCO	No	No	Sonoma
21MOY281	Ag/ off-road	Equipment replacement	1	\$ 42,200.00	Palm Drive Vineyards LLC	0.044	0.005	0.006	APCO	No	No	Sonoma
21MOY233	Ag/ off-road	Equipment replacement	1	\$ 62,000.00	RR Farms	0.071	0.011	0.008	APCO	No	No	Sonoma
21MOY272	Ag/ off-road	Equipment replacement	1	\$ 58,000.00	StoneMar Properties, LLC	0.100	0.005	0.006	APCO	No	No	Contra Costa
21MOY280	Ag/ off-road	Equipment replacement	1	\$ 64,400.00	Barbour Vineyards Management LLC	0.113	0.007	0.007	APCO	No	No	Napa
21MOY274	Ag/ off-road	Equipment replacement	3	\$ 120,500.00	Green Valley Cattle Co.	0.205	0.035	0.021	12/16/2020	No	No	Solano
21MOY251	Ag/ off-road	Equipment replacement	1	\$ 50,300.00	Wild Oak Vineyards LLC	0.086	0.019	0.015	APCO	No	No	Solano
22MOY2	On-road	Equipment replacement	1	\$ 35,000.00	Mandeep Singh	0.337	0.029	0.000	APCO	Yes	Yes	Alameda
22MOY4	Marine	Engine Replacement	1	\$ 128,000.00	Happy Hooker Sportfishing	0.307	-0.008	0.019	12/16/2020	Yes	Yes	Alameda
21MOY234	On-road	Engine Replacement	1	\$ 35,000.00	Jianye Trucking Inc.	0.674	0.057	0.000	APCO	Yes	Yes	Alameda
21MOY242	On-road	Engine Replacement	1	\$ 30,000.00	OJM Trucking Inc.	0.620	0.053	0.000	APCO	Yes	Yes	Alameda
22MOY3	Marine	Engine Replacement	2	\$ 1,166,000.00	San Francisco Water Emergency Transportation Authority	5.570	0.500	0.190	12/16/2020	Yes	Yes	Alameda/ Contra Costa/ San Francisco
21MOY172	Ag/ off-road	Engine Replacement	2	\$ 512,750.00	George Chiala Farms, Inc.	1.656	0.154	0.089	12/16/2020	No	No	Santa Clara
22MOY6	Ag/ off-road	Engine Replacement	1	\$ 185,400.00	Mazzetta Dairy	1.155	0.106	0.066	12/16/2020	No	No	Sonoma
21MOY226	Off-Road	Engine Replacement	2	\$ 141,000.00	Columbia Electric, Inc.	0.532	0.038	0.035	12/16/2020	Yes	Yes	Alameda/ Contra Costa/ Santa Clara

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
21MOY277	Off-Road	Engine Replacement	5	\$ 345,500.00	R.J.S. & Associates, Inc.	1.815	0.171	0.107	12/16/2020	Yes	Yes	Santa Clara/ Alameda
22MOY13	Marine	Engine Replacement	1	\$ 140,000.00	Lion Fisheries, LLC.	0.898	-0.013	0.036	12/16/2020	No	No	San Mateo
21MOY237	Ag/ off-road	Engine Replacement	2	\$ 85,300.00	Dirt Farmer & Company, A California Corporation	0.272	0.054	0.037	APCO	No	No	Sonoma
21MOY225	On-road	Engine Replacement	1	\$ 35,000.00	Longs Mach	0.453	0.034	0.000	APCO	Yes	Yes	Alameda
21MOY264	On-road	Equipment replacement	1	\$ 60,000.00	McKim Corp	2.260	0.160	0.014	APCO	No	Yes	Santa Clara
21MOY261	On-road	Equipment replacement	1	\$ 20,000.00	Dhillon Trucking	0.654	0.097	0.029	APCO	Yes	No	Alameda
22MOY15	On-road	Equipment replacement	1	\$ 35,000.00	NCH Trucking	0.635	0.054	0.005	APCO	Yes	No	Alameda
22MOY16	On-road	Equipment replacement	1	\$ 30,000.00	Sahara Logistics INC DBA Ibrahim Trucking	0.410	0.035	0.000	APCO	Yes	No	Alameda
21MOY243	On-road	Equipment replacement	1	\$ 40,000.00	Gill Freightliner	0.684	0.058	0.000	APCO	Yes	Yes	Alameda
22MOY17	Off-Road	Equipment replacement	2	\$ 103,100.00	Robledo Inc.	0.313	0.048	0.028	1/20/2021	No	No	Solano
22MOY34	On-road	Equipment replacement	1	\$ 55,000.00	26 Pawar Corporation	1.117	0.084	0.007	APCO	Yes	Yes	Santa Clara
22MOY1	Ag/ off-road	Equipment replacement	1	\$ 33,000.00	Gerald & Kristy Spaletta	0.046	0.044	0.011	APCO	No	No	Sonoma
21MOY275	Off-Road	Equipment replacement + Infrastructure	2	\$ 90,100.00	Pine Cone Lumber Co., Inc.	0.068	0.011	0.004	APCO	No	No	Santa Clara
21MOY271	On-road	Equipment Replacement	1	\$ 30,000.00	Sarbjit Singh Deol	0.325	0.028	0.000	APCO	Yes	Yes	Alameda
22MOY10	On-road	Equipment Replacement	1	\$ 10,000.00	Lam Le	0.153	0.012	0.000	APCO	Yes	Yes	Alameda
21MOY278	On-road	Equipment Replacement	1	\$ 40,000.00	Gurtej Atwal	0.764	0.052	0.006	APCO	No	No	Alameda
22MOY8	On-road	Equipment Replacement	1	\$ 25,000.00	MP Trucking	0.364	0.031	0.000	APCO	No	No	San Joaquin
22MOY35	On-road	Equipment Replacement	1	\$ 35,000.00	Sahara Logistics INC DBA Ibrahim Trucking	0.391	0.033	0.000	APCO	Yes	No	Alameda
21MOY285	On-road	Equipment Replacement	1	\$ 40,000.00	G S Trucking	0.658	0.056	0.004	APCO	Yes	Yes	Alameda
22MOY38	On-road	Equipment Replacement	1	\$ 20,000.00	Primo Express Transport, Inc	0.394	0.033	0.003	APCO	Yes	Yes	Contra Costa
21MOY283	On-road	Equipment Replacement	1	\$ 40,000.00	Sall Trucking	0.943	0.156	0.008	APCO	Yes	Yes	Alameda
22MOY25	On-road	Equipment Replacement	1	\$ 40,000.00	Sarbjit S Bains	0.687	0.058	0.005	APCO	No	Yes	Santa Clara
22MOY26	On-road	Equipment Replacement	1	\$ 25,000.00	Dharmender Singh Barn	0.530	0.045	0.000	APCO	Yes	No	Alameda

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY33	Off-Road	Equipment Replacement	3	\$ 153,600.00	Cornestone Certified Vineyard	0.396	0.068	0.051	1/20/2021	No	No	Sonoma
22MOY43	Off-Road	Equipment Replacement	3	\$ 128,300.00	Atlas Vineyard Management, Inc.	0.158	0.033	0.024	3/3/2021	No	No	Napa
22MOY18	Off-Road	Equipment Replacement	2	\$ 259,100.00	Willotta Ranch	1.073	0.130	0.073	1/20/2021	No	No	Solano
22MOY39	Off-Road	Equipment Replacement	1	\$ 53,200.00	Romero Vineyard Management LLC	0.066	0.016	0.012	APCO	No	No	Napa
22MOY19	Marine	Engine Replacement	6	\$ 3,715,000.00	San Francisco Water Emergency Transportation Authority	16.822	1.500	0.562	1/20/2021	Yes	Yes	Alameda
22MOY30	Marine	Engine Replacement	2	\$ 298,000.00	A.C. Fishing Charters Inc., dba Tigerfish Sportfishing	0.515	0.002	0.027	1/20/2021	No	No	Alameda
22MOY21	Marine	Engine Replacement	1	\$ 120,000.00	Jerry Harold Pemberton	0.244	0.003	0.009	1/20/2021	No	No	San Mateo
22MOY24	Ag/ off-road	Engine Replacement	1	\$ 139,900.00	Stanley J Poncia	0.256	0.047	0.036	1/20/2021	No	Yes	Sonoma
21MOY134	Ag/ off-road	Equipment replacement	1	\$ 34,000.00	Dutton Ranch Corp.	0.061	0.003	0.003	APCO	No	No	Sonoma
22MOY46	Ag/ off-road	Equipment replacement	2	\$ 93,800.00	Shafer Vineyards	0.208	0.057	0.024	APCO	No	No	Napa
22MOY61	Ag/ off-road	Equipment replacement	1	\$ 141,600.00	Larry's Produce LLC	0.360	0.039	0.023	3/3/2021	No	No	Solano
22MOY27	Ag/ off-road	Equipment replacement	1	\$ 223,500.00	Mark and Lisa Shelley	1.205	0.111	0.069	3/3/2021	No	No	Sonoma
21SBP211	School Bus	Equipment replacement + Infrastructure	3	\$ 560,575.00	Menlo Park City School District	0.160	0.011	0.001	3/3/2021	No	Yes	San Mateo
22MOY37	Ag/ off-road	Equipment replacement	1	\$ 347,400.00	Morrison Chopping, LLC	2.073	0.199	0.108	3/3/2021	No	No	Sonoma
22MOY68	Ag/ off-road	Equipment replacement	1	\$ 20,000.00	Roger King	0.013	0.010	0.003	APCO	No	No	Solano
22MOY51	Ag/ off-road	Equipment replacement	1	\$ 30,100.00	Robert Lauritsen	0.024	0.023	0.006	APCO	No	No	Napa
22MOY55	Ag/ off-road	Equipment replacement	1	\$ 56,200.00	Thomas W. Crane	0.137	0.021	0.012	APCO	No	No	Sonoma
22MOY60	Ag/ off-road	Equipment replacement	1	\$ 33,800.00	Karl Bucher	0.019	0.017	0.005	APCO	No	No	Napa
22MOY58	Ag/ off-road	Equipment replacement	1	\$ 42,000.00	Sweetlane Nursery and Vineyards, Inc. dba Grossi Farms	0.031	0.008	0.007	APCO	No	No	Sonoma
22MOY5	Marine	Engine replacement	2	\$ 293,000.00	Golden Eye 2000	2.471	-0.025	0.097	TBD	Yes	Yes	Alameda
22MOY79	Ag/ off-road	Equipment replacement	1	\$ 43,500.00	Loma del sol farming inc.	0.088	0.020	0.015	APCO	No	No	Sonoma
22MOY82	Ag/ off-road	Equipment replacement	1	\$ 40,800.00	Gilardi's Family Farm	0.050	0.008	0.006	APCO	No	Yes	Sonoma
22MOY69	Ag/ off-road	Equipment replacement	2	\$ 276,450.00	Ielmorini Custom Spreading, LLC	2.124	0.200	0.116	TBD	No	Yes	Marin/Sonoma

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY72	Ag/ off-road	Equipment replacement	1	\$ 318,200.00	West Marin Compost LLC	0.945	0.042	0.024	TBD	No	Yes	Marin
22MOY80	Ag/ off-road	Equipment replacement	5	\$ 300,900.00	Renteria Vineyard Management LLC	0.699	0.098	0.072	TBD	No	No	Napa/Sonoma
22SBP14	School Bus	Equipment replacement + Infrastructure	2	\$ 622,556.00	Milpitas Unified School District	0.191	0.018	0.001	TBD	No	Yes	Santa Clara
22MOY81	Ag/ off-road	Equipment replacement	2	\$ 101,800.00	Stephen Tenbrink	0.285	0.033	0.022	TBD	No	No	Solano
22MOY64	Ag/ off-road	Equipment replacement	2	\$ 166,500.00	Joseph Rider	0.152	0.030	0.022	TBD	No	No	Napa
22MOY77	Ag/ off-road	Equipment replacement	1	\$ 41,000.00	Marc Mondavi	0.035	0.008	0.006	APCO	No	No	Napa
22MOY88	Ag/ off-road	Equipment replacement	1	\$ 43,500.00	Anselmo Farms LLC	0.049	0.005	0.005	APCO	No	No	Solano
21MOY185	Ag/ off-road	Equipment replacement	1	\$ 57,300.00	Wente Bros. dba. Wente Vineyards	0.213	0.034	0.026	APCO	Yes	No	Solano
22MOY85	Ag/ off-road	Equipment replacement	1	\$ 218,350.00	Bordessa Family Dairies	0.717	0.066	0.041	TBD	No	No	Sonoma
21MOY222	Ag/ off-road	Equipment replacement	1	\$ 40,950.00	Jack Neal and Son Inc	0.092	0.015	0.011	APCO	No	No	Napa
22MOY87	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Mike K. Waller	0.092	0.011	0.006	APCO	No	No	Solano
22MOY99	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Daylight Vineyard Management, inc.	0.062	0.005	0.007	APCO	No	No	Sonoma
22MOY100	Ag/ off-road	Equipment replacement	1	\$ 166,700.00	Poncia Fertilizer, Inc.	1.140	0.111	0.059	TBD	No	Yes	Sonoma
22MOY67	Ag/ off-road	Equipment replacement	2	\$ 107,400.00	Morrison Dairy	0.201	0.026	0.023	TBD	No	No	Sonoma
22SBP9	School Bus	Equipment replacement	4	\$ 827,820.00	Napa Valley Unified School District	0.564	0.055	0.000	TBD	No	Yes	Napa
22MOY101	Marine	Equipment replacement	2	\$ 2,886,000.00	Foss Maritime Company LLC	16.443	1.467	0.548	TBD	Yes	Yes	Contra Costa
106 Projects			163	\$ 20,005,572		88.0	8.1	3.4				

AGENDA 3 - ATTACHMENT 4

Figures 1-3 Summary of funding awarded and allocated between 7/1/20 and 4/16/21 from the following revenue sources:

- Carl Moyer Program (CMP)
- Mobile Source Incentive Fund (MSIF)
- Community Health Protection Program (CHP)
- Transportation Fund for Clean Air (TFCA)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- Alameda County Transportation Commission (ACTC)

Figure 1. Status of FYE 2021 funding by source includes funds awarded, recommended for award, and available

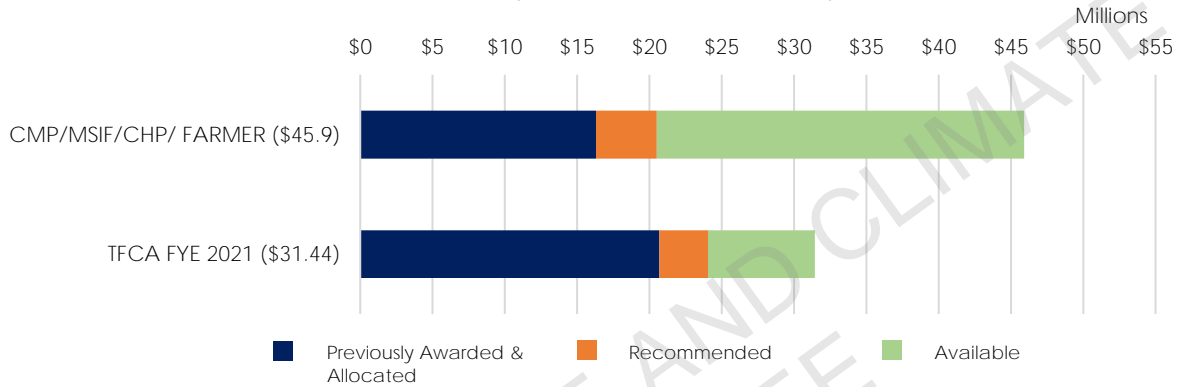


Figure 2. Funding awarded and allocated in FYE 2021 by county: includes funds awarded & recommended for award

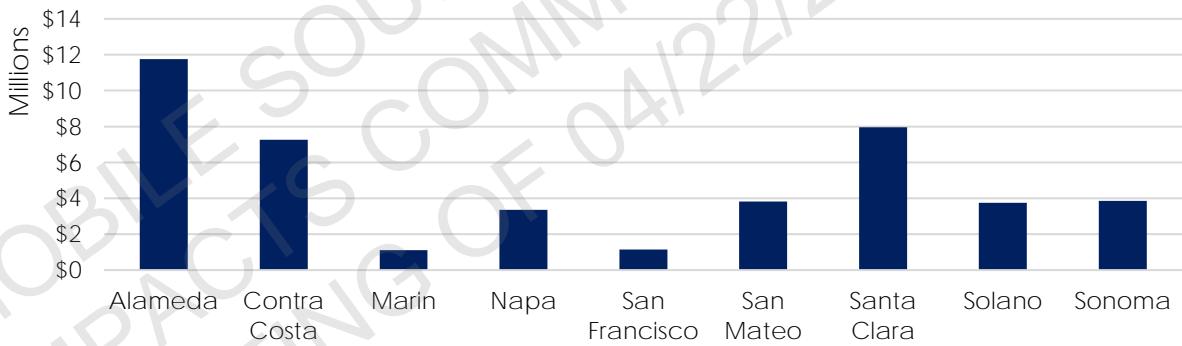
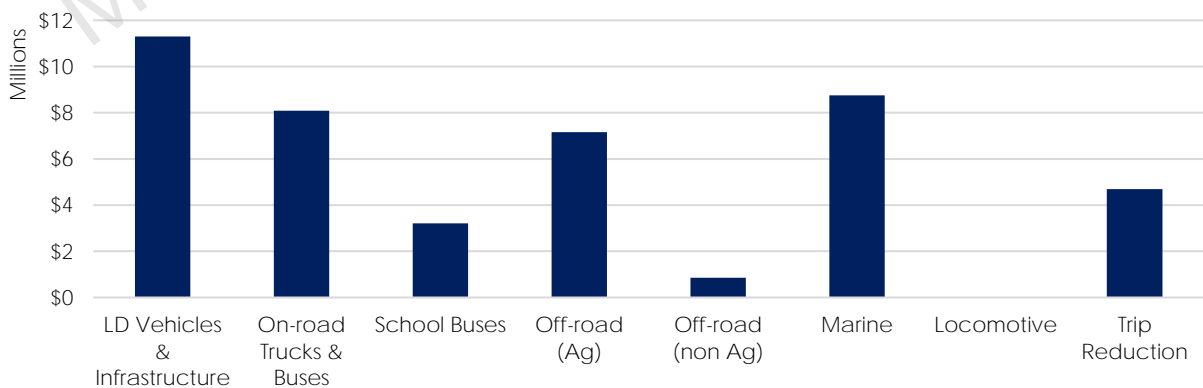


Figure 3. Funding awarded and allocated in FYE 2021 by project category includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT**RESOLUTION NO. 2021-_____****A Resolution Committing Matching Funds in Support of the Center for Transportation and the Environment's Application to the California Energy Commission's Zero-Emission Drayage Truck and Infrastructure Pilot Project**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (Air District) to commit up to \$7,000,000 as matching funds for a project that will deploy up to 30 zero-emission hydrogen fuel cell trucks and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, amendments, and other documents required to award this funding. This Resolution will also authorize the District to accept, obligate, and expend up to \$3,640,000 from the Alameda County Transportation Commission (ACTC) and obligate and expend up to \$3,360,000 in funding from the Transportation Fund for Clean Air (TFCA);

WHEREAS, on November 19, 2020, the California Energy Commission (CEC) and California Air Resources Board (CARB) released a grant solicitation, GFO-20-606, entitled "Zero-Emission Drayage Truck and Infrastructure Pilot Project" under the CEC's Clean Transportation Program and CARB's FY2019-20 Funding Plan for Clean Transportation Incentives;

WHEREAS, in 1990, the California Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the Bay Area to fund projects that reduce on-road motor vehicle emissions;

WHEREAS, the Legislature has authorized, through the adoption and amendment of Health and Safety Code sections 44241, the expenditure of local motor vehicle surcharge revenues for projects that reduce vehicle emissions, and the District funds such projects through its TFCA that meet program requirements and meet cost-effectiveness limits;

WHEREAS, the CTE submitted an application to the GFO-20-606 grant solicitation, entitled NorCAL Drayage, which will deploy 30 zero-emission hydrogen fuel cell trucks that will be domiciled near the Port of Oakland and be operated throughout northern California;

WHEREAS, Air District staff evaluated CTE's application to GFO-20-606 and found that the project would result in criteria emission reductions from on-road vehicles and qualify for up to \$3,360,000 from the TFCA;

WHEREAS, ACTC has committed to providing \$3,640,000 in matching funds for CTE's NorCal Drayage Truck application and requested the Air District to serve as the fiscal agent;

WHEREAS, on April 5, 2021, the CEC and CARB informed CTE that their NorCAL Drayage application was selected for award in the amount of \$17,165,729;

WHEREAS, CEC and CARB requires a Resolution from the Air District Board of Directors to show a commitment of matching funds;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the Air District to accept, obligate, and expend up to \$3,640,000 funds from ACTC that will be provided to the Air District to use as matching funds in support of this project.

BE IT FURTHER RESOLVED that the Board of Directors hereby approves the award to CTE for up to \$7,000,000. This award includes the obligation of up to \$3,360,000 from the TFCA and \$3,640,000 from the ACTC, for the project that will deploy up to 30 zero-emission trucks.

BE IT FURTHER RESOLVED that the Board of Directors hereby authorizes the Executive Officer/Air Pollution Control Officer to execute all agreements, required documents, and any amendments thereto to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2021 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

Cindy Chavez
Chair of the Board of Directors

ATTEST:

John Bauters
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Transportation Fund for Clean Air (TFCA) Audit #21 Results: Air District-Sponsored
Programs and County Program Manager Fund Projects

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 1991 the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. Since 1992, the Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) Program to fund eligible projects and programs. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (i.e., Air District-sponsored programs) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to the designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44242 requires that the Air District conduct an audit of projects and programs funded with TFCA monies, at least once every two years. The Air District typically conducts an audit of Regional Fund projects and Air District-Sponsored programs annually and County Program Manager Fund projects biennially. On October 4, 2017, the Air District's Board of Directors (Board) approved the award of a contract to Simpson & Simpson, LLP for audit services, including a financial and compliance review of TFCA-funded projects and programs. On January 20, 2021, the Board approved an extension of that contract of up to two additional years.

DISCUSSION

The *Audit Summary Reports*, included as Attachments 1 & 2, summarize the results of Audit #21 conducted by Simpson & Simpson covering Regional Fund projects, Air District-sponsored programs, and County Program Manager Fund projects that were completed prior to June 30, 2019. There were no findings for the Regional Fund projects and the results of this audit were presented to the Mobile Source Committee on December 2, 2020.

This staff report focuses only on the results of the audited Air District-sponsored programs and the County Program Manager Fund projects. For the purpose of the TFCA audits, projects and programs are considered “completed” after all funded project equipment has been purchased and placed into service or all contracted services have been conducted and the Air District has approved a project sponsor’s final invoice, which documents the project sponsor’s expenditure of all eligible project funds. ***For the audit of Air District-sponsored projects and County Manager Fund programs no financial findings were identified, but one compliance finding, which is further discussed below in the County Program Manager Fund section, was identified.*** A list of the projects and programs that were reviewed for Audit #21 is available in Appendix B in each of the attached reports.

Audit field work was conducted by Simpson & Simpson, LLP during the months of March 2020 through February 2021. Following the completion of field work, Simpson & Simpson, LLP issued a draft audit report to each of the project sponsors and offered an opportunity to those with any preliminary findings to provide a management response.

Results for TFCA Air District-Sponsored Programs

The Audit Summary Report for the TFCA Air District-Sponsored Programs is included as Attachment 1. Appendix B of this report contains a list of the projects and programs that were audited. **There were no reported findings.**

The lack of findings in Air District-Sponsored Program projects reflects an overall improvement in the Air District’s adherence to program requirements and is the result of actions taken by Air District staff over the years to improve and strengthen its own administrative processes.

Results for TFCA County Program Manager Fund Program

The Audit Summary Report for the County Program Manager Fund is included as Attachment 2. Appendix B of this report contains a list of the projects and programs that were audited. There was one compliance finding reported regarding Contra Costa Transportation Authority’s (CCTA) TFCA County Program Manager administrative funds. The auditors noted that they were unable to verify the administrative funds expended because CCTA historically has allocated hours allowed for this TFCA Program by the budget, which is set annually, instead of by actual expenditures.

The CCTA's management response acknowledges that CCTA has since changed their payroll procedure to timecards and will be able to meet future audit requirements. For this reason, staff considers this audit finding to be corrected and CCTA remains in good standing as long as they continue to abide by the improvements that are described in their own management's response.

Air District staff will continue to work closely with the County Program Managers to improve and strengthen administrative processes and will also be updating the County Program Manager Fund Expenditure Plan Guidance to clarify the audit-compliant requirements.

A discussion of the audit process, results, and the steps that Air District staff has taken to ensure continued compliance with program requirements will be presented at the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Administrative costs for the TFCA audit and staff are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Hannah Cha and Linda Hui

Reviewed by: Karen Schkolnick, Minda Berbeco and Ken Mak

Attachment 1: TFCA Audit #21 Summary Report for the TFCA Regional Fund and Air District-Sponsored Programs

Attachment 2: TFCA Audit #21 Summary Report for the TFCA County Program Manager Fund Program

ATTACHMENT 1

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND
FOR CLEAN AIR PROGRAM**

AUDIT NO. 21 SUMMARY REPORT

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM**

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MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

1 – INTRODUCTION

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

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

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

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

The Health and Safety Code requires the Air District to pass-through no less than 40% of the TFCA revenues raised within a particular county, after audit and administrative costs, to that county's designated Program Manager. The remaining 60% is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the Air District's Board adopted evaluation and scoring criteria.

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and “smart streets.”

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

2 – PROGRAM DESCRIPTION (continued)

- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrappage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct TFCA financial and compliance Audit No. 21, which included Regional Fund projects and Air District-sponsored programs completed prior to June 30, 2019. These audits were conducted during the months of March 2020 through February 2021.

A total of 6 individual project sponsors and 11 projects were audited, with \$3,697,129 total funds expended for projects included in Audit No. 21. A listing of the projects audited is provided in Appendix B.

Unmodified opinions were issued on all 6 financial audit reports.

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's Regional Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below:

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

3 – AUDIT PROCESS (continued)

Procedures performed included, but were not limited to:

- Gaining an understanding of the project sponsors' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the project sponsor's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with project sponsors to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

The audit includes examining, on a test basis, evidence about the project sponsor's compliance with those requirements and performing such other procedures as considered necessary in the circumstances.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

4 – PROJECT SPONSOR FINDINGS

Audit of the Schedules of Expenditures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

Compliance Auditing Procedures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor's compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report over their results of the procedures performed.

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvended to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
- (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
- (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B

LISTING OF AUDITED PROJECTS

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix B – Listing of Audited Projects
For Audit No. 21**

TFCA Project Number	Project Sponsor	Project Description	Final Project Expenses
19R00	BAAQMD	Administration	\$ 1,142,354.00
19R01	BAAQMD	Enhanced Mobile Source & Commuter Benefits Enforcement	89,994.00
19R02	BAAQMD	Vehicle Buy Back Program	117,043.00
19R03	BAAQMD	Spare the Air/Intermittent Control Programs	1,699,041.00
17EV017	601 Marshall Street Owner, LLC	Install 5 dual-port and 1 single-port level 2 (high) charging stations in Redwood City	23,000.00
16R12	Associated Students of San Jose State University	Smart Pass Program	140,000.00
17R12	Associated Students of San Jose State University	Smart Pass Program	139,329.00
18R05	Associated Students of San Jose State University	Smart Pass Program	140,000.00
18R12	City of Emeryville	Emeryville Go-Round Watergate Express Project	67,177.00
17EV004	MPVCA Brisbane, LLC	Install 3 dual-port level 2 charging stations in Brisbane	12,000.00
15R29A	Trillium USA Company, LLC	Upgrade existing CNG refueling station in Berkeley	127,191.00
Final Project Expenses			\$ 3,697,129.00
Total Projects			11
Total Project Sponsors			6

04/22/2021 MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

ATTACHMENT 2

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND FOR CLEAN AIR
COUNTY PROGRAM MANAGER FUND**

AUDIT NO. 21 SUMMARY REPORT

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND**

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MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District), created by the California legislature in 1955, is the state's first regional agency dealing with air pollution. The Air District regulates stationary sources of air pollution within the nine San Francisco Bay Area counties in California. The Air District's jurisdiction includes Alameda County, Contra Costa County, Marin County, Napa County, City/County of San Francisco, San Mateo County, Santa Clara County, southern Sonoma County, and south-western Solano County. The primary mission of the Air District is to achieve ambient air quality standards designed to protect the public's health and the environment. The Air District is governed by a twenty-two-member Board of Directors who has the authority to develop and enforce regulations for the control of air pollution within its jurisdiction

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the County Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrapperage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

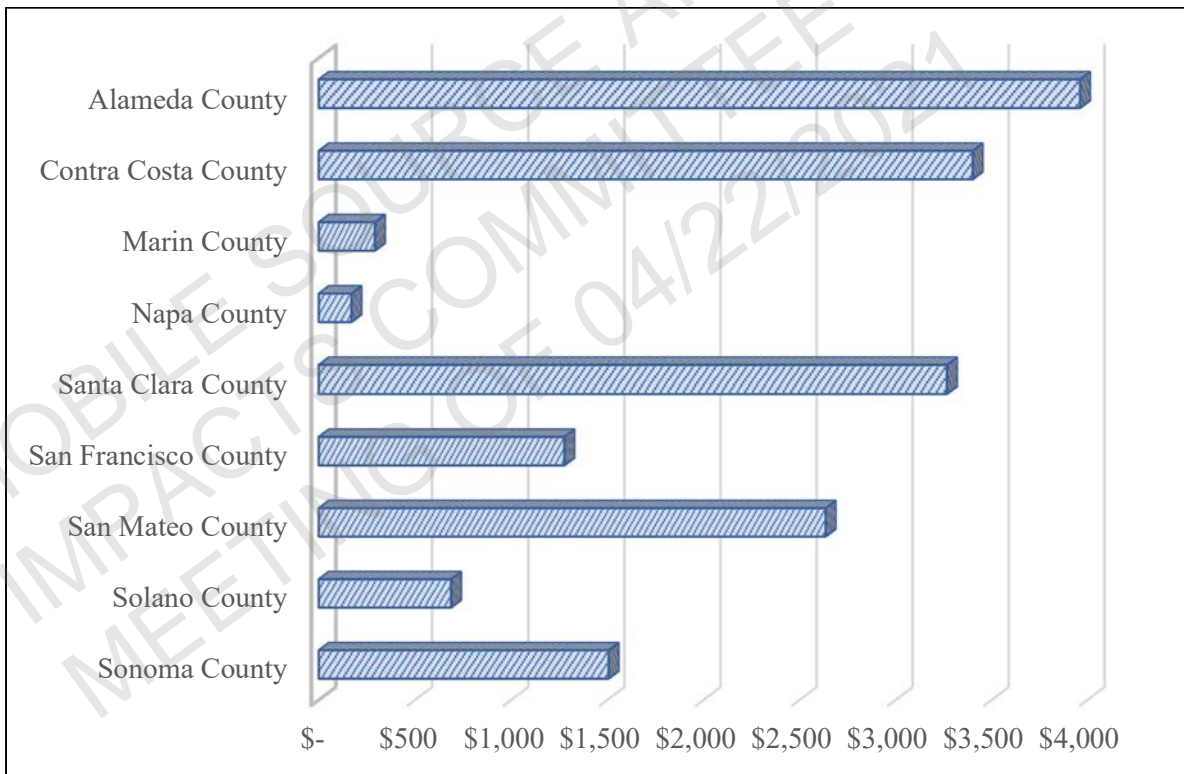
2 – PROGRAM DESCRIPTION (continued)

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct financial and compliance audits of completed projects funded through the County Program Manager Fund for the project period ended June 30, 2019.

The graph below reports the amount of TFCA Funds allocated to each of the individual County Program Managers for projects that closed during the period from July 1, 2017 through June 30, 2019. These audits were performed during the period of March 2020 through February 2021. A list of audited projects is provided in Appendix B.

**Total Funds Expended by County Program Manager for Projects Completed
During the Period of July 1, 2017 through June 30, 2019 (in thousands)**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's County Program Manager Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below.

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Procedures performed included, but were not limited to:

- Gaining an understanding of the County Program Managers' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the County Program Manager's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with County Program Managers to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

4 – COUNTY PROGRAM MANAGER FINDINGS

Contra Costa Transportation Authority - Finding No. 2019-1 – Program Administration – Payroll Expenditures

TFCA Project Affected

- Project Number: 18CC00
- Project Sponsor: Contra Costa Transportation Authority (Authority)
- Project Description: Program Administration (Material Weakness)

Criteria

Payroll expenditures incurred by the Authority are required to be supported by employee time sheets as stipulated in the funding agreement between the Bay Area Air Quality Management District (Air District) and the Authority:

To maintain, and to require that each Sub-awardee maintain, employee time sheets documenting those hourly labor costs incurred in the implementation of this Agreement, including both administrative and Program Project implementation costs, or to establish an alternative method to document staff costs charged to the funded project.

Time sheets should reflect an employee's hours of actual time incurred on the program.

Condition, Cause and Effect

We reviewed the total expenditures charged to TFCA Project 18CC00, Program Administration (Program), amounting to \$98,530.67 which is made up of payroll charges incurred during the time period of July 16, 2017 through June 30, 2018 for a total of four (4) Authority personnel.

The Authority provided time sheets supporting the total hours charged by the personnel. We identified that the hours charged to the Program was not based on actual hours incurred by the personnel but was based on a budgeted allocation of hours, established in the beginning of the year, which remains fixed throughout the fiscal year. The personnel enters their total hours worked on a daily basis for all of their job duties, but do not specifically track their time worked on the Program.

The Authority's payroll system will allocate a predetermined fixed percentage (estimated amount of time) to the Program and the Authority will evaluate the total payroll costs charged to the Program to ensure it did not exceed the legislatively mandated cap of 6.25% of their respective fiscal year's TFCA revenue distribution.

The Authority does have the capability for its personnel to track hours on a per project basis but have not implemented this requirement specifically over the Program. The Authority's lack of tracking personnel time incurred on the Program establishes an internal control environment in which the Authority would be unable to prevent or detect potential overcharges in payroll time incurred.

Consequently, the supporting documentation provided is not sufficient to support the total payroll costs charged amounting to \$98,530.67.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

4 – COUNTY PROGRAM MANAGER FINDINGS (continued)

Questioned Costs

As a result, a total of \$98,530.67 represents unsupported payroll costs charged to TFCA Project 18CC00, Program Administration. The Schedule of Expenditures of Transportation Fund reflects an audit adjustment removing these costs from the Final Project Expenditures as of June 30, 2019.

Recommendation

We recommend that the Authority implement a time keeping system which requires employees who work on the Program to charge time based on actual hours incurred and not based on a fixed budgeted percentage.

Authority's Response

The Authority's Finance Department has historically reviewed and allocated time on the TFCA program administration based on actual time spent by staff implementing and managing the program funds. The Authority's historical role has been to review the list of duties by all staff carrying out the TFCA program. Staff would review on an annual basis and at the midyear budget the amount of time used to deliver the programs. These hours were added into the existing payroll system and allocated over the fiscal year as a percentage of payroll costs to reflect the percentage of time to deliver the program.

The Authority has recently implemented a new payroll timesheet system that has the capabilities to track hours on a bi-weekly basis and will utilize this system moving forward to allocate time spent on the implementation and tracking of the TFCA administrative program management.

The tasks involved by the Authority to deliver on the programs is as follows.

- Reporting to TFCA – Authority Program Manager
- Reading of TFCA reports and coordinating with TFCA staff - Authority Program Manager
- Board Letters prepared to allocate funding and programs - Authority Program Manager and Administrative Staff
- Creating of templates to create contracts and PO's - Authority Program Manager and Finance Staff
- Paying monthly invoices - Authority Program Manager and Finance Staff
- Budget and Financial reporting on the TFCA fund - Authority Program Manager and Finance Staff
- Working with all the county agencies and transportation agencies for updates and reporting and providing guidance - Authority Program Manager

We confirm that we use the timesheet method above to calculate our County Program's Administrative Cost and will consistently follow the administrative procedure.

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the County Program Managers' compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report over their results of the procedures performed.

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvended to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
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 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
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 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
- (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
- (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B

LISTING OF AUDITED PROJECTS

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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Alameda County Transportation Commission:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Alameda County Transportation Commission		
Alameda County GRH and TDM Information Services, Fiscal Years 13/14 - 14/15	14ALA12	\$ 252,092.12
East Bay Greenway	14ALA08	135,146.75
Countywide Bicycling, Transit and Carpool Promotion Programs	16ALA02	205,568.85
Alameda County Guaranteed Ride Home and Countywide TDM Information Services Program	16ALA13	148,054.03
Countywide SR2S Program, Fiscal Years 16/17 & 17/18	17ALA01	83,197.56
Program Administration	18ALA00	123,925.11
Countywide Guaranteed Ride Home and TDM Program, Fiscal Years 17/18 & 18/19	18ALA10	217,646.30
Program Administration	19ALA00	125,263.84
Alameda County Public Works Agency		
Fairmont Class II Bicycle Lanes	14ALA01	90,000.00
California State University, East Bay		
CSUEB Campus Shuttle II, Fiscal Years 15/16 (non-peak) & 15/17 (all hours)	16ALA12	123,000.00
CSUEB - Hayward BART 2nd Shuttle, Fiscal Year 17/18	17ALA09	128,000.00
City of Albany		
Marin Ave Class 2 Bike Lane Gap Closure	16ALA03	95,000.00
City of Berkeley		
Berkeley Citywide Bicycle Parking Program	16ALA04	94,000.00
Hearst Ave Class 2 Bike Lanes	17ALA04	59,394.39
City of Fremont		
Downtown Fremont to I-880 Arterial Management	15ALA04	326,570.12
City of Hayward		
Traffic Signal Controller Upgrade and Synchronization	10ALA04	614,000.00
Post-project Monitoring/Retiming Activities for Arterial Management Project	11ALA07	18,700.00
"A" Street Signal Upgrade and Coordination	14ALA05	190,000.00
West "A" Street Signal Upgrade and Coordination - Video Detection for	15ALA05	26,581.55
City of Oakland		
CityRacks, Phase 12	16ALA07	116,621.27
Oakland Broadway B Shuttle	17ALA06	353,500.00
City of Pleasanton		
Pleasanton Trip Reduction Program, Fiscal Years 15/16 & 16/17	16ALA08	53,000.00
Pleasanton Trip Reduction Program, Fiscal Years 17/18 & 18/19	18ALA07	64,999.98
Livermore Amador Valley Transit Authority (LAVTA)		
LAVTA Rte 30 BRT Operations, Fiscal Years 17/18-18/19	17ALA10	318,000.00
Total		\$ 3,962,261.87

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
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Contra Costa Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2019
Contra Costa Transportation Authority		
Central/East SOV Trip/Emissions Reduction Program	17CC02	\$ 801,666.00
Central/East SOV Trip/Emissions Reduction Program	18CC02	821,004.00
West CC Transportation Advisory Committee		
West Contra Costa Commute Incentive Program	14CC01	65,142.00
West County Employer Outreach	14CC02	130,000.00
Countywide Guaranteed Ride Home Program	14CC03	115,000.00
City of San Ramon		
511CC Countywide Vanpool Incentive Program	15CC04	66,475.00
511CC Southwest Student Program	15CC05	122,015.00
West Contra Costa Transportation Advisory Committee		
West Contra Costa County Emissions/Trip Reduction Program	16CC01	396,811.00
West Contra Costa Trip Reduction Program	17CC01	319,677.00
City of San Ramon		
Southwest Contra Costa County Emissions/Trip Reduction Program	16CC03	214,840.00
511CC Countywide Vanpool Incentive Program	16CC04	66,475.00
Southwest Contra Costa County Emissions/Trip Reduction Program	17CC03	283,602.00
Total		<u>\$ 3,402,707.00</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
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Transportation Authority of Marin:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Transportation Authority of Marin		
Tam Junction Improvements Class 2 Bike Project Gap Closure	16MAR02	\$ 80,000.00
Program Administration	18MAR00	22,602.44
Marin County		
Olive Avenue Class 2 Bicycle Lane Gap Closure	14MAR02	13,923.00
City of Mill Valley		
Miller Avenue Bicycle and Pedestrian Gap Closures	14MAR03	175,000.00
Final Project Expenses		<u>\$ 291,525.44</u>
Total		

MOBILE SOURCE AND CLIMATE
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Napa County Transportation and Planning Agency:

<u>Project Description</u>	<u>TFCA Project Number</u>	<u>Final Project Expenditures through 6/30/2019</u>
City of Napa		
Tulocay Creek Bridge and Trail	16NAP02	\$ 125,000.00
Solano Napa Commuter Information (SNCI)		
SNCI Napa County Marketing and Commute Incentives	17NAP03	37,262.67
Napa Valley Transportation Authority		
Program Administration	18NAP00	7,573.59
Total		<u>\$ 169,836.26</u>

MOBILE SOURCE AND CLIMATE
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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
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Santa Clara Valley Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Santa Clara Valley Transportation Authority		
Capitol Expressway Pedestrian Improvements	15SC12	\$ 198,000.00
Program Administration	18SC00	155,161.69
DASH Shuttle	18SC07	870,000.00
Program Administration	19SC00	160,039.00
City of Santa Clara		
Saratoga Signal Timing & Interconnect Project	15SC07	498,000.00
Tasman Drive Bicycle Lanes	16SC08	95,000.00
City of Sunnyvale		
Mathilda- Sunnyvale Saratoga Corridor Signal Timing Improvements	16SC03	156,284.05
Wolfe Road Corridor Signal Timing Improvements	16SC10	98,329.43
Homestead Road Corridor Signal Timing Improvements	16SC11	105,124.09
Fremond Avenue Signal Timing Improvements	17SC05	55,321.00
Mary Avenue Signal Timing Improvements	17SC06	98,724.00
Hollenbeck Avenue Signal Timing Improvements	17SC07	59,869.00
Remington Drive Signal Timing Improvements	17SC08	38,897.00
Mary Avenue Bicycle and Traffic Calming Project	17SC12	245,000.00
County of Santa Clara Roads and Airports Department		
Weekend Signal Timing Coordination of Capitol Expressway, Foothill Expressway, Lawrence Expressway, and San Tomas Expressway	17SC10	180,000.00
Central, Montague, and Oregon-Page Mill Expressway Weekend Signal Timing Coordination	18SC10	240,000.00
City of San Jose		
Electric Vehicle Charging Stations at Library & Community Centers	18SC11	14,000.00
Total		<u>\$ 3,267,749.26</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
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San Francisco County Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
San Francisco County Transportation Authority		
Program Administration	18SF00	\$ 46,003.08
Program Administration	19SF00	47,493.70
San Francisco Department of Public Health		
San Francisco General Hospital Shuttle: BART Loop Expansion Pilot	16SF02	23,105.88
San Francisco Municipal Transportation Agency		
Regional Bicycle Sharing Pilot - Phase 1B	14SF04	388,208.00
Short Term Bicycle Parking	16SF04	366,925.00
Short-Term Bicycle Parking	17SF04	335,988.00
San Francisco Department of the Environment		
San Francisco Emergency Ride Home Program	17SF03	30,924.54
Emergency Ride Home Program	18SF03	38,117.47
Total		<u>\$ 1,276,765.67</u>

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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
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City/County Association of Governments of San Mateo County:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
City/County Association of Governments of San Mateo County		
San Mateo County Smart Corridor - South San Francisco Expansion	17SM05	\$ 131,871.54
Program Administration	18SM00	45,987.01
Countywide Carpool Incentive Program	18SM04	675,000.00
Program Administration	19SM00	40,206.22
Peninsula Traffic Congestion Relief Alliance		
Countywide Voluntary Trip Reduction Program	18SM01	600,000.00
Countywide Voluntary Trip Reduction Program	19SM01	600,000.00
SamTrans		
SamTrans Bike Racks on Buses	17SM04	160,128.00
SamTrans Shuttle Program	18SM02	110,000.00
SamTrans Shuttle Program	19SM02	110,000.00
SamTrans and City of San Carlos		
San Carlos Transit Connector Shuttle	17SM03	162,860.00
Total		<u>\$ 2,636,052.77</u>

MOBILE SOURCE AND CLIMATE
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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
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Solano Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Solano Transportation Authority		
Program Administration	18SOL00	\$ 19,555.00
Solano Transportation Authority/Solano Napa Commuter Information		
Solano Commute Alternatives Outreach and Incentives Program	16SOL01	220,000.00
Solano Commute Alternatives Outreach and Incentives Program	17SOL01	340,664.00
Suisun City		
Driftwood Drive SR2S Path Project	16SOL02	108,076.00
Total		<u>\$ 688,295.00</u>

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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
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Sonoma County Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2019
Sonoma County Transportation Authority		
Program Administration	15SON00	\$ 29,675.00
Program Administration	18SON00	40,151.56
Program Administration	19SON00	39,679.91
City of Petaluma		
Old Redwood Hwy & East Washington/Washington St. Signal Timing	16SON05	100,000.00
Petaluma Transit - Youth Bus Pass Subsidy Program	17SON06	13,000.00
Petaluma Transit Marketing	17SON07	67,731.00
Petaluma Transit: Transit Signal Priority Project	17SON08	52,724.26
Petaluma Transit Marketing	18SON02	96,514.00
Petaluma Transit Marketing	19SON01	100,786.00
City of Santa Rosa		
Santa Rosa EV Chargers, Public Access Courthouse Square Reunification Project	17SON02	24,995.37
Trip Reduction Incentive Programs	18SON01	280,817.00
City of Santa Rosa - Transit Division		
Santa Rosa Trip Reduction Incentive Programs	17SON01	234,670.00
City of Sebastopol		
Sebastopol Local City Streets Bikeway Gap Closures - Class 2, Class 3, and Sharrows	17SON05	50,000.00
Sonoma County Department of Transportation and Public Works		
Charles M. Schulz - Sonoma County Airport (STS) EV Infrastructure	19SON04	33,000.00
Sonoma County Transit		
Transit Marketing Program	16SON02	140,199.00
Sonoma County Transit - SMART / Airport Area Shuttle	17SON04	70,000.00
Town of Windsor		
Windsor Protective-Permissive Left Turn Phasing	15SON05	132,941.84
Total		<u>\$ 1,506,884.94</u>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Transportation Fund for Clean Air County Program Manager Expenditure Plans for
Fiscal Year Ending 2022

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue to each of the nine County Program Managers (CPM) for Fiscal Year Ending (FYE) 2022, as listed in Column A of Table 1; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for TFCA revenues to be programmed in FYE 2022 as listed in Column C of Table 1.

BACKGROUND

In 1991 the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. The legislative requirements that enable the use of the funds are codified in California Health and Safety Code (HSC) Sections 44241 and 44242.

Forty percent of new TFCA revenue is passed through to the designated CPM in each of the nine counties within the Air District's jurisdiction based on each county's proportionate share of vehicle registration fees collected. The Air District awards the other sixty percent to eligible projects and programs it implements directly (e.g., Spare the Air) and to the TFCA Regional Fund program.

Pursuant to HSC Section 44241, CPMs must award TFCA funds to eligible projects within six months of the Air District Board of Directors' (Board) approval of their expenditure plans. Annually, CPMs submit expenditure plans to the Air District specifying the status of their prior year funding that is available for reprogramming and interest accrued. The Board adopted the policies and cost-effectiveness criteria for expenditure of CPM TFCA funds in FYE 2022 on November 18, 2020.

DISCUSSION

The Air District received proposed expenditure plans from all nine CPMs. Table 1 shows the TFCA monies that are estimated to be available to CPMs in FYE 2022:

- **Column A** shows the new revenue projected to accrue from Department of Motor Vehicles (DMV) revenue from each county's proportionate share of vehicle registration fees collected.
- **Column B** shows TFCA carry-over funds available for reprogramming as reported by CPMs in their expenditure plans. Carry-over funds include TFCA monies from projects that were recently completed under budget and/or canceled, and any interest earned.
- **Column C** shows total amount of TFCA funds that are estimated to be available to CPMs in FYE 2022 (sum of values in columns A and B).

Table 1: Proposed Allocation of Funding for County Program Managers in FYE 2022

	A	B	C
County Program Manager	Estimated New TFCA Revenue	Reprogrammed TFCA Funds	Total FYE 2022 TFCA Funds
Alameda County Transportation Commission	\$1,907,600	\$488,347	\$2,395,947
Contra Costa Transportation Authority	\$1,541,700	\$110,838	\$1,652,538
Transportation Authority of Marin	\$335,800	\$21,146	\$356,946
Napa Valley Transportation Authority	\$191,700	\$15,489	\$207,189
San Francisco County Transportation Authority	\$672,700	\$101,754	\$774,454
San Mateo City/County Association of Governments	\$1,055,800	\$193,328	\$1,249,128
Santa Clara Valley Transportation Authority	\$2,362,600	\$531,044	\$2,893,644
Solano Transportation Authority	\$376,200	\$10,956	\$387,156
Sonoma County Transportation Authority	\$542,900	\$13,262	\$556,162
TOTAL	\$8,987,000	\$1,486,164	\$10,473,164

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the CPMs. Administrative costs for the CPMs and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Hannah Cha

Reviewed by: Ken Mak, Minda Berbeco, and Karen Schkolnick

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/22/2021

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source Committee and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Clean Cars for All Program Funding

RECOMMENDED ACTIONS

Recommend the Committee:

1. Adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program; and
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.

BACKGROUND

Through the Clean Cars for All Program (Program or CCFA) the Air District provides incentives for low-income households (up to 400% of the Federal Poverty Level) to retire older, high-polluting vehicles and replace them with a newer, cleaner vehicle or with alternative transportation options (e.g. Transit card or e-bikes). Vehicles eligible for purchase or lease include hybrid electric, plug-in hybrid, or electric vehicles. The Program reduces criteria pollutants and greenhouse gas emissions throughout the Bay Area and supports the goal of equitable access to electric vehicles and clean transportation.

The Program was launched in March 2019 through an initial \$5 million grant from the California Air Resources Board (CARB) from the California Climate Investments (CCI) initiative that puts Cap-and-Trade dollars to work reducing greenhouse gas emissions. CARB requirements focused Program funding for disadvantaged communities (based on CalEnviroScreen) which limited program eligibility to 76 zip codes in the Bay Area.

On February 6, 2019, the Air District's Board of Directors authorized the acceptance of additional CARB funding from the Volkswagen settlement fund. This agreement between the Air District and CARB was finalized in June 2019 and provided an additional \$5 million over two years. In December 2019, the Air District Board of Directors authorized the acceptance of an additional \$4 million in CARB CCI funds for the Program. These funds were quickly allocated and in the absence of new state funding the Air District allocated \$10 million in Transportation Fund for

Clean Air (TFCA) funds to continue support and operations for the Program in 2020. The Air District allocates TFCA program funds under the statutory authority and requirements set forth in the California Health and Safety Code Sections 44241 and 44242.

The demand for the CCFA incentives has steadily increased since the Program began. As of early April 2021, over 1,760 applications have been awarded in the Bay Area. The projects completed to date reduce more than 13 tons of criteria pollutants and more than 3,400 tons of tailpipe Carbon Dioxide (CO₂) emissions per year. The Program quickly allocates new funding to qualified low-income residents and is an important tool in achieving our air quality and climate goals.

DISCUSSION

In January 2021, CARB notified the Air District that up to \$3 million was available in Air Quality Improvement Program (AQIP) funds for the Air District's Clean Cars for All Program. CARB requires the Air District Board of Directors adopt a resolution to accept these funds before it will enter into a contract with the Air District for the additional Program funds.

This funding will allow the Air District to continue providing incentives to low-income residents in disadvantaged communities. Up to 15% of the funds may be used by the Air District to administer the Program, with 10% available to support Air District staff costs to manage applications and cases. The remaining 5% may be used to subcontract with third party entities to help increase participation from low-income consumers in disadvantaged communities. Additional updates about the Clean Cars for All Program will be shared as part of the staff presentation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. These funds from CARB are considered "pass-through" funds, which are offered to grantees directly or to reduce the purchase or lease costs for vehicles. Funds from CARB also cover Air District staff and other program costs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tin Le
Reviewed by: Anthony Fournier

Attachment 6A: Resolution Accepting Clean Cars for All Program funds from the California Air Resources Board

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION NO. 2021-_____

**A Resolution Accepting Clean Cars for All Program Funds
From the California Air Resources Board**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend up to \$3 million, in funding from the California Air Resources Board (CARB), to administer the Bay Area Clean Cars for All Program; and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, required documents, and amendments required to expend this funding;

WHEREAS, item 3900-101-3119 of the California Budget Act of 2020 (Senate Bill 74, Mitchell, Chapter 6, Statutes of 2020) directed Air Quality Improvement Program (AQIP) funds for Mobile Source programs like the Clean Cars for All Program (previously named the EFMP and EFMP Plus-up Program), a vehicle retirement and replacement program;

WHEREAS, in January 2021, CARB staff notified the Air District that CARB will award at least \$3 million in FY 2020-21 AQIP Funds to the Air District to support the Bay Area Clean Cars for All Program;

WHEREAS, CARB will authorize a grant of up to \$3 million to the Air District to continue to implement the Clean Cars for All program, upon approval by the Board of Directors to accept such grant of funds;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the Air District's acceptance of CARB funds and commits the Air District to comply with the CARB Clean Cars for All regulatory requirements.

BE IT FURTHER RESOLVED that the Board of Directors hereby approves the Executive Officer/Air Pollution Control Officer to accept, obligate, and execute all agreements, required documents, and any amendments thereto to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2021 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

Cindy Chavez
Chair of the Board of Directors

ATTEST:

John Bauters
Secretary of the Board of Directors

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Overview of Petroleum Refining Market in California

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On March 16, 2020, Bay Area shelter-in-place orders due to the COVID-19 pandemic triggered changes in human activity, including commuting patterns, work-at-home policies, travel restrictions, and the shutdown of businesses. As the COVID-19 pandemic continued, the changes in human activity have caused major changes in the Bay Area petroleum refining industry.

DISCUSSION

Mr. Gordon Schremp is a Senior Fuels Specialist who has been working at the California Energy Commission since 1991. He advises the Commissioners, Executive Officer, Governor's Office, Legislature, state agencies, and various local government officials on policy and technical matters associated with the supply and price of transportation fuels in California and the United States. His activities also include monitoring of crude oil markets, transportation energy infrastructure assessment, renewable fuel availability developments, agricultural commodity activities, and contingency planning preparedness for liquid transportation fuels.

Mr. Schremp will be providing an overview of refining in California and changes associated with the COVID-19 pandemic, with an emphasis on San Francisco Bay Area operations.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Joe
Reviewed by: Elizabeth Yura

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Cindy Chavez and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2021

Re: Wildfire Season Preview

RECOMMENDED ACTION

None; informational.

BACKGROUND

California experienced some of the deadliest and most destructive wildfires in its history over the last several years. Studies show that climate change is not only causing higher temperatures and longer dry periods, but also lengthening the fire season and increasing the risk of wildfires throughout the state. Wildfires have the potential to destroy entire communities and burn everything in their path, producing a mixture of fine particulate matter and hazardous chemicals and compounds in the air we breathe. Wildfire smoke presents immediate impacts to local air quality and public health, and atmospheric conditions can quickly transport smoke to affect the air quality of an entire region and that of nearby states.

DISCUSSION

Staff will provide an update on the outlook for the 2021 wildfire season, given the below average rainfall during the 2020-2021 rainy season. The presentation will also include an overview of the Air District's Wildfire Response Program and agency actions during wildfire events, including monitoring, smoke forecasting, coordination with state and local agencies, and outreach to the public.

The Air District has developed a comprehensive strategy to reduce the impacts from wildfire smoke and protect public health – the **Wildfire Air Quality Response Program**. Key elements of the program include:

- *Cleaner Air Centers – Assembly Bill 836 (Wildfire Smoke Clean Air Center Incentive Program for Vulnerable Populations)*. \$3 million has been allocated by the State towards air filtration improvements in the Bay Area. Public buildings (i.e., schools, libraries, and community centers) will be eligible for new HVAC system installations or retrofits, MERV 13+ air filters, or portable air filtration units. The program opening is estimated to be August 2021 and includes the following funding strategies:
 - 1) Cities and school districts with:
 - Assembly Bill (AB) 617 communities, including Years 1-5 recommended communities
 - Disadvantaged communities
 - 2) County emergency management authorities and disaster response organizations
- **Home Air Filtration Program**. This pilot program is a partnership with the Regional Asthma Management and Prevention (RAMP), a non-profit organization whose mission is health equity and reducing asthma burden. This program will provide portable air filtration units to Medi-Cal recipients in the Bay Area diagnosed with poorly controlled asthma and enrolled in the Asthma Mitigation Project, a statewide project to provide in-home asthma care services. The program will open in June 2021 with funding of up to \$100,000 focusing on patients living in Alameda, Contra Costa, San Francisco, San Mateo, Sonoma, and Santa Clara counties.
- **Red Cross Partnership** – The Air District is providing portable air filtration systems at wildfire evacuation centers.
- **Grants and Incentives** for Bay Area residents that have lost their homes to rebuild energy efficient homes that reduce climate impacts.
- **Chipping Pilot Program to reduce fuel loads and wildfire risks**. Properties can apply for free chipping services to dispose of material that otherwise would be allowed to be burned under Hazardous Material, Forest Management, or Wildland Vegetation Management fire types in accordance with Regulation 5, Open Burning. \$150,000 has been directed for this pilot program and there have been 6 applications since the program opened in February 2021.

While the presentation will focus on the Air District’s **Wildfire Air Quality Response Program**, staff will also briefly highlight efforts that support wildfire prevention.

Reducing Wildfire Risk

- *Regulation 5, Open Burning*. Amendments were passed in 2019 to complement statewide efforts to increase prescribed burning and help reduce wildfire risks. The amendments exempt public agencies from incurring Open Burning Fees when conducting prescribed burns for the purpose of wildfire prevention.

- *PFIRS Prescribed Fire Incident Reporting System*. Staff have adopted this system, which helps land management agencies and air quality managers connect to coordinate prescribed burns while minimizing local impacts to air quality.

The Air District also has developed resources to help inform the public before and during wildfire events. These resources include:

- *Wildfire Smoke Preparedness Tips* are available to help people prepare their home and family for smoke events. <https://www.baaqmd.gov/~media/files/communications-and-outreach/wildfire-materials/wildfire-preparedness-tips-pdf.pdf?la=en>
- *Guide to Air Quality Data Websites* provides an overview of websites with air quality data, including information about the data sources, how the data can be used, and links to additional information. <https://www.baaqmd.gov/~media/files/ab617-community-health/richmond/quarterly-report-documents/guide-to-air-quality-data-websites-pdf.pdf?la=en>

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

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