



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

**BOARD OF DIRECTORS
MEETING
April 19, 2023**

**MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY
BOARD MEMBERS AND MEMBERS OF THE PUBLIC**

Main Meeting Location:

**Bay Area Metro Center
1st Floor Board Room
375 Beale Street, San Francisco, CA 94105**

In-Person Remote Teleconference Location(s):

**Office of Contra Costa County Supervisor John Gioia
Conference Room
11780 San Pablo Ave., Suite D,
El Cerrito, CA 94530**

**County Administration Building
Board of Supervisors Conference Room - Suite 536
1221 Oak Street
Oakland, CA 94612**

**City of Palo Alto City Hall
250 Hamilton Ave., 7th Floor
Palo Alto, CA 94301**

**County of Santa Clara
New Conference Room
70 West Hedding St.
10th floor, East Wing
San Jose, California 95110**

**Santa Rosa Junior College Campus
Doyle Library, Room 148
1501 Mendocino Ave.
Santa Rosa, CA 95401**

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Board of Directors reserves the right to conduct the meeting without remote webcast and/or Zoom access.

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.

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/81175668221> , or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 811 7566 8221

BOARD OF DIRECTORS MEETING AGENDA

WEDNESDAY, APRIL 19, 2023
9:00 AM

Chairperson, John J. Bauters

1. **Call to Order - Roll Call**

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

2. **Pledge of Allegiance**

3. **Public Meeting Procedure**

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 a matter on the agenda will have two minutes each to address the Board on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.*

4. **Special Orders of the Day**

CONSENT CALENDAR (Items 5 - 13)

5. **Approval of the Minutes of the Board of Directors Meeting of April 5, 2023**

The Board will consider approving the attached draft minutes of the Board of Directors meeting of April 5, 2023.

6. **Board Communications Received from April 5, 2023 through April 18, 2023**

A copy of communications directed to the Board of Directors received by the Air District from April 5, 2023 through April 18, 2023, if any, will be distributed to the Board Members by way of email.

7. Personnel Out-of-State Business Travel Report for March 2023

In accordance with Division III, Section 5.4(b) of the Air District Administrative Code, the Board is hereby notified that the memorandum lists Air District personnel who have traveled on out-of-state business in the preceding months.

8. Authorization to Approve an Amendment to Renew Contract for Spare the Air Advertising and Messaging Campaigns

The Board of Directors will consider authorizing the Executive Officer/APCO to amend the existing contract with A+P to cover the FYE 2024 Spare the Air Campaigns' Advertising, Communications & Evaluation Services by an additional \$2,019,000 for FYE 2024, for a total contract amount not to exceed \$5,919,000.

9. Authorization of Contract to Secure Office, Shop, and Garage Space in Oakland

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract to lease office, shop, and garage space for the Meteorology & Measurement Division at 3421 Hollis St, Oakland, with a cost not to exceed \$760,000 over five years, not including utilities and to authorize the use of General Fund Reserves (\$198,000) to cover the first year of rent and fees in Oakland and the one-time costs related to this relocation.

10. Authorization to Amend Contract with Kearns & West, Inc.

The Board of Directors will consider authorizing the Executive Officer/APCO to amend the Master Services Agreement with Kearns & West, Inc. to increase the maximum dollar amount of the contract by \$255,500 – from \$95,000 to \$350,500 – for working group support and facilitation services.

11. Authorization to Issue a Credit Card to the Interim Chief Operating Officer

The Board of Directors will consider authorizing the issuance of a credit card to the Interim Chief Operating Officer.

12. Report of the Legislative Committee Meeting of April 5, 2023

The Board of Directors will receive a report of the Legislative Committee meeting of April 5, 2023, and will consider approval of the following recommendations by that Committee of positions and actions to take on the following legislation:

A. Air District-Sponsored Bills

1. **Co-Sponsor** Assembly Bill 1609 (Garcia) - Air pollution: motor vehicle registration: pollution reduction.

B. Discussion and Consideration of Brown Act Bills

1. **Support** Assembly Bill 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body.
2. **Support** Senate Bill 537 (Becker) – Open meetings: local agencies: teleconferences.

C. Consideration of New Bills

1. **Oppose** Assembly Bill 698 (Essayli) – Energy; Gas stoves.
2. **OpposeUnless Amended** Senate Bill 415 (Durazo) – Air quality: rules and regulations: socioeconomic impacts assessment.
3. **Work with Author** on Senate Bill 768 (Caballero)- California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.
4. **Support** Senate Bill 527 (Min) - Neighborhood Decarbonization Program.

13. Report of the Finance and Administration Committee Meeting of April 5, 2023

The Board of Directors will receive a report of the Finance and Administration Committee meeting of April 5, 2023.

ACTION ITEM(S)

14. Consider Taking 'Support' Position on Senate Bill 674

This is an action item for the Board to consider staff's recommendation of "Support" for Senate Bill (SB) 674 (Gonzalez) - Air pollution: refineries: community air monitoring systems: fence-line monitoring systems. This item will be presented by Alan Abbs, Legislative Officer.

15. Authorization of Actions to Support Organizational Restructuring; and Notice of Proposed Amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code Regarding Senior Management Classifications

This is an action item for the Board of Directors to consider approval of position classifications, reclassifications, and a salary resolution to support organizational restructuring in accordance with recommendations the Finance and Administration committee made on April 5, 2023. In addition, this item will provide notice that the Board will consider proposed amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code regarding senior management classifications to further support these organizational restructuring changes at its next Meeting on May 3, 2023. This item will be presented by Dr. Philip M. Fine, Executive Officer / Air Pollution Control Officer.

16. Online Permitting and Compliance System Status Update and Authorization to Execute Contract Amendments for The Office of My Air Online

This is an action item for the Board of Directors to receive the Online Permitting Billing and Compliance System Status Update and consider authorizing the Executive Officer/APCO to execute contract amendments for the office of My Air Online. This item will be presented by Blair L. Adams, Information Systems Officer.

OTHER BUSINESS

17. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Board of Directors. Members of the public will have two minutes each to address the Board, unless a different time limit is established by the Chair.

18. Board Member Comments

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)

19. Report of the Executive Officer/APCO

20. Chairperson's Report

21. Time and Place of Next Meeting

May 3, 2023, at 9:00 a.m., at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board members and members of the public will be able to either join in-person or via webcast.

CLOSED SESSION

22. Conference with Legal Counsel re Anticipated Litigation (Government Code Sections 54956.9(a) and (d)(2))

Pursuant to Government Code sections 54956.9(a) and (d)(2), the Board will meet in closed session with legal counsel to discuss a significant exposure to litigation, based on facts and circumstances not known to a potential plaintiff or plaintiffs: Four cases.

23. Conference With Legal Counsel re Existing Litigation (Government Code Section 54956.9(a))

Pursuant to Government Code Section 54956.9(a), the Board will meet in closed session with legal counsel to discuss the following cases:

Chevron U.S.A Inc. v. Bay Area Air Quality Management District, Contra Costa Superior Court Case No. MSN21-1739;

Martinez Refining Co. LLC v. Bay Area Air Quality Management District, Contra Costa Superior Court Case No. MSN21-1568;

The Athletics Investment Group, LLC v. Bay Area Air Quality Management District, Alameda County Superior Ct. No. 22CV010930; and

Communities for a Better Environment v. Bay Area Air Quality Management District and McWane Inc., Alameda Superior Court Case No. 22CV020451.

24. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Conference with Labor Negotiators

Pursuant to Government Code Section 54957.6

Agency Designated Representatives:

Laura A. Izon , Atkinson, Andelson, Loya, Ruud & Romo

John Chiladakis, Acting Chief Administrative Officer

Employee organization: BAAQMD Employees' Association

OPEN SESSION

25. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
yjohnson@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, Suma Peesapati, at (415) 749-4967 or by email at spesapati@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**

APRIL 2023

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	19	9:00 a.m.	1 st Floor Board Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	19	1:00 p.m.	1 st Floor Board Room

MAY 2023

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	3	9:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	3	1:00 p.m.	1 st Floor Board Room
Advisory Council Meeting	Monday	8	8:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source and Climate Impacts Committee	Wednesday	10	10:00 a.m.	1 st Floor, Yerba Buena and Ohlone Rooms
Board of Directors Mobile Source and Climate Impacts Committee	Wednesday	10	1:00 p.m.	1 st Floor, Yerba Buena and Ohlone Rooms
Board of Directors Meeting	Wednesday	17	9:00 a.m.	1 st Floor Board Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	17	1:00 p.m.	1 st Floor Board Room
Community Advisory Council	Thursday	18	6:00 pm.	Cal State University, East Bay Grand Lake and Merritt 1 Rooms 1000 Broadway, Suite 109 Oakland, CA 94607

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Approval of the Minutes of the Board of Directors Meeting of April 5, 2023

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors meeting of April 5, 2023.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors meeting of April 5, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Board of Directors Meeting of April 5, 2023

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

Board of Directors Regular Meeting
Wednesday, April 5, 2023

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, John J. Bauters, called the meeting to order at 9:04 a.m.

Roll Call:

Present, In-Person (375 Beale Street, Board Room, San Francisco, California, 94105): Chairperson John J. Bauters; Vice Chairperson Davina Hurt; and Directors Juan Gonzalez, Tyrone Jue, Sergio Lopez, Myrna Melgar, Katie Rice, and Shamann Walton.

Present, In-Person Satellite Location: (Office of Contra Costa County Supervisor John Gioia, Conference Room, 11780 San Pablo Avenue, Suite D, El Cerrito, California, 94530): Directors Joelle Gallagher, John Gioia, Mark Ross, and Steve Young.

Present, In-Person Satellite Location: (City of Palo Alto City Hall, 250 Hamilton Avenue, 7th Floor, Palo Alto, California, 94301): Directors Margaret Abe-Koga, Noelia Corzo, Otto Lee, Ray Mueller, and Vicki Veenker.

Present, In-Person Satellite Location: (Office of Alameda County Supervisor David Haubert, 4501 Pleasanton Avenue, Pleasanton, California, 94566): Director Nate Miley.

Present, In-Person Satellite Location: (Santa Rosa Junior College Campus, Doyle Library, Room 148, 1501 Mendocino Avenue, Santa Rosa, California, 95401): Secretary Lynda Hopkins; and Director Brian Barnacle.

Absent: Directors Ken Carlson, Erin Hannigan, David Haubert, and David Hudson.

2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC MEETING PROCEDURE**

4. **SPECIAL ORDERS OF THE DAY**

Chair Bauters congratulated Erin Kelly on her promotion to Air Quality Specialist 1 in the Air District's Compliance & Enforcement Division.

CONSENT CALENDAR (ITEMS 5 – 21)

5. Approval of the Minutes of the Board of Directors Special Meeting/Retreat of March 1, 2023 and the Board of Directors Meeting of March 15, 2023
6. Board Communications Received from February 15, 2023 through April 4, 2023
7. Personnel Out-of-State Business Travel Report for February 2023
8. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of February 2023
9. Quarterly Report of California Air Resources Board (CARB) Representative - Honorable Davina Hurt
10. Quarterly Report of the Executive Office and Division Activities for the Months of October 2022 - December 2022
11. Authorization to Execute a Contract Amendment with Renne Public Law Group
12. Authorization to Execute Contract with CallTower, Inc.
13. Authorization to Amend Contract with Pick-n-Pull, Clean Cars for All Program Dismantler
14. Authorization to Execute Contract Amendments with West Oakland Environmental Indicators Project, Beth Altshuler Muñoz Consulting, Inc., and RBA Creative, LLC
15. Report of the Community Equity, Health and Justice Committee Meeting of February 15, 2023
16. Report of the Legislative Committee Meeting of February 27, 2023
17. Report of the Richmond Area Community Emissions Reduction Plan Steering Committee Meeting of February 27, 2023
18. Report of the Stationary Source and Climate Impacts Committee Meeting of March 8, 2023
19. Report of the Mobile Source & Climate Impacts Committee Meeting of March 8, 2023
20. Report of the Community Advisory Council meeting of March 16, 2023
21. Report of the Community Equity, Health and Justice Committee Meeting of March 29, 2023

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Gonzalez made a motion, seconded by Director Melgar, to **approve** Consent Calendar Items 5 – 21, inclusive; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barnacle, Bauters, Corzo, Gallagher, Gioia, Gonzalez, Hopkins, Hurt, Jue, Lopez, Lee, Melgar, Miley, Mueller, Rice, Ross, Veenker, Walton, Young.
NOES: None.
ABSTAIN: None.
ABSENT: Carlson, Hannigan, Haubert, Hudson.

ACTION ITEM

22. **CONSIDER DISSOLVING THE PATH TO CLEAN AIR COMMUNITY STEERING COMMITTEE (CSC) APPOINTED BY RESOLUTION NO. 2021-02**

Dr. Wendy Goodfriend, Acting Director of the Planning and Climate Protection Division, introduced one of the Co-Chairpersons of the Richmond Area Path to Clean Air CSC, Alfredo Angulo, who gave the presentation *Vote to Dissolve the Path to Clean Air CSC Appointed by Resolution No. 2021-02 to Allow for the Creation of a New, Non-Board-Appointed Steering Committee with a Community-Led Governance Structure*. Slides included: outcome; outline; requested action; overview of CSC governance; CSC member concerns; CSC votes to recommend dissolution; overview of plans for a community-governed CSC; process and timeline; reconfiguration of CSC; creating a new charter; approval of new charter; and feedback requested/prompt.

In addition, Deldi Reyes, Director of the Office of Community Air Protection at CARB, gave remarks regarding the governance styles of AB 617 CSCs in other parts of the state.

Public Comments

Public comments were given by Nancy Peace Aguirre, Richmond Area Path to Clean Air Community Steering Committee member.

Board Comments

The Board and staff discussed appreciation of the CSC's desire to retain best practices of the Ralph M. Brown Act, to keep votes of the reconfigured CSC transparent, and the request that the proposed ground rules of the reconfigured CSC be reviewed by the Board's Community Equity, Health, and Justice Committee; whether dissolution of the current CSC is the only way to remove its the Ralph M. Brown Act requirements; ways in which the Board would be associated the (future) actions of the reconfigured CSC; the desire to ensure diversification of membership of the reconfigured CSC; whether the Board would be able to reimpose Ralph M. Brown Act requirements on the reconfigured CSC; and the format of the reconfigured CAC's meetings (in person, virtual, or hybrid).

Board Action

Director Gioia made a motion, seconded by Director Gonzalez, to **dissolve** the Richmond Area Path to Clean Air Community Steering Committee, appointed by Resolution No. 2021-02, allowing members of the communities of Richmond, North Richmond, and San Pablo to set up a new steering committee, with a community-led governance structure, to lead the development of the AB 617 Community Emission Reduction Plan for these communities; and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barnacle, Bauters, Corzo, Gallagher, Gioia, Gonzalez, Hopkins, Hurt, Jue, Lopez, Lee, Melgar, Miley, Mueller, Rice, Ross, Veenker, Walton, Young.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Carlson, Hannigan, Haubert, Hudson.

OTHER BUSINESS

23. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

24. BOARD MEMBER COMMENTS

Vice Chair Hurt announced that there will be a joint meeting of the California Transportation Commission, CARB, and the California Department of Housing & Community Development on April 6, 2023, at 10:00 a.m. Items for discussion will include roadway pricing, the upcoming Regional Housing Needs Allocation, and interagency coordination.

Director Gioia announced that he met with members of Congress and Department of Energy staff in Washington DC last week, in his capacity as a Marin Clean Energy Board member, and emphasized the need for funding building electrification. He also mentioned the Board's recent adoption of the amendments to Regulations 9-4 and 9-6 and received positive responses.

25. REPORT OF THE EXECUTIVE OFFICER/AIR POLLUTION CONTROL OFFICER (APCO)

Dr. Philip M. Fine, Executive Officer/APCO, reported that the Board's new Finance and Administration Committee, a consolidation of the Board's former Administration and Budget & Finance Committees, will meet for the first time on April 5, 2023, at 1:00 p.m. An item to be discussed at that meeting will be Recommend Authorization of Position Classifications to Support Organizational Restructuring, which would authorize position classifications, reclassifications, salary resolution and corresponding amendments to the Administrative Code that are shown in the attachments to support organizational restructuring. Sjoberg Evashenk, the firm that has been providing ongoing management audit services that span the Air District's business functions, approves of the proposed restructuring. This proposal will be considered by the Board in May.

26. CHAIRPERSON'S REPORT

Chair Bauters reported that the Air District is currently offering four In-Person Remote Teleconference Locations in the cities of El Cerrito, Palo Alto, Pleasanton, and Santa Rosa. Board members and members of the public may attend Board and committee meetings from these locations, as part of a pilot program, and later in the year, the efficacy of retaining these spaces will be reviewed.

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

Wednesday, April 19, 2023, at 9:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board members and members of the public will be able to either join in-person or via webcast.

CLOSED SESSION (9:46 a.m.)

28. **CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

*Conference with Labor Negotiators
Pursuant to Government Code Section 54957.6
Agency Designated Representatives:
Laura A. Izon , Atkinson, Andelson, Loya, Ruud & Romo
John Chiladakis, Acting Chief Administrative Officer
Employee organization: BAAQMD Employees' Association*

REPORTABLE ACTION: Chair Bauters had nothing to report.

29. **PUBLIC EMPLOYEE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1)**

Title: District Counsel

REPORTABLE ACTION: Chair Bauters had nothing to report.

OPEN SESSION (10:49 a.m.)

30. **ADJOURNMENT**

The meeting was adjourned at 10:49 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Board Communications Received from April 5, 2023 through April 18, 2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 5, 2023 through April 18, 2023, if any, will be distributed to the Board members by way of email.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marjorie Villanueva

Reviewed by: Vanessa Johnson

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Personnel Out-of-State Business Travel Report for March 2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In accordance with Division III, Section 5.4(b) of the District's Administrative Code, the Board is hereby notified of District personnel who have traveled on out-of-state business. The report covers out-of-state business travel for the month of March 2023. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

There were no out-of-state business travel activities in the month of March 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Michelle Hutson
Reviewed by: Stephanie Osaze

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Authorization to Approve an Amendment to Renew Contract for Spare the Air
Advertising and Messaging Campaigns

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to amend the existing contract with Allison + Partners (A+P) to extend the term of the contract for one year to cover the Fiscal Year Ending (FYE) 2024 Spare the Air Campaigns’ Advertising, Communications & Evaluation Services, and to increase the maximum contract amount by \$2,019,000, to \$5,919,000 for the three years FYE 2022, FYE 2023 and FYE 2024.

BACKGROUND

The Air District’s Communications Office relies on contractors to assist with various aspects of its advertising and outreach programs. The Communications Office completed a Request for Proposal (RFP) process in December 2020 to solicit responses for the following services: Advertising, Media Relations, Social Media, Public Opinion Surveys and Employer Outreach services. Air District Communications Office representatives and a Metropolitan Transportation Commission staff member reviewed the applications and conducted firm interviews. Allison+Partners (A+P) was the selected contractor.

In March 2021, the Board approved a three-year engagement with Allison + Partners. The Air District initially entered into a one-year contract with funding not to exceed \$1,950,000 during Fiscal Year Ending FYE 2022. The term of that contract was extended to a second year with funding not to exceed \$1,950,000 during FYE 2023. Now, the Air District is seeking to extend the contract for a third year with funding not-to-exceed \$2,019,000 for FYE 2024.

- Spare the Air Summer Campaign
 1. Advertising \$600,000
 2. Media Relations \$200,000
 3. Social Media \$75,000
 4. Employer Program \$200,000
 5. Public Opinion Surveys \$50,000

Spare the Air Winter Campaign

1. Advertising \$600,000
2. Media Relations \$100,000
3. Social Media \$75,000
4. Public Opinion Surveys \$50,000
5. In-Language Option Surveys \$69,000

DISCUSSION

Staff is recommending Board approval to amend the existing contract with A+P to cover the FYE 2024 Spare the Air Campaigns' Advertising, Communications & Evaluation Services in an amount not to exceed \$2,019,000 for FYE 2024.

In the previous contract year, A+P satisfied all Air District requirements. A+P participated in bi-monthly status meetings to highlight ongoing and new work. A+P is thorough and timely in executing projects, making recommendations, and performing required tasks. A new RFP for the Spare the Air campaign will be posted at the end of 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the \$2,109,000 increase to the vendor contract recommendations is included in the FYE 2023 and FYE 2024 budgets and comes from the following sources:

Spare the Air Every Day

- Congestion Mitigation Air Quality (CMAQ) - \$925,000
- Transportation Fund for Clean Air (TFCA) - \$200,000

Spare the Air Winter

- General Fund - \$894,000

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Kristina Chu
Reviewed by: Kristine Roselius

ATTACHMENTS:

1. Executed Contract Agreement Contract No. 2021.031 - Allison & Partners, LLC
2. Draft Amendment 2 Contract No. 2021.31 - Allison & Partners, LLC

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

MASTER SERVICES CONTRACT

CONTRACT NO. 2021.031

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 **Allison & Partners LLC** (“CONTRACTOR”) whose address is 40 Gold Street, San Francisco, CA 94133.

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. Work to be performed by CONTRACTOR under this Contract will be funded in part with federal funding from the Congestion Mitigation and Air Quality (“CMAQ”) Improvement Program provided by the Federal Highway Administration (“FHWA”) and administered by the California Department of Transportation (“CALTRANS”).
 - C. Work to be performed by CONTRACTOR under this Contract will also be funded in part by funds from DISTRICT’s Transportation Fund for Clean Air (“TFCA”).
 - D. 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, 2021 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 heretoor 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 \$1,950,000. 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: Kristina Chu

CONTRACTOR: Allison & Partners LLC
40 Gold Street
San Francisco, CA 94133
Attn: Meghan Curtis

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.

31. FEDERAL FUNDING REQUIREMENTS

A. Non-Discrimination and Statement of Compliance

- i) CONTRACTOR's signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that CONTRACTOR has, unless exempt, complied with the nondiscrimination program requirements of Gov. Code §12990 and 2 CCR § 8103.
- ii) During the performance of this Contract, CONTRACTOR and its subcontractors shall not deny the Contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. CONTRACTOR and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- iii) CONTRACTOR and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 et seq.), the applicable regulations promulgated there under (2 CCR §11000 et seq.), the provisions of Gov. Code §§11135- 11139.5, and the regulations or standards adopted by DISTRICT to implement such article. The applicable regulations of the Fair Employment and Housing Commission implementing Gov. Code §12990 (a-f), set forth 2 CCR §§8100-8504, are incorporated into this Contract by reference and made a part hereof as if set forth in full.
- iv) CONTRACTOR shall permit access by representatives of the Department of Fair Employment and Housing and the DISTRICT upon reasonable notice at any time during the normal business hours, but in no case less than twenty-four (24) hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or DISTRICT shall require to ascertain compliance with this clause.
- v) CONTRACTOR and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- vi) CONTRACTOR shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Contract.
- vii) CONTRACTOR, with regard to the work performed under this Contract, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- viii) CONTRACTOR shall comply with regulations relative to non-discrimination in federally assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONTRACTOR shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subcontractors.

ix) CONTRACTOR, subrecipient or subcontractor will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR26 on the basis of race, color, sex, or national origin. In administering the DISTRICT components of the Disadvantaged Business Enterprises (DBE) Program Plan, CONTRACTOR, subrecipient or subcontractor will not, directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE Program Plan with respect to individuals of a particular race, color, sex, or national origin.

B. Cost Principles and Administrative Requirements

- i) CONTRACTOR agrees that 48 CFR Part 31, Contract Cost Principles and Procedures, shall be used to determine the allowability of individual terms of cost.
- ii) CONTRACTOR also agrees to comply with Federal procedures in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- iii) Any costs for which payment has been made to the CONTRACTOR that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by CONTRACTOR to DISTRICT.
- iv) When a CONTRACTOR or subcontractor is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

C. Contingent Fee - CONTRACTOR warrants, by execution of this Contract that no person or selling agency has been employed, or retained, to solicit or secure this Contract upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, DISTRICT has the right to annul this Contract without liability; pay only for the value of the work actually performed, or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

D. Retention of Records/Audits - For the purpose of determining compliance with Gov. Code § 8546.7, the CONTRACTOR, subcontractors, and DISTRICT shall maintain all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the Contract including, but not limited to, the costs of administering the Contract. All parties, including the CONTRACTOR's Independent CPA, shall make such workpapers and materials available at their respective offices at all reasonable times during the Contract period and for three (3) years from the date of final payment under the Contract. DISTRICT, Caltrans Auditor, FHWA, or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of the CONTRACTOR, subcontractors, and the CONTRACTOR's Independent CPA, that are pertinent to the Contract for audits, examinations, workpaper review, excerpts, and transactions, and copies thereof shall be furnished if requested without limitation.

E. Subcontracting

- i) Nothing contained in this Contract or otherwise, shall create any contractual relation

between DISTRICT and any subcontractors, and no subcontract shall relieve the CONTRACTOR of its responsibilities and obligations hereunder. CONTRACTOR agrees to be as fully responsible to the DISTRICT for the acts and omissions of its subcontractors 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 CONTRACTOR. CONTRACTOR's obligation to pay its subcontractors is an independent obligation from the DISTRICT's obligation to make payments to the CONTRACTOR.

- ii) CONTRACTOR shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by DISTRICT Contract Administrator, except that which is expressly identified in the CONTRACTOR's approved Cost Proposal.
- iii) Any subcontract entered into as a result of this Contract, shall contain all the provisions stipulated in this entire Contract to be applicable to subcontractors unless otherwise noted.
- iv) CONTRACTOR shall pay its subcontractors within Fifteen (15) calendar days from receipt of each payment made to CONTRACTOR by DISTRICT.
- v) Any substitution of subcontractors must be approved in writing by DISTRICT Contract Administrator in advance of assigning work to a substitute subcontractor.
- vi) Prompt Progress Payment - CONTRACTOR or subcontractor shall pay to any subcontractor, not later than fifteen (15) days after receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed CONTRACTOR on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from CONTRACTOR or subcontractor to a subcontractor, CONTRACTOR or subcontractor may withhold no more than 150 percent of the disputed amount. Any violation of this requirement shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per month for every month that payment is not made. In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs. The sanctions authorized under this requirement shall be separate from, and in addition to, all other remedies, either civil, administrative, or criminal. This clause applies to both DBE and non-DBE subcontractors.
- vii) Prompt Payment of Withheld Funds to Subcontractors - DISTRICT may hold retainage from CONTRACTOR and shall make prompt and regular incremental acceptances of portions, as determined by DISTRICT, of the contract work, and pay retainage to CONTRACTOR based on these acceptances. DISTRICT has designated the method below to ensure prompt and full payment of any retainage kept by CONTRACTOR or subcontractor to a subcontractor.
 - a. No retainage will be held by DISTRICT from progress payments due to CONTRACTOR. Any retainage kept by CONTRACTOR or by a subcontractor must be paid in full to the earning subcontractor within 15 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment may take place only for good cause and with the DISTRICT's prior written approval. Any violation of these provisions shall subject the violating CONTRACTOR or subcontractor to the penalties, sanctions, and remedies

specified in Section 3321 of the California Civil Code. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to CONTRACTOR or subcontractor in the event of a dispute involving late payment or nonpayment by CONTRACTOR, deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

F. Equipment Purchase and Other Capital Expenditures

- i) Prior authorization in writing by DISTRICT's Contract Administrator shall be required before CONTRACTOR enters into any unbudgeted purchase order, or subcontract exceeding five thousand dollars (\$5,000) for supplies, equipment, or CONTRACTOR services. CONTRACTOR shall provide an evaluation of the necessity or desirability of incurring such costs.
- ii) For purchase of any item, service, or consulting work not covered in CONTRACTOR's approved Cost Proposal and exceeding five thousand dollars (\$5,000), with prior authorization by DISTRICT's Contract Administrator, three competitive quotations must be submitted with the request, or the absence of proposal must be adequately justified.
- iii) Any equipment purchased with funds provided under the terms of this Contract is subject to the following:
 - a. CONTRACTOR shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of five thousand dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, DISTRICT shall receive a proper refund or credit at the conclusion of the Contract, or if the Contract is terminated, CONTRACTOR may either keep the equipment and credit DISTRICT in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established DISTRICT procedures; and credit DISTRICT in an amount equal to the sales price. If CONTRACTOR elects to keep the equipment, fair market value shall be determined at CONTRACTOR's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by DISTRICT and CONTRACTOR, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by DISTRICT.
 - b. Regulation 2 CFR Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than five thousand dollars (\$5,000) is credited to the project.

G. Rebates, Kickbacks or Other Unlawful Consideration - CONTRACTOR warrants that this Contract was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any DISTRICT employee. For breach or violation of this warranty, DISTRICT shall have the right, in its discretion, to terminate this Contract without liability, to pay only for the value of the work actually performed, or to deduct from this Contract price or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

H. State Prevailing Wage Rates for Public Works Projects

- i) No contractor or subcontractor may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code §1725.5. Registration with DIR must be maintained throughout the entire

term of this Contract, including any subsequent amendments.

- ii) CONTRACTOR shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determinations applicable to work under this Contract are available and on file with the Department of Transportation's Regional/District Labor Compliance Officer (<https://dot.ca.gov/programs/construction/labor-compliance>). These wage rates are made a specific part of this Contract by reference pursuant to Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at DISTRICT construction sites, at DISTRICT facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve DISTRICT projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.
- iii) General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations website at <http://www.dir.ca.gov>.
- iv) Payroll Records
 - a. CONTRACTOR and subcontractor shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by CONTRACTOR or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
 - The information contained in the payroll record is true and correct.
 - The employer has complied with the requirements of Labor Code §1771, §1811, and §1815 for any work performed by his or her employees on the public works project.
 - b. The payroll records enumerated under paragraph (i) above shall be certified as correct by CONTRACTOR under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by DISTRICT representatives at all reasonable hours at the principal office of CONTRACTOR. CONTRACTOR shall provide copies of certified payrolls or permit inspection of its records as follows:
 - A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.
 - A certified copy of all payroll records enumerated in paragraph (a) above, shall be made available for inspection or furnished upon request to a representative of DISTRICT, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations. Certified payrolls submitted to DISTRICT, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall

- not be altered or obliterated by CONTRACTOR.
- The public shall not be given access to certified payroll records by CONTRACTOR. CONTRACTOR is required to forward any requests for certified payrolls to DISTRICT's Contract Administrator by both email and regular mail on the business day following receipt of the request.
- c. CONTRACTOR shall submit a certified copy of the records enumerated in paragraph (a) above, to the entity that requested the records within ten (10) calendar days after receipt of a written request.
 - d. Any copy of records made available for inspection as copies and DISTRICT AGENCY shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the CONTRACTOR or subcontractor performing the work shall not be marked or obliterated.
 - e. CONTRACTOR shall inform DISTRICT of the location of the records enumerated under paragraph (a) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.
 - f. CONTRACTOR or subcontractor shall have ten (10) calendar days in which to comply subsequent to receipt of written notice requesting the records enumerated in paragraph (a) above. In the event the CONTRACTOR or subcontractor fails to comply within the ten (10) day period, he or she shall, as a penalty to DISTRICT, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by DISTRICT from payments then due. CONTRACTOR is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.
- v) When prevailing wage rates apply, CONTRACTOR is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the DISTRICT Contract Administrator.
 - vi) Penalty
 - a. CONTRACTOR and any of its subcontractor shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, CONTRACTOR and any subcontractor shall forfeit to DISTRICT a penalty of not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the Contract by the CONTRACTOR or by its subcontractor in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.
 - b. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONTRACTOR or subcontractor in failing to pay the correct rate of prevailing wages, or the previous record of the CONTRACTOR subcontractor in meeting their respective prevailing wage obligations, or the willful failure by CONTRACTOR or subcontractor to pay the correct rates of prevailing wages. A

mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if CONTRACTOR or subcontractor had knowledge of the obligations under the Labor Code. CONTRACTOR is responsible for paying the appropriate rate, including any escalations that take place during the term of the Contract.

- c. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONTRACTOR or subcontractor.
- d. If a worker employed by a subcontractor on a public works project is not paid the general prevailing per diem wages by the subcontractor, the prime contractor of the project is not liable for the penalties described above unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:
 - The Contract executed between CONTRACTOR and the subcontractor for the performance of work on public works projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.
 - CONTRACTOR shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees by periodic review of the certified payroll records of the subcontractor.
 - Upon becoming aware of the subcontractor's failure to pay the specified prevailing rate of wages to the subcontractor's workers, CONTRACTOR shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.
 - Prior to making final payment to the subcontractor for work performed on the public works project, CONTRACTOR shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor had paid the specified general prevailing rate of per diem wages to the subcontractor's employees on the public works project and any amounts due pursuant to Labor Code §1813.
- e. Pursuant to Labor Code §1775, DISTRICT shall notify CONTRACTOR on a public works project within fifteen (15) calendar days of receipt of a complaint that a Subconsultant has failed to pay workers the general prevailing rate of per diem wages.
- f. If DISTRICT determines that employees of a subcontractor were not paid the general prevailing rate of per diem wages and if DISTRICT did not retain sufficient money under the Contract to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, CONTRACTOR shall withhold an amount of moneys due the subcontractor

sufficient to pay those employees the general prevailing rate of per diem wages if requested by DISTRICT.

g. Hours of Labor - Eight (8) hours labor constitutes a legal day's work. CONTRACTOR shall forfeit, as a penalty to the DISTRICT, twenty-five dollars (\$25) for each worker employed in the execution of the Contract by CONTRACTOR or any of its subcontractors for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

h. Employment of Apprentices

- Where either the prime Contract or the subcontract exceeds thirty thousand dollars (\$30,000), CONTRACTOR and any subcontractors under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.
- CONTRACTOR and subcontractors are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory ratios of journey level to apprentice workers. Prior to commencement of work, CONTRACTOR and subcontractors are advised to contact the DIR Division of Apprenticeship Standards website at <https://www.dir.ca.gov/das/>, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the Contract work. CONTRACTOR is responsible for all subcontractors' compliance with these requirements. Penalties are specified in Labor Code §1777.7.

I. Prohibition of Expending DISTRICT, State, or Federal Funds for Lobbying

i) CONTRACTOR certifies, to the best of his or her knowledge and belief, that:

- a. No State, Federal, or DISTRICT appropriated funds have been paid or will be paid, by or on behalf of the CONTRACTOR, to any person for influencing or attempting to influence an officer or employee of any local, State, or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding or making of this Contract, or with the extension, continuation, renewal, amendment, or modification of this Contract.
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Contract, the CONTRACTOR shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- ii) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each such failure.
- iii) CONTRACTOR also agrees by signing this document that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed one hundred thousand dollars (\$100,000), and that all such subrecipients shall certify and disclose accordingly.

J. Debarment and Suspension Certification

- i) CONTRACTOR's signature affixed herein shall constitute a certification under penalty of perjury under the laws of the State of California, that the CONTRACTOR or any person associated therewith in the capacity of owner, partner, director, officer or manager:
 - a. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
 - b. Has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years;
 - c. Does not have a proposed debarment pending; and
 - d. Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- ii) Any exceptions to this certification must be disclosed to DISTRICT. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining responsibility. Disclosures must indicate the party to whom the exceptions apply, the initiating agency, and the dates of agency action.
- iii) Exceptions to the Federal Government Excluded Parties List System maintained by the U.S. General Services Administration are to be determined by FHWA.

K. Disadvantaged Business Enterprises Participation

- i) CONTRACTOR, DISTRICT, or subcontractor shall take necessary and reasonable steps to ensure that DBEs have opportunities to participate in the contract (49 CFR 26). To ensure equal participation of DBEs provided in 49 CFR 26.5, DISTRICT shows a contract goal for DBEs. CONTRACTOR shall make work available to DBEs and select work parts consistent with available DBE subcontractors and suppliers. CONTRACTOR shall meet the DBE goal shown elsewhere in these special provisions or demonstrate that they made adequate good faith efforts to meet this goal. It is CONTRACTOR's responsibility to verify that the DBE firm is certified as DBE at date of proposal opening and document the record by printing out the California Unified Certification Program (CUCP) data for each DBE firm. A list of DBEs certified by the CUCP can be found [here](#). All DBE participation will count toward the California Department of Transportation's federally mandated statewide overall DBE goal. Credit for materials or supplies CONTRACTOR purchases from DBEs counts towards the goal in the following manner:
 - a. 100 percent counts if the materials or supplies are obtained from a DBE manufacturer.
 - b. 60 percent counts if the materials or supplies are purchased from a DBE regular dealer.

- c. Only fees, commissions, and charges for assistance in the procurement and delivery of materials or supplies count if obtained from a DBE that is neither a manufacturer nor regular dealer. 49CFR26.55 defines "manufacturer" and "regular dealer."
- ii) This Contract is subject to 49 CFR Part 26 entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs". Contractors who enter into a federally-funded agreement will assist DISTRICT in a good faith effort to achieve California's statewide overall DBE goal.
- iii) The goal for DBE participation for this Contract is 15%. Participation by DBE CONTRACTOR or subcontractor shall be in accordance with information contained in [Exhibit 10-O1: Consultant Proposal DBE Commitment](#), or in [Exhibit 10-O2: Consultant Contract DBE Commitment](#) hyperlinked hereto and incorporated as part of the Contract. If a DBE subcontractor is unable to perform, CONTRACTOR must make a good faith effort to replace him/her with another DBE subcontractor, if the goal is not otherwise met.
- iv) CONTRACTOR can meet the DBE participation goal by either documenting commitments to DBEs to meet the Contract goal, or by documenting adequate good faith efforts to meet the Contract goal. An adequate good faith effort means that the CONTRACTOR must show that it took all necessary and reasonable steps to achieve a DBE goal that, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to meet the DBE goal. If CONTRACTOR has not met the DBE goal, complete and submit [Exhibit 15-H: DBE Information – Good Faith Efforts](#) to document efforts to meet the goal. Refer to 49 CFR Part 26 for guidance regarding evaluation of good faith efforts to meet the DBE goal.
- v) Contract Assurance - Under 49 CFR 26.13(b), CONTRACTOR, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. CONTRACTOR shall carry out applicable requirements of 49 CFR 26 in the award and administration of federal-aid contracts. Failure by the CONTRACTOR to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying CONTRACTOR from future proposing as non-responsible.
- vi) Termination and Substitution of DBE subcontractors - CONTRACTOR shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless CONTRACTOR or DBE subcontractor obtains the DISTRICT's written consent. CONTRACTOR shall not terminate or substitute a listed DBE for convenience and perform the work with their own forces or obtain materials from other sources without authorization from the DISTRICT. Unless the DISTRICT's consent is provided, CONTRACTOR shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE on the [Exhibit 10-O2 Consultant Contract DBE Commitment](#) form. DISTRICT authorizes a request to use other forces or sources of materials if CONTRACTOR shows any of the following justifications:
- a. Listed DBE fails or refuses to execute a written contract based on plans and specifications for the project.
 - b. DISTRICT stipulated that a bond is a condition of executing the subcontract and the listed DBE fails to meet the DISTRICT's bond requirements.

- c. Work requires a consultant's license and listed DBE does not have a valid license under Contractors License Law.
- d. Listed DBE fails or refuses to perform the work or furnish the listed materials (failing or refusing to perform is not an allowable reason to remove a DBE if the failure or refusal is a result of bad faith or discrimination).
- e. Listed DBE's work is unsatisfactory and not in compliance with the contract.
- f. Listed DBE is ineligible to work on the project because of suspension or debarment.
- g. Listed DBE becomes bankrupt or insolvent.
- h. Listed DBE voluntarily withdraws with written notice from the Contract.
- i. Listed DBE is ineligible to receive credit for the type of work required.
- j. Listed DBE owner dies or becomes disabled resulting in the inability to perform the work on the Contract.
- k. DISTRICT determines other documented good cause.

CONTRACTOR shall notify the original DBE of the intent to use other forces or material sources and provide the reasons and provide the DBE with 5 days to respond to the notice and advise CONTRACTOR and DISTRICT of the reasons why the use of other forces or sources of materials should not occur. CONTRACTOR's request to use other forces or material sources must include:

- a. One or more of the reasons listed in the preceding paragraph.
- b. Notices from CONTRACTOR to the DBE regarding the request.
- c. Notices from the DBEs to CONTRACTOR regarding the request.

If a listed DBE is terminated or substituted, CONTRACTOR must make good faith efforts to find another DBE to substitute for the original DBE. The substitute DBE must perform at least the same amount of work as the original DBE under the contract to the extent needed to meet or exceed the DBE goal.

- vii) Commitment and Utilization - DISTRICT's DBE program must include a monitoring and enforcement mechanism to ensure that DBE commitments reconcile to DBE utilization. DISTRICT shall request CONTRACTOR to:
- a. Notify the DISTRICT's contract administrator or designated representative of any changes to its anticipated DBE participation
 - b. Provide this notification before starting the affected work
 - c. Maintain records including:
 - Name and business address of each 1st-tier subconsultant
 - Name and business address of each DBE subconsultant, DBE vendor, and DBE trucking company, regardless of tier
 - Date of payment and total amount paid to each business (see [Exhibit 9-F Monthly Disadvantaged Business Enterprise Payment](#))

If CONTRACTOR is a DBE contractor, they shall include the date of work performed by their own forces and the corresponding value of the work. If a DBE is decertified before completing its work, the DBE must notify CONTRACTOR in writing of the decertification date. If a business becomes a certified DBE before completing its work, the business must notify CONTRACTOR in writing of the certification date. CONTRACTOR shall submit the notifications to DISTRICT. On work completion, CONTRACTOR shall complete [Exhibit 17-O](#)

[Disadvantaged Business Enterprises \(DBE\) Certification Status Change](#) form and submit the form to the DISTRICT within 30 days of contract acceptance. Upon work completion, CONTRACTOR shall complete [Exhibit 17-F Final Report – Utilization of Disadvantaged Business Enterprises \(DBE\), First-Tier Subcontractors](#) and submit it to the DISTRICT within 90 days of contract acceptance. DISTRICT will withhold \$10,000 until the form is submitted. DISTRICT will release the withhold upon submission of the completed form. In the DISTRICT's reports of DBE participation to Caltrans, DISTRICT must display both commitments and attainments.

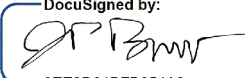
- viii) A DBE is only eligible to be counted toward the Contract goal if it performs a Commercially Useful Function (CUF) on the Contract. CUF must be evaluated on a contract by contract basis. A DBE performs a CUF when it is responsible for execution of the work of the Contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible, with respect to materials and supplies used on the Contract, for negotiating price, determining quality and quantity, ordering the material and installing (where applicable), and paying for the material itself. To determine whether a DBE is performing a CUF, evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the Contract is commensurate with the work it is actually performing, and other relevant factors.
- ix) A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, Contract, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, examine similar transactions, particularly those in which DBEs do not participate.
- x) If a DBE does not perform or exercise responsibility for at least thirty percent (30%) of the total cost of its Contract with its own work force, or the DBE subcontracts a greater portion of the work of the Contract than would be expected on the basis of normal industry practice for the type of work involved, it will be presumed that it is not performing a CUF.
- xi) CONTRACTOR shall maintain records of materials purchased or supplied from all subcontracts entered into with certified DBEs. The records shall show the name and business address of each DBE or vendor and the total dollar amount actually paid each DBE or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE prime CONTRACTOR's shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.
- xii) If a DBE subcontractor is decertified during the life of the Contract, the decertified subcontractor shall notify CONTRACTOR in writing with the date of decertification. If a subcontractor becomes a certified DBE during the life of the Contract, the subcontractor shall notify CONTRACTOR in writing with the date of certification. Any changes should be reported to DISTRICT within thirty (30) calendar days.
- xiii) After submitting an invoice for reimbursement that includes a payment to a DBE, but no later than the 10th of the following month, CONTRACTOR shall complete and email the [Exhibit 9-F: Disadvantaged Business Enterprise Running Tally of Payments](#) to business.support.unit@dot.ca.gov with a copy to DISTRICT at kchu@baaqmd.gov.
- xiv) Any subcontract entered into as a result of this Contract shall contain all of the provisions

of this section.

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

ALLISON & PARTNERS LLC

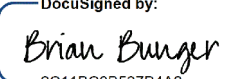
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Jack P. Broadbent
Executive Officer/APCO

By:  _____
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Meghan Curtis
General Manager

Date: 4/26/2021

Date: 4/19/2021

Approved as to form:
District Counsel

By:  _____
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Brian C. Bunger
District Counsel

Attachment A

General Description of Services

CONTRACTOR shall provide advertising, communications, and public outreach services in support of DISTRICT's Spare the Air Campaigns, the overall objectives of which is to continue to inform and motivate Bay Area residents and businesses to take actions on a continual basis that improve air quality. The work may include the following tasks to achieve those objectives:

A. Comprehensive Spare the Air Communications Strategy

CONTRACTOR will work with the DISTRICT to develop a Comprehensive Spare the Air Communications Strategy that outlines key objectives to meet the goals of the DISTRICT. This plan will include messaging and marketing strategies that will guide implementation; a listing and schedule of activities; and identify key milestones for reporting and evaluation. The Comprehensive Communications Strategy will be inclusive of:

- Creative
- Media Buy
- Media Relations
- Social Media
- Employer Program
- Public Opinion Surveys
- In-Language Survey

B. Spare the Air Campaigns and Employer Program

CONTRACTOR will implement the Spare the Air summer and winter campaigns and the Spare the Air Employer Program. Major tasks include:

- CONTRACTOR will create, design and produce advertising campaign materials to assist the DISTRICT in meeting overall campaign objectives, as outlined in the Comprehensive Communications Strategy. CONTRACTOR will present draft creative to DISTRICT for approval prior to the commencement of production.
- CONTRACTOR will negotiate and execute a Media Buy for the DISTRICT to reach the audiences identified in the Comprehensive Communications Strategy. CONTRACTOR will present the draft media plan to DISTRICT for approval prior to the execution of the media buy.
- CONTRACTOR will design Media Relations plans at the commencement of each program which will incorporate messaging, pitch ideas, and Social Media outreach. CONTRACTOR will work with DISTRICT to create an outreach timeline with clear guidelines and protocols for engagement with the media through a series of local and regional events and pitches; and with the public through social media platforms. The Media Relations plan and Social Media outreach will be aligned with the outreach and messaging for the Employer Program and its key activities.
- CONTRACTOR will continue to implement the Spare the Air Employer Program to disseminate air quality information to Bay Area employers as well as to build a network of employers who will actively participate in the Spare the Air program. CONTRACTOR will work with the DISTRICT to recruit new employers, actively engage with employers and work to improve and enhance the program.

C. Public Opinion Surveys

CONTRACTOR will coordinate with the DISTRICT to develop and deliver a research plan that measures baseline awareness and ongoing awareness at key milestones to be determined by the DISTRICT.

D. In-Language Survey

CONTRACTOR will coordinate with DISTRICT and its contractor, True North Research, Inc., to develop and deliver an in-language survey to measure ongoing awareness at key milestones to be determined by DISTRICT. In the third year alone of this contract, CONTRACTOR will also coordinate and conduct in-language surveys in Spanish, Mandarin and Cantonese as a follow-up to the in-language surveys conducted in previous years for the Spare the Air winter campaign.

Hourly Rates

CONTRACTOR will bill DISTRICT for the work completed under this Contract at the following hourly rates:

Staff Level	Hourly Rate
Partner	\$400.00/hr
Executive Vice President	\$325.00/hr
Senior Vice President	\$310.00/hr
Vice President	\$250.00/hr
Director	\$210.00/hr
Account Manager	\$190.00/hr
Senior Account Executive	\$175.00/hr
Account Executive	\$150.00/hr
Assistant Account Executive	\$125.00/hr
Account Coordinator	\$110.00/hr

AMENDMENT NO. 2 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2021.031

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, April 4, 2023, and consists of 3 pages.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Allison & Partners, LLC** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for advertising, communications, and public outreach services for DISTRICT's Spare the Air Campaigns (the "Contract"), which Contract was executed on behalf of CONTRACTOR on April 19, 2021, and on behalf of DISTRICT on April 26, 2021.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated May 4, 2022, for reference purposes only, to amend the term and total cost of the Contract.
3. The PARTIES seek to further amend the term and the total cost of the Contract because 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 and new term end date.
4. The PARTIES also seek to amend the Federal Funding Requirements of the Contract to add additional terms and conditions required for federally funded projects.
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 Section 5, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph C of Section 9, "Agreement to Provide Services," of the Contract to replace "\$1,950,000 from July 1, 2021 – June 30, 2022 and \$1,950,000 from July 1, 2022 to June 30, 2023" with "\$1,950,000 from July 1, 2021 to June 30, 2022; \$1,950,000 from July 1, 2022 to June 30, 2023; and \$2,019,000 from July 1, 2023 to June 30, 2024."

3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 31, "Federal Funding Requirements," of the Contract to add the following new paragraph L to the end of the section:

L. Clean Air Act and the Federal Water Pollution Control Act

i.) CONTRACTOR and subcontractor agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). CONTRACTOR and subcontractor agree to report violations of applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387) to the DISTRICT, the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). CONTRACTOR and subcontractor agree and understand that DISTRICT may report violations of applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387) by CONTRACTOR or subcontractor to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

4. 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

ALLISON & PARTNERS LLC

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Meghan Curtis
General Manager

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Alexander G. Crockett
District Counsel

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Authorization of Contract to Secure Office, Shop, and Garage Space in Oakland

RECOMMENDED ACTION

Recommend the Board of Directors:

1. Authorize the Executive Officer/APCO to execute a contract to lease office, shop, and garage space for the relocation of the Air Monitoring Projects and Technology (AMPT) Section in the Meteorology & Measurement Division to 3421 Hollis St, Oakland, with a cost for rent and fees not to exceed \$760,000 over five years, not including utilities; and
2. Authorize the use of \$138,000 of General Fund Reserves to cover the first year of rent and fees in Oakland (included in the total listed in bullet 1); and
3. Authorize the use of \$60,000 of General Fund Reserves to cover one-time costs related to this relocation.

BACKGROUND

The AMPT Section performs air monitoring and sampling of ambient air pollutants. With a focus on understanding air quality at the local level, AMPT uses mobile (in-motion) and portable (short-term, relocatable) monitoring to characterize concentrations of toxic air pollutants in communities, to provide data for understanding sources that contribute to the pollution, and to inform follow-up investigation and actions to reduce emissions in communities. The primary focus of AMPT's work is investigating air quality in the Bay Area's overburdened communities. The AMPT Section currently operates a mobile air monitoring van out of a leased space off Richmond Parkway in Richmond, however, with recent changes to the team, the group will need to move to a larger space.

DISCUSSION

The AMPT Section recently obtained a second van for upfitting into a portable, stationary air monitoring platform to provide longer-term air pollution measurements. AMPT's Richmond Parkway office has space for only one van so additional space will be necessary for storing, maintaining, and operating both measurement platforms safely and effectively. Additional staff members have joined the AMPT team in the last three years, with positions being moved from other parts of the M&M Division. An office located more central to overburdened communities throughout the Bay Area would mean reduced driving time for AMPT's monitoring platforms to arrive at the study locations, resulting in reduced fuel costs, staff driving time, and vehicle emissions.

Oakland would serve as an optimal location for AMPT operations as it is:

- Located in West Oakland, close to AMPT's next three-year community-focused project location in East Oakland,
- Reverse commute from most Bay Area counties,
- Close to major freeway intersections,
- Accessible by public transit,
- Near multiple BAAQMD air monitoring stations, and
- Expected to reduce fuel costs and emissions by the mobile lab and reduce staff time driving to and from study sites.

We began searching for suitable properties for the AMPT team in September 2022. The unit at 3421 Hollis St. in Oakland was identified after viewing approximately 20 properties and was identified based on selection criteria including warehouse space for two large air monitoring vans, office space for ten staff, at least one 11 foot roll up door to accommodate the mobile air monitoring van, secure off-street parking, electrical capacity to accommodate powering two air monitoring platforms, limited renovation work necessary, and appropriate heating and cooling of the offices. Flex warehouse/office space with these specifications is relatively rare and properties are moving quickly this year, according to multiple brokers. After being declined on one non-binding offer to proceed with lease negotiations, staff are proposing to secure the Hollis St. property for a May 1st lease commencement to have sufficient time to move AMPT operations before monitoring in East Oakland begins in approximately Q4 2023 or Q1 2024.

We are requesting the Board authorize the APCO to sign a contract (See attachment) to secure office, shop, and garage space for AMPT in Oakland for five years to replace AMPT's office and garage space in Richmond. In addition, we are requesting approval of a onetime cost to cover moving costs and a relocatable, prefabricated office pod and associated integration costs to convert part of the warehouse area into a communal meeting space/conference room at the Oakland office.

The lease at the current location at Richmond Parkway expires June 30, 2024, which would result in about one year of overlap in the two leases to allow for a transitional buffer. The rent at Richmond Parkway through June 2024 is included in M&M's FYE 2024 budget. In early 2024, the Meteorology & Measurement Division will reassess space needs and determine if the lease should be renewed again based on Board direction regarding incident monitoring and the upcoming strategic planning process. If the current location is needed beyond June 30, 2024 for incident monitoring or other programs, the lease could be covered by new fee revenue. If the current space is not needed, the lease could also be discontinued at that time.

The rent and fees for the five-year lease in Oakland being proposed for Board approval is approximately \$760,000 over five years, not including utilities. Utility costs in Oakland are expected to be similar to Richmond. If the AMPT team were to continue working out of the current location in Richmond, the rent would be \$579,000 over five years, not including utilities. The five-year rental costs include base rent, annual escalation of 5% on base rent at both properties, and fees in Oakland associated with lessor renovations. The higher monthly rental price in Oakland is due to a necessary increase in space in Oakland (5,280 sq. ft.) versus Richmond (3,715 sq. ft.) to accommodate the new portable platform and the larger team. The price per square foot in Oakland (\$2.08/sq. ft.) is less than that in Richmond (\$2.35/sq. ft.), including Common Area Operating Expenses.

If the Board approves this lease, the additional costs beyond the previously planned costs for Richmond include:

1. The first year of rent and fees for the Oakland property of \$138,000 (overlapping with the Richmond Parkway lease) ; and
2. A one-time expenditure of an amount not to exceed \$60,000 for purchase of a prefabricated office pod, associated integration, and general moving costs; and
3. Years 2-5 resulting in an increase of approximately \$147,000, including annual escalation, due to rent and fees costing approximately \$3,000/month more in Oakland than Richmond.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A transfer of \$198,000 from undesignated general fund reserves into the FYE 23 Budget is requested to fund the initial cost of this lease and associated improvements.

Due to savings related to the cancelation of other leases that will no longer be required, the total 5 year cost of this action, including this transfer from reserves, is estimated to be limited to \$345,000.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Charity Garland and Jon Bower
Reviewed by: Ranyee Chiang

ATTACHMENTS:

1. Draft Lease 3421 Hollis St. Oakland, CA



STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only April 24, 2023, is made by and between Libitzky Dev. Corp., a California corporation, Orton Dev., Inc., a California corporation, The Kenneth J. Schmier 2010 Separate Property Trust dated 2/24/2010 and The Eric S. Schmier 2010 Living Trust dated 5/10/2010 ("Lessor") and Bay Area Air Quality Management District ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, unit/suite, city, state): 3421 Hollis St., Oakland, CA 94608 ("Premises"). The Premises are located in the County of Alameda, and are generally described as (describe briefly the nature of the Premises and the "Project"): Unit B (approx. 5,280 sq. ft. or warehouse, including approx. 1,155 sq. ft. of mezzanine offices), and adjacent yard (approx. 7,000 sq. ft.), as shown on Exhibit A. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) **Parking:** None (all parking to be in the Premises (inclusive of the yard)) unreserved vehicle parking spaces. (See also Paragraph 2.6)

1.3 **Term:** Five years and Zero months ("Original Term") commencing 5/1/2023 ("Commencement Date") and ending 4/30/28 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon execution of the Lease and providing insurance ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$11,000.00 per month ("Base Rent"), payable on the First day of each month commencing 5/1/2023. (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50.

1.6 **Lessee's Share of Common Area Operating Expenses:** Twelve and 54/100 percent (12.54 %) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** \$11,000.00 for the period 5/1 - 5/31/23.

(b) **Common Area Operating Expenses:** The current estimate for the period 5/1 - 5/31/23 is included in Base Rent (See Addendum Para. 50).

(c) **Security Deposit:** \$13,382.72 ("Security Deposit"). (See also Paragraph 5)

(d) **Other:** for .

(e) **Total Due Upon Execution of this Lease:** \$24,382.72.

1.8 **Agreed Use:** Park and work in 24' mobile lab for air pollution testing, and related office administration. (See also Paragraph 6)

1.9 **Insuring Party.** Lessor is the "Insuring Party". (See also Paragraph 8)

1.10 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm Innovation Properties Group, Inc./Ivan Smiljanic License No. Is the broker of (check one): the Lessor; or both the Lessee and Lessor (dual agent).

Lessor's Agent Ivan Smiljanic License No. is (check one): the Lessor's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm Innovation Properties Group, Inc./Ivan Smiljanic License No. Is the broker of (check one): the Lessee; or both the Lessee and Lessor (dual agent).

Lessee's Agent Ivan Smiljanic License No. is (check one): the Lessee's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement for the brokerage services rendered by the Brokers.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by ("Guarantor"). (See also Paragraph 37)

1.12 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

an Addendum consisting of Paragraphs 50 through 53;

a site plan depicting the Premises (Exhibit A);

a site plan depicting the Project;

a current set of the Rules and Regulations for the Project;

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- a current set of the Rules and Regulations adopted by the owners' association;
- a Work Letter;
- other (specify): [Exhibit B \(Acknowledgment of Commencement\)](#) .

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 Condition. Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

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2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "**Permitted Size Vehicles.**" Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

- (a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
- (b) Lessee shall not service or store any vehicles in the Common Areas.
- (c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

- (a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
- (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing. Lessor and Lessee shall execute an Acknowledgement of Commencement in the form as attached as Exhibit B hereto at the time of delivery of possession of the Premises to Lessee.

3.4 **Lessee Compliance.** Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Common Area Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following

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provisions:

(a) "**Common Area Operating Expenses**" are defined, for purposes of this Lease, as all costs relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, and if necessary the replacement, of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month. Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. **THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.**

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other

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purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use. Notwithstanding any applicable local law that may otherwise permit the use of the Premises for any activity related to or including the production, cultivation, manufacturing, packaging, distribution, sale or consumption of cannabis in any form or as a part of any other substance, no such use shall be conducted or permitted at the Premises under this Lease.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are

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now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a

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workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment of Premiums.** The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned

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Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such

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event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective

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valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services. Lessee shall pay for a pro-rated share of water, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, pursuant to the percentage stated in Paragraph 1.6, together with any taxes thereon. Lessee shall also pay for all gas charges associated with the Premises, together with any taxes thereon, as described in Paragraph 51. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee

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to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a

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written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

(f) If Lessor consents to any assignment of this Lease, Lessee agrees to pay to Lessor, as additional rent, fifty percent (50%) of all sums and other consideration payable to and for the benefit of Lessee by the assignee on account of the assignment, as and when such sums and other consideration are due and payable by the assignee to or for the benefit of Lessee (or, if Lessor so requires, and without any release of Lessee's liability for the same, Lessee agrees to instruct the assignee to pay such sums and other consideration directly to Lessor). If for any sublease, Lessee receives rent or other consideration, either initially or over the term of the sublease, in excess of the rent fairly allocable to the portion of the Premises which is subleased based on square footage, Lessee agrees to pay to Lessor as additional rent fifty percent (50%) of the excess of each such payment of rent or other consideration received by Lessee promptly after its receipt.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the

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amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 14 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 14 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 14 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and

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Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

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23.3 **Options.** Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof,

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and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE.

37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed

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and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 Definition. "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 Options Personal To Original Lessee. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

48. Accessibility; Americans with Disabilities Act.

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to

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correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____

On: _____

By LESSOR:

Libitzky Dev. Corp., a California corporation, Orton Dev., Inc., a California corporation, The Kenneth J. Schmier 2010 Separate Property Trust dated 2/24/2010 and The Eric S. Schmier 2010 Living Trust dated 5/10/2010

By: _____

Name Printed: SEE ATTACHED SIGNATURE PAGE

Title: _____

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

Executed at: _____

On: _____

By LESSEE:

Bay Area Air Quality Management District

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

BROKER

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MTN-26.30, Revised 11-25-2019

Innovation Properties Group, Inc./Ivan Smiljanic

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[Innovation Properties Group, Inc./Ivan Smiljanic](#)

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Attn: [Ivan Smiljanic](#)

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: _____

Agent DRE License #: _____

Attn: [Ivan Smiljanic](#)

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: _____

Agent DRE License #: _____

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**LESSOR SIGNATURE PAGE TO STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE – NET**

LESSOR:

Libitzky Development Corporation,
a California corporation

By: Moses S. Libitzky
Its: President

Orton Development, Inc.,
a California corporation

By: J.R. Orton, III
Its: President

Kenneth J. Schmier, Trustee
of the Kenneth J. Schmier 2010
Separate Property Trust dated
February 24, 2010 and the Eric S. Schmier 2010
Living Trust dated May 10, 2010

By: Kenneth J. Schmier

ADDENDUM TO STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE-NET

Reference is hereby expressly made to that certain Standard Industrial/Commercial Multi-Tenant Lease-Net (the "Lease"), dated as of March 20, 2023, relating to that certain Premises (being Unit B) located at 3421 Hollis Street, Oakland. This Addendum to the Lease is being made simultaneously with the Lease and is intended by the parties hereto to set forth additional terms of said Lease and to supersede any inconsistent terms of said Lease.

All terms used in this Addendum, unless specifically defined in this Addendum, shall have the same meaning as the terms used in the Lease.

50. Rent Adjustment.

Notwithstanding anything to the contrary in this Lease, the Base Rent and Lessee's Share of Common Area Operating Expenses shall be billed as a flat, fixed amount according to the following schedule:

Year 1 \$11,000.00;
Year 2 \$11,550.00;
Year 3 \$12,127.50;
Year 4 \$12,733.88; and
Year 5: \$13,370.57.

No reconciliation or report as otherwise provided by Paragraph 2.4(d) shall be required under this Lease.

51. Condition Of The Premises.

Notwithstanding anything to the contrary in the Lease, Lessor makes no warranty to Lessee as to the condition of the Premises or compliance with Applicable Requirements, and Lessor shall have no obligation to perform or arrange for any work to the Premises, and Lessee accepts the Premises "as is" except as follows: Lessor shall deliver the Premises broom clean and free of debris, with mechanical, heating, plumbing and electrical in working order and condition, and with the Lessor Work (defined below) substantially complete (unless to be completed subsequent to the Commencement Date, as provided herein). A "California Asbestos Notice" is attached to this Lease.

The Premises are sub-metered for electric service, and Lessee shall pay to Lessor, within five (5) days of receipt of a statement, the charges for such sub-metered utility service. Lessee acknowledges that said charges will be based upon a reasonable and good faith allocation by Lessor of Lessor's costs incurred in connection with such utility service. Lessor shall not be liable in damages or otherwise for any failure or interruption of any utility service furnished to the Premises, and no such failure or interruption shall entitle Lessee to terminate this Lease or withhold rent or other sums due hereunder, except that in the event of a utility service interruption as a result of damage that is the responsibility of Lessor to repair, such repair shall be promptly undertaken and, if service cannot reasonably be restored in thirty (30) days, Lessee shall have the right to accelerate the Expiration Date upon five (5) days' written notice to Lessor. Gas is separately metered to the Premises and shall be put in

Lessee's name. Water and garbage service charges are allocated to tenants at the Project based on their pro rata share (and subject to Para. 11 of the Lease), which, as to this Premises, is in the amount of Lessee's Share shown in Para. 1.6.

52. Lessor Work.

Lessor shall arrange for the following work to be done at Lessor's sole expense (the "Lessor Work"):

- (a) Create a lockable pedestrian door access from the building to the yard;
- (b) Electrify the rear gate (i.e. the gate to Louise St.), for drive-in access;
- (c) Repair/make functional the existing pedestrian door (located on the larger sliding door); and
- (d) Install HVAC (2.5 ton heat pump with 2 in-room cassettes, 2 thermostats, Title 24 compliant) to serve the office area of the Premises.

Items (a), (b), (c) and (d) shall be completed within 45 days of Lease execution. In connection with the work described in (d), above, there shall be a monthly recurring charge to Lessee, during the Original Term (only) of \$500.00.

Within ten (10) days of Lessor giving Lessee notice of substantial completion, Lessor and Lessee shall conduct a joint walk through and inspection of the work, to allow Lessee to inspect said work and together in good faith to prepare a list (a punchlist) of work that Lessor and Lessee reasonably agree is incomplete or defective. Lessor shall complete all punchlist items within thirty (30) days.

49. Option To Extend Lease Term.

Subject to the provisions of the Lease (including Paragraph 39), Lessor hereby grants to Lessee an option (the "Option") to extend the Term of the Lease on the same terms, conditions and provisions as contained in the Lease, except as otherwise provided herein, for one period of five (5) years (the "Option Term"). The Option Term shall commence as of the day following the Expiration Date.

(a) Method of Exercise. Lessee shall exercise the Option by delivery of written notice (the "Option Notice") of such election to Lessor at least twelve (12) months prior to the Expiration Date.

(b) Incorporation of Lease by Reference. All of the terms, covenants and conditions (including without limitation defined terms) contained in this Lease shall be applicable to the Option Term in the event of exercise; provided, however, that the

Term and the monthly Base Rent shall be modified as provided herein.

(c) Base Rent. The monthly Base Rent for the Option Term shall be adjusted to that amount equal to the Prevailing Market Rent, described below, but in no event shall said amount be less than One Hundred and Four percent (104%) of the Base Rent payable monthly for the month preceding the Expiration Date.

(d) Prevailing Market Rent. The "Prevailing Market Rent" shall be equal to the rental per square foot of the Premises per year, divided by twelve, as of the date which is nine (9) months prior to the expiration of the Expiration Date, prevailing for comparable premises (inclusive of Alterations and Utility Installations that are considered a part of the Premises) with comparable features in comparable buildings in the area in which the Premises is located.

If Lessee has timely exercised the Option, Lessor shall endeavor to notify Lessee in writing of the proposed new monthly Base Rent (and shall also state the rate of annual increase) determined by Lessor for the Option Term at least nine (9) months prior to the commencement date of the Option Term. Unless Lessee objects to the amount determined by Lessor within thirty-five (35) days after receipt of such notice, the amount stated in such notice shall be the new monthly Base Rent. If Lessee objects to Lessor's proposal, Lessee's remedy is to hire a qualified appraiser who shall have had at least five years' experience in commercial real estate in the general area in which the Premises is located (the "Lessee's Appraiser") and, within such thirty-five (35) day period set forth above, deliver to Lessor a copy of Lessee's Appraiser's determination of the Prevailing Market Rent (which shall include the rate of annual increase) ("Lessee's Appraisal"). Unless Lessor objects to the amount determined by Lessee's Appraisal within thirty-five (35) days after receipt of such appraisal, then the new Base Rent (and annual increase rate) shall be the amount set by Lessee's Appraisal.

If Lessor objects to Lessee's Appraisal, Lessor's remedy is to hire a qualified appraiser who shall have had at least five years' experience in commercial real estate in the area in which the Premises is located (the "Lessor's Appraiser") and, within such thirty-five (35) day period set forth above, deliver to Lessee a copy of Lessor's Appraiser's determination of the Prevailing Market Rent (which shall include the rate of annual increase) ("Lessor's Appraisal"). Unless Lessee objects to Lessor's Appraisal within fifteen (15) days after receipt of such appraisal, then the amount (and rate of annual increase) stated therein shall be the new Base Rent (and set the rate of annual increase).

If Lessee objects to Lessor's Appraisal, Lessee's remedy is to notify Lessor in writing of such objection within such fifteen (15) day period. Upon delivery and receipt, respectively, of such objection (and not later than seven (7) days thereafter) Lessee and Lessor shall instruct their appraisers, respectively, to confer and to select a third appraiser (the "Joint Appraiser"). The Joint Appraiser shall determine the

Prevailing Market Rent by selecting either the Lessee's Appraisal or the Lessor's Appraisal and either the Lessee's Appraiser's annual rate of increase or the Lessor's Appraiser's annual rate of increase. Lessor and Lessee shall split the costs of the Joint Appraiser. In the event that either appraiser is unable or unwilling to meet and confer within thirty-five (35) days after their receipt of notice from Lessor and Lessee, respectively, for the purpose of selecting the Joint Appraiser, then such appraiser that is unable or unwilling to so meet and confer shall not participate in the selection of the Joint Appraiser.

The Joint Appraiser shall notify Lessor and Lessee of his/her determination in writing and the new Base Rent shall be either the Lessee's Appraisal or Lessor's Appraisal (as selected by the Joint Appraiser) and the annual rate of increase thereof shall be either the rate set by Lessee's Appraisal or Lessor's Appraisal (as selected by the Joint Appraiser).

If the Base Rent shall not have been determined by Lessor and provided to Lessee by no less than ninety (90) days prior to the commencement date of the Option Term, then the new Base Rent shall (until such time as same is definitively determined pursuant to this Paragraph, at which time any shortfall therein shall be due and payable with the then next due payment of Base Rent) be the same Base Rent amount that was payable for the month prior to the (then) Expiration Date.

(e) On the first and each successive anniversary of the first day of the Option Term, (each an "Option Adjustment Date"), the Base Rent due shall be increased at the rate determined above.

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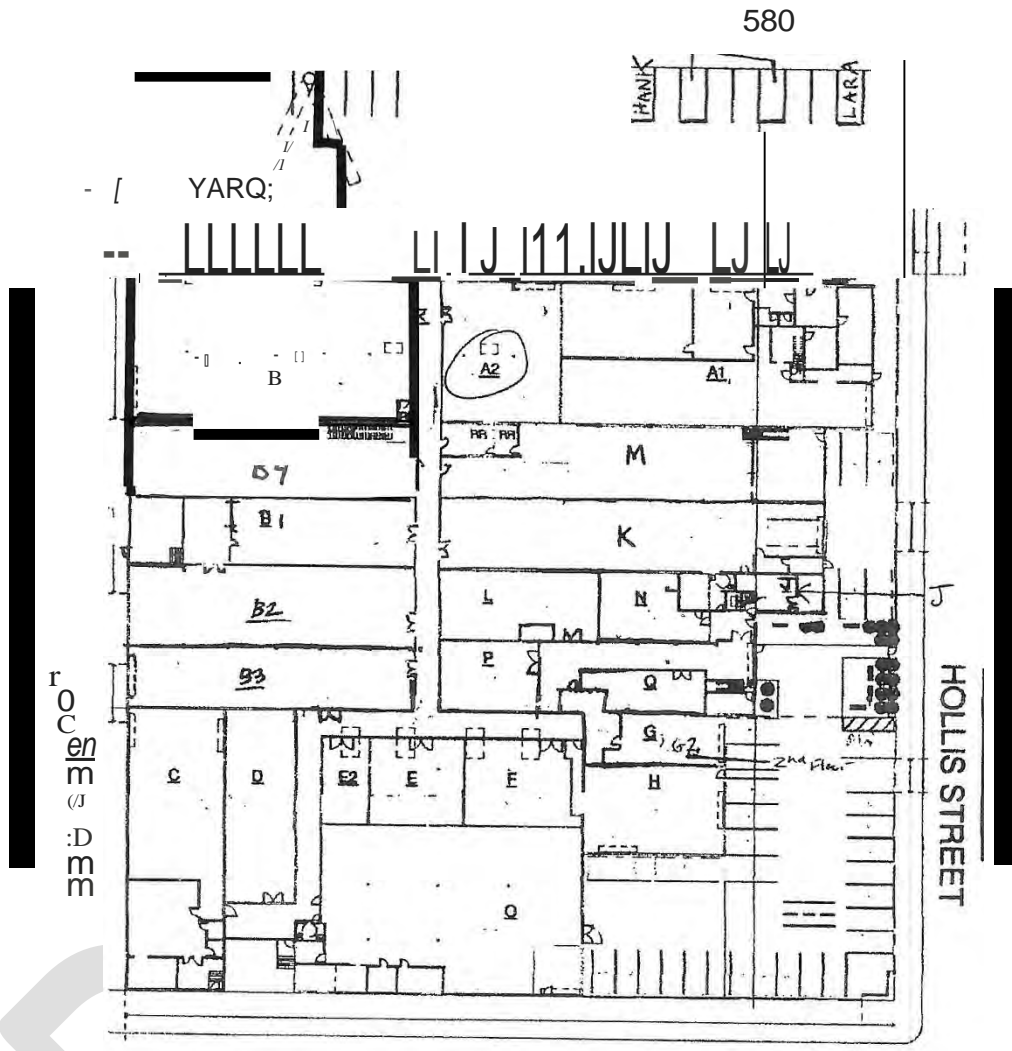
Exhibit A

Site Plan is attached;

Rules and Regulations are also attached.

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EXHIBIT A



(D) EYE AREA
1/2" = 1'-0"

<p>THE WEST CA.-</p>	<p>AREA PLAN Page 12.03.101 A2.2 Scale: 1/2" = 1'-0"</p>
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Exhibit B

Acknowledgement Of Commencement

This Acknowledgment is made as of _____, with reference to that certain Standard Industrial/Commercial Multi-Tenant Lease-Net (the "Lease"), dated as of _____, 2023 (the "Lease") by and between Libitzky Dev. Corp., a California corporation, Orton Dev., Inc., a California corporation, The Kenneth J. Schmier 2010 Separate Property Trust dated 2/24/2010 and The Eric S. Schmier 2010 Living Trust dated 5/10/2010 ("Lessor"), and _____ ("Lessee"), for the premises at Unit _____, 3421 Hollis St., Oakland, CA 94608 (the "Premises," as defined in the Lease).

The undersigned hereby confirms the following:

1. That the Lessee accepted possession of the Premises on _____, and acknowledges that the Premises are in good order, condition and repair, and that the improvements, if any, required to be constructed for Lessee by Lessor under this Lease have been so constructed and are satisfactorily completed in all respects.
2. That all conditions of said Lease to be performed by Lessor prerequisite to the full effectiveness of the Lease have been satisfied and that Lessor has fulfilled all of its duties of an inducement nature.
3. That the Commencement Date (as defined in the Lease) is _____, and that, unless sooner terminated, the Expiration Date is _____.
4. That said Lease is in full force and effect and that the same represents the entire agreement between Lessor and Lessee concerning the Lease.
5. That there are no existing defenses which Lessee has against the enforcement of the Lease by Lessor, and no offsets or credits against rentals.

LESSEE: *(This Exhibit to be signed with the property manager at the time the Premises are delivered)*

By: _____

Name: _____

Date: _____

RULES AND REGULATIONS

Hollis Street Property

GENERAL RULES

1. Lessee shall not permit the obstruction of any Common Areas, including sidewalks, fire lanes, driveways, traffic corridors, halls, passages, exits, entrances, elevators, walkways and stairways for any purpose other than for ingress and egress from the Leased Premises.
2. Lessor reserves the right to refuse access or expel from the Leased Premises or Project any person(s) who, in the sole judgment of Landlord judges to be intoxicated or under the influence of liquor or drugs or appears to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project, or host an Event in or around the Premises without Lessors prior written approval. An Event shall constitute a gathering of 10 or more people.
4. Lessee shall not keep animals or birds within the project and shall not bring bicycles, motorcycles or other vehicles into the areas not designated as authorized for same.
5. Lessee shall not litter the grounds, or use the dumpsters for anything except normal "office" trash. Excessive packaging material, boxes, building materials, etc. must be hauled away from the Project by Lessee.
6. Lessee shall not alter any lock or install new or additional locks or bolts.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
9. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approve by Lessor.
10. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of 5 P.M. and 8 A. M. of the following day. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
11. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing keys that are lost.
12. No Lessee, Employee, or Invitee shall go upon the roof of the Building.
13. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonable designated by Lessor or by applicable Governmental agencies as non-smoking areas.
14. Lessee shall not use, keep, or discard on the Leased Premises or Project any kerosene, gasoline, flammable or combustible fluid or material, unless previous written consent is given

by Lessor's written consent. All materials are to be stored in a manner consistent with all applicable laws and are stored in rooms or containers consistent with all code requirements.

15. Lessee shall not use any method of heating or air conditioning other than as provided or authorized by Lessor.
16. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
17. The Premises shall not be used for lodging or manufacturing, cooking or food preparation except consistent with and in compliance with all code requirements and applicable governmental agency rules, regulations and permits.
18. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
19. Lessor reserves the right to waive any of these rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these rules and regulations.
20. Lessee assumes the risk from theft or vandalism and agrees to keep its Premises locked as may be required.
21. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded or parked in areas other than those designated by Lessor for such activities.
2. Users of the parking area will obey all posted signs and park only in the areas designated for Lessee's use.
3. The maintenance, washing, waxing or cleaning of vehicles in the parking lot or Common Areas is prohibited.
4. Lessee shall be responsible for that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
5. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

CALIFORNIA ASBESTOS NOTICE

In 1988, California enacted legislation (specifically, Chapter 10.4 of the Health and Safety Code, Section 25915 *et seq.*) requiring landlords and tenants of commercial buildings constructed prior to 1979 to notify certain people, including each other and their respective employees working within such building, of any knowledge they may have regarding any asbestos containing materials or asbestos-containing construction materials (collectively, “**ACM**”) in the building.

On July 13, 1995, Title 29, Code of Federal Regulations, Section 1910.1001 and 1926.1101 defined Presumed Asbestos Containing Material (“**PACM**”) as thermal system insulation, and surfacing material, asphalt and vinyl flooring found in buildings constructed no later than 1980. The federal standard requires the building and/or facility owner to notify contractors and tenants of the presence of ACM/PACM. On May 3, 1996, Cal/OSHA adopted the same notification requirements for PACM in Title 8 CCR 5208 & 1529.

This notification is being given to provide the information required under this Legislation in order to help you avoid any unintentional contact with the ACM/PACM, to assure that appropriate precautionary measures are taken before disturbing any ACM/PACM, and to assist you in making appropriate disclosures to your employees and others.

The Building (identified below) you occupy was constructed prior to 1979. The construction of the Building is consistent with the construction of Buildings that do contain ACM and the owner believes the Building contains ACM/PACMs. The ACM/PACM is contained within various building components such as floor tile, mastic, glue, electrical insulation or other such materials.

We have no reason to believe that the ACM/PACM in the Building is currently in a condition to release asbestos fibers which would pose a significant health hazard to the Building’s occupants. This should remain so if such ACM/PACM is properly handled and remains undisturbed. You should take into consideration that our knowledge as to the absence of health risks is based solely upon general information and that we have no special knowledge concerning potential health risks resulting from exposure to asbestos in the Building. We are therefore required by the above-mentioned legislation to encourage you to contact local or state public agencies if you wish to obtain a better understanding of the potential impacts resulting from exposure to asbestos.

Because any tenant alterations or other work at the Building could disturb ACM/PACM and possibly release asbestos fibers into the air, we must require that you obtain our written approval prior to beginning such projects. This includes major alterations, but might also include such activities as drilling or boring holes, installing electrical, telecommunications or computer lines, sanding floors, removing ceiling tiles or other work which disturbs ACM/PACM. In many cases, such activities will not affect ACM/PACM, but you must check with the property manager in advance, just in case. You should check with the property manager at the address set forth below. The property manager will make available such instruction as may be required. Any such work should not be attempted by an individual or contractor who is not qualified to handle ACM/PACM. In the areas noted above, you should avoid

touching or disturbing the ACM/PACM in any way. If you observe any activity which has the potential to disturb the ACM/PACM, please report the same to the property manager immediately.

In connection with the foregoing, we have adopted the following policies (which shall be considered rules under tenant leases): (1) the owner, and representatives of the owner, including, without limitation, the owner's ACM/PACM consultant, are entitled to enter into the premises of any tenant to inspect for ACM/PACM, perform air tests and abatement; and (2) any tenant, contractor, or other party must obtain our prior written approval before performing any alterations on any tenant space, or performing any other work at the property that might disturb ACM/PACM or involve exposure to asbestos fibers as described above.

California law also requires persons in the course of doing business whose activities may result in exposures to asbestos and other substances regulated under the Safe Drinking Water and Toxic Enforcement Act of 1986, commonly referred to as Proposition 65, to provide a clear and reasonable warning. Accordingly, you are advised as follows:

WARNING: The Building described below contains a substance known to the State of California to cause cancer.

BUILDING:	3421 Hollis St., Oakland, CA
PROPERTY MANAGER:	1 st Commercial Real Estate
ADDRESS OF MANAGER:	1 st Commercial Real Estate 8150 Sierra College Blvd. Suite 270 Roseville CA 95661

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Authorization to Amend Contract with Kearns & West, Inc.

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to amend the Master Services Agreement No. 2022.113 to increase the maximum dollar amount of the contract by \$255,500 – from \$95,000 to \$350,500 – to provide support and facilitation services to the Building Appliance Rules Implementation Working Group.

BACKGROUND

In October 2021, the Air District opened the Request for Qualifications (RFQ) #2021-014 for Community Engagement Support and Facilitation Services. Specific expertise and experience sought in the RFQ included stakeholder group coordination, managing logistics for public meetings and workshops, neutral meeting facilitation and support for accessibility of meetings and engagement with environmental justice communities. Out of 22 organizations that submitted full responses, eleven were determined to be qualified by a panel of Air District staff and a community member, and four were placed on Community Engagement’s facilitation bench, including Kearns and West, Inc. (Kearns & West).

In June 2022, Master Service Agreement (MSA) Contract No. 2022.113 in an amount not-to-exceed \$95,000 was executed with Kearns & West to support community workshops associated with rule development, an AB617 community workshop in Bayview Hunters Point and additional community engagement activities.

In March 2023, amendments to Regulation 9, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces (“Rule 9-4”) and Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (“Rule 9-6”) were adopted by the Board (collectively referred to herein as the Building Appliance Rules). On February 16, 2023, the eleven pre-qualified firms established through the RFQ #2021-014 were invited to bid on Request for Proposal (RFP) #2023-011 Facilitation and Meeting Coordination Services for the Building Appliance Rules Implementation Working Group, which closed on March 3, 2023. Of the three submittals received, Kearns & West received the highest score as determined by a panel of Air District staff.

DISCUSSION

Staff is requesting that the MSA with Kearns & West be increased by \$255,500 to a not-to-exceed amount of \$350,500. This additional funding is needed to enable Kearns & West to coordinate and facilitate the Building Appliance Rules Implementation Working Group (IWG) from Q2 2023 through Q2 2024. The IWG will be a multi-stakeholder group tackling a variety of issues over an extended period. The IWG will be structured as a larger plenary group, with a small steering committee and two smaller subcommittees focused on technical and equity topics. In addition to providing extensive logistical and facilitation support to the two subcommittees, the steering committee, and the plenary group of the IWG, Kearns & West will administer stipends to group members that request compensation for their participation. Contracting with Kearns & West will enable staff to focus on the subject matter and technical issues raised by the group, and on incorporating the IWG's input into reports on rule implementation to the Board.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding is included in the 608 budget for FYE 2023.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Amy Dao
Reviewed by: Abby Young

ATTACHMENTS:

1. Original Executed Master Services Contract No. 2022.113 - Kearns & West, Inc.
2. Draft Task Order 3 Contract No. 2023.113 - Kearns & West, Inc.
3. Draft Amendment 1 Contract No. 2022.113 - Kearns & West, Inc.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

MASTER SERVICES CONTRACT

CONTRACT NO. 2022.113

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 **Kearns & West, Inc.** (“CONTRACTOR”) whose address is 233 Sansome Street, Suite 400, San Francisco, CA 94104.
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 paragraphs A-E above.

5. TERM – The term of this Contract is from July 1, 2022 to June 30, 2024, 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 \$95,000. 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: Anna Lee

CONTRACTOR: Kearns & West, Inc.
233 Sansome Street, Suite 400
San Francisco, CA 94104
Attn: Ben Gettleman

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. CONTRACTOR shall assign those employees listed under the Task Orders to perform services under this Contract. CONTRACTOR shall not assign different employees to perform these services without the express written permission of DISTRICT, which DISTRICT will not unreasonably withhold.
 - D. 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.

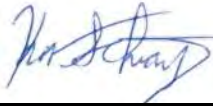
30. SURVIVAL OF TERMS – The provisions of sections 8 (Indemnification), 16 (Confidentiality), 17 (Intellectual Property Rights), and 18 (Publication) shall survive the expiration or termination of this Contract.

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

KEARNS AND WEST, INC.

By: DocuSigned by:
Veronica Eady
D03B3B48DCD74FD...
Sharon Landers
Interim Executive Officer/APCO

By: 
Ben Gettleman
Vice President
Kent Schwartz
Principal - CFO/COO

Date: 7/8/2022

Date: 6.7.22

Approved as to form:
District Counsel

By: DocuSigned by:
Alexander Crockett 6/15/2022
B5AF1A28FCA4453
Alexander Crockett
District Counsel

Attachment A General Description of Services

CONTRACTOR shall provide community engagement support and facilitation services to DISTRICT. DISTRICT regularly convenes meetings with community groups and public forums to inform the community about DISTRICT activities and to provide the public the opportunity to engage with DISTRICT staff, provide comments, ask questions, and shape new policy, planning processes and decision-making. Community engagement activities at the DISTRICT range in level of engagement from focus groups and meetings with small groups of community members to larger public meetings, open houses, interactive workshops on specific topics of interest, and ongoing stakeholder workgroups and advisory bodies to the Board of Directors. Activities may be in-person, virtual, or hybrid, throughout the Bay Area, and may include a single event or a series of workshops or meetings and may include logistics to support accessibility and reduce barriers to participation by communities directly affected by a high burden of air pollution. Meetings may be during typical business hours (before 5pm) as well as in the evenings and, less often, on weekends. Upon request, CONTRACTOR shall provide written estimates or proposals to DISTRICT for community engagement and facilitation services.

CONTRACTOR services may include but are not limited to:

- a) Provide culturally relevant information in appropriate languages (arrange for interpretation and translation of materials as needed);
- b) Identify and share local stakeholder contacts with DISTRICT;
- c) When relevant, design meeting flyers, promote meetings, workshops, events, and program progress. Advertise and send targeted invitations, track responses;
- d) Identify and secure ADA accessible community-friendly meeting facilities with low to zero facility rental costs - prefer venues that are transit accessible;
- e) For virtual and hybrid meetings, host virtual platform, ensure accessibility needs meet the requirements of the DISTRICT and provide technical assistance to DISTRICT and public, as requested;
- f) Identify and secure appropriate child watch as requested;
- g) Provide healthy refreshments - prefer local vendors;
- h) When relevant and appropriate, provide stipends/grants to participants (individuals/organizations);
- i) Ensure audiovisual needs are met and virtual participation tools are supplied as requested;
- j) Work with DISTRICT and identified partners or community groups to consult on meeting design and how to conduct successful in-person, virtual, and hybrid meetings;
- k) Provide technical assistance to DISTRICT staff on various tools and techniques to support engagement efforts as requested;
- l) Provide follow-up between meetings as needed; and
- m) Provide post meeting recap summaries, recordings and transcripts, survey data as needed to DISTRICT staff and identified partners and community groups to document meeting outcomes.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
MASTER SERVICES CONTRACT
KEARNS & WEST, INC.
CONTRACT NO. 2022.113
Task Order No. 3**

Background

The rule amendments to Regulation 9, Rule 4: Nitrogen Oxides from Natural Gas-Fired Furnaces (“Rule 9-4”) and Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (“Rule 9-6”) include point-of-sale zero-NOx standards which will impact consumers of residential and commercial space and water heating equipment in the Bay Area. At this time, the only available compliant technologies are all-electric heat pumps. In the future, other zero-NOx technologies may be developed.

DISTRICT staff will convene a multiple stakeholder working group to support implementation of the amended rules. This Building Appliance Rules Implementation Working Group (IWG) will serve as the central forum for information-sharing and discussion regarding implementation of Rules 9-4 and 9-6 and will support DISTRICT staff’s reporting on rule implementation to the DISTRICT’s Board of Directors (“Board”). Staff reporting is due to the Board two years prior to the compliance dates in the rules, with the first compliance date set at 2027. The IWG will provide DISTRICT staff with insights and input on a variety of topics including technology readiness to meet the compliance deadlines, economic incentives, and equity considerations. The IWG will include approximately 40 representatives from a variety of relevant organizations and stakeholder groups including but not limited to the DISTRICT; local, regional, and state government agencies; utilities and manufacturers; technology start-ups; labor unions; as well as community groups. The IWG will be structured as a larger plenary group, with two smaller subcommittees focused on technical and community/equity topics, respectively, as well as a steering committee.

Work Plan: Supporting the Building Appliance Rules Implementation Working Group

Starting in 2023, the Building Appliance Rules IWG will meet quarterly. The Steering Committee, Technical Subcommittee, and Community/Equity Subcommittee will meet more often during that period, up to fourteen (14) meetings total across all sub-groups. There will be one public listening session during the first 12-month period. **All meetings will be virtual.** At the direction, and subject to the approval of DISTRICT, CONTRACTOR shall provide support for all these meetings which will include meeting planning, meeting implementation and facilitation, meeting follow-ups, and stipend administration.

Task 1: Project Management and Planning Meetings with DISTRICT Staff

CONTRACTOR shall conduct all administrative tasks needed to ensure a seamless experience for IWG members during all meetings described in Task 2. CONTRACTOR shall participate in up to two (2) monthly check-in and planning meetings with DISTRICT, each up to 60 minutes in length, for twelve (12) months to discuss and share input to successfully conduct these tasks.

Deliverables:

- Annual meeting schedule, drafted in coordination with DISTRICT and IWG members.
- Ongoing task list describing completed and upcoming tasks, information, and/or decision points needed from DISTRICT and delivered to DISTRICT at every meeting.
- Budget tracker, as requested by DISTRICT.
- Document sharing system for IWG and committee members prior to first meetings.

Task 2: Facilitate Meetings with External Stakeholders

At the direction of DISTRICT, CONTRACTOR will facilitate virtual meetings with external stakeholders:

- Three (3) quarterly IWG meetings, up to 3 hours each.
- Up to four (4) Technical Subcommittee meetings, up to 2 hours each.
- Up to four (4) Community/Equity Subcommittee meetings, up to 2 hours each.
- Up to six (6) Steering Committee meetings, up to 2 hours each; and
- One (1) Public Listening Session, up to 2 hours.

CONTRACTOR will provide all necessary support for these meetings which will include meeting planning; meeting implementation and facilitation; meeting summaries and follow-ups:

Meeting Planning: In coordination with and at the direction of DISTRICT, CONTRACTOR will plan all meetings, including developing meeting schedules and agendas, drafting meeting documents, and emailing invitations for each meeting. For all written materials and communications, CONTRACTOR will prepare drafts for DISTRICT's approval. For each meeting, CONTRACTOR will develop a facilitation plan and set up the meeting with appropriate features enabled via Zoom and/or other online platforms. CONTRACTOR will finalize the annual meeting schedule in coordination with DISTRICT and the IWG members.

Meeting Implementation and Facilitation: CONTRACTOR will facilitate all meetings, take notes, provide technical support for the virtual meeting logistics, record and transcribe the meetings, monitor the chat for questions and answers, and troubleshoot any issues that may occur. DISTRICT will coordinate any needed translation and interpretation services needed for IWG meetings. CONTRACTOR will coordinate with the DISTRICT on which final materials to translate and Zoom set-up for meeting interpretation, as needed.

Meeting Summaries and Follow-up: CONTRACTOR will provide draft and final meeting summaries to DISTRICT. CONTRACTOR will also conduct follow-up with IWG members on members' questions and action items and conduct additional follow-up tasks as requested by

DISTRICT.

Deliverables (for All Meetings with External Stakeholders):

- Email invitations with virtual meeting links.
- Meeting agendas, facilitation plans, and any supporting materials requested by DISTRICT.
- Draft and final-version summaries for all meetings.
- Recording of Zoom meeting and transcription of the chat.
- Facilitation and technical support for meetings.
- Summary of follow-up tasks and results as requested by DISTRICT.

Task 3: Administration of Stipends for IWG Members

CONTRACTOR will share the criteria for stipend eligibility with IWG members, in coordination with the DISTRICT. CONTRACTOR will coordinate annual tax information and quarterly stipend agreements for up to ten (10) eligible IWG members who request to be compensated for their participation on the IWG. CONTRACTOR will distribute stipends quarterly on an invoice and reimbursement basis, at a maximum of \$750 per person quarterly, in accordance with the DISTRICT's IWG Stipend Plan. CONTRACTOR will provide a short annual stipend summary report to the DISTRICT that includes the total costs of stipend allocation. Total stipend checks shall not exceed \$30,000 annually.

Deliverables:

- Documentation of stipends administered.
- Annual stipend summary report.

Task Order Timeline: All tasks shall be completed by April 15, 2024.

Task Order Contact:

CONTRACTOR's contact person under this Task Order shall be Ben Gettleman at bgettleman@kearnswest.com. DISTRICT's contact person under this Task Order shall be Abby Young, ayoung@baaqmd.gov.

Task Order Cost:

DISTRICT shall pay CONTRACTOR to complete all tasks outlined in this Task Order at a cost not to exceed \$255,500. This cost includes labor and stipend payments of up to \$30,000 for ten (10) eligible IWG members. DISTRICT will pay CONTRACTOR for work at the hourly rates listed in Table 1 below. Expenses are not anticipated, and will not be reimbursed without prior written approval from DISTRICT. Payments for each task shall not exceed the amount listed for each task in Table 2 below, unless DISTRICT provides written approval to re-allocate funds from a different task. CONTRACTOR will submit monthly invoices for payment for the number of hours worked in the previous month. Payments will be made within thirty (30) calendar days after DISTRICT's receipt and approval of CONTRACTOR's invoice.

Table 1: Hourly Rates

Staff	Hourly Rate
Principal	\$320.00
Vice President	\$265.00
Senior Director	\$230.00
Director	\$210.00
Senior Associate	\$185.00
Associate	\$160.00
Project Coordinator	\$135.00

Table 2: Not to Exceed for Each Task

Task	Not to Exceed
Task 1 – Project Management and Planning Meetings with DISTRICT Staff	\$33,000
Task 2 – Convene Meetings with External Stakeholders	\$176,400
Task 3 – Administration of Stipends for IWG Members	\$16,100
Stipends for IWG Members	\$30,000
Total	\$255,500

Total Task Order Cost Not to Exceed: \$255,500.

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

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

KEARNS & WEST, INC.

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Kent Schwartz
CFO

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Alexander G. Crockett
District Counsel

DRAFT

AMENDMENT NO. 1 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2022.113

This amendment to the above-entitled contract (“Contract Amendment”) is dated, for reference purposes only, April 3, 2023.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Kearns & West, Inc.** (“CONTRACTOR”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled contract for community engagement support and facilitation services (the “Contract”), which Contract was executed on behalf of CONTRACTOR on June 7, 2022, and on behalf of DISTRICT on July 8, 2022.
2. The PARTIES seek to amend the total cost of the Contract because DISTRICT seeks additional services from CONTRACTOR, and CONTRACTOR desires to provide those services.
3. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR 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 “\$95,000” with “\$350,500.”
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

KEARNS AND WEST, INC.

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Kent Schwartz
Principal – CFO/COO

Date: _____

Date: _____

Approved as to form:
District Counsel

By: _____
Alexander G. Crockett
District Counsel

DRAFT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Authorization to Issue a Credit Card to the Interim Chief Operating Officer

RECOMMENDED ACTION

The Board of Directors will consider issuing a credit card to the Interim Chief Operating Officer with a credit limit of \$10,000. This will increase the Air District's cumulative executive-level management staff credit limit from \$85,000 to \$95,000.

BACKGROUND

None.

DISCUSSION

In 2005, the Board approved the issuance of credit cards, with various levels of credit limits, to executive-level management staff to be used for business purposes. Since 2005, the Board has considered additions and changes to credit cards to correspond with the business needs of the Air District.

Business credit cards are used by board-approved executive management staff for unforeseen emergency transactions, travel incidentals, subscriptions, catering services, licensing, and other miscellaneous purchases.

In order to enhance the operational efficiency of the Air District, staff recommends issuing a credit card to the Interim Chief Operating Officer with a credit limit of \$10,000.

The table below compares the Air District's current credit card structure (11) to the proposed structure (12).

CARDHOLDER	CURRENT CREDIT LIMIT	PROPOSED CREDIT LIMIT
Executive Officer/Air Pollution Control Officer	\$15,000	No Change
District Counsel	\$10,000	No Change
Interim Chief Operating Officer	N/A	\$10,000
Manager, Executive Operations	\$10,000	No Change
Chief Financial Officer	\$5,000	No Change
Chief Administrative Officer	\$5,000	No Change
Deputy Air Pollution Control Officer – Technology	\$10,000	No Change
Deputy Air Pollution Control Officer – Operations	\$5,000	No Change
Deputy Air Pollution Control Officer – Policy	\$5,000	No Change
Director, Meteorology & Measurements	\$5,000	No Change
Director, Information Technology	\$5,000	No Change
Director, Administrative Resources	\$10,000	No Change
Total Credit Limit	\$85,000	\$95,000

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Maricela Martinez
Reviewed by: John Chiladakis

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Report of the Legislative Committee Meeting of April 5, 2023

RECOMMENDED ACTION

A) Air District-Sponsored Bills

1. **Co-Sponsor** Assembly Bill 1609 (Garcia) - Air pollution: motor vehicle registration: pollution reduction.

B) Discussion and Consideration of Brown Act Bills

1. **Support** Assembly Bill 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body.
2. **Support** Senate Bill 537 (Becker) – Open meetings: local agencies: teleconferences.

C) Consideration of New Bills

1. **Oppose** Assembly Bill 698 (Essayli) – Energy; Gas stoves.
2. **Oppose Unless Amended** Senate Bill 415 (Durazo) – Air quality: rules and regulations: socioeconomic impacts assessment.
3. **Work with Author** on Senate Bill 768 (Caballero)- California Environmental Quality Act:-vehicle miles traveled: statement of overriding consideration.
4. **Support** Senate Bill 527 (Min) - Neighborhood Decarbonization Program.

BACKGROUND

None.

DISCUSSION

The Legislative Committee met on Wednesday, April 5, 2023, and approved the Minutes of February 27, 2023.

The Committee then received the staff presentation *Air District-Sponsored Bills*. The Committee recommends the Board:

1. **Co-Sponsor** Assembly Bill 1609 (Garcia) - Air pollution: motor vehicle registration: pollution reduction.

The Committee then received the staff presentation *Discussion and Consideration of Brown Act Bills*. The Committee recommends the Board:

1. **Support** Assembly Bill 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body.
2. **Support** Senate Bill 537 (Becker) – Open meetings: local agencies: teleconferences.

Finally, the Committee received the staff presentation *Consideration of New Bills*. The Committee recommends the Board:

1. **Oppose** Assembly Bill 698 (Essayli) – Energy; Gas stoves.
2. **Oppose Unless Amended** Senate Bill 415 (Durazo) – Air quality: rules and regulations: socioeconomic impacts assessment.
3. **Work with Author** on Senate Bill 768 (Caballero)- California Environmental Quality Act:-vehicle miles traveled: statement of overriding consideration.
4. **Support** Senate Bill 527 (Min) - Neighborhood Decarbonization Program.

The next meeting of the Legislative Committee will be held at the Call of the Chair. This concludes the Chair Report of the Legislative Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Legislative Committee Meeting Memorandums of April 5, 2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Margaret Abe-Koga and Members
of the Legislative Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Air District-Sponsored Bills

RECOMMENDED ACTION

Approve staff's recommendation to co-sponsor the following bill:

- Assembly Bill (AB) 1609 (Garcia) – Air pollution: motor vehicle registration: pollution reduction.

BACKGROUND

The Air District is sponsoring the following bills:

- AB 536 (Wilson) – Bay Area Air Quality Management Advisory Council: compensation.
- AB 1465 (Wicks) – Nonvehicular air pollution: civil penalties.

The Air District is also co-sponsoring the following bill with the Santa Barbara County Air Pollution Control District and the Ventura County Air Pollution Control District:

- AB 953 (Connolly and Hart) – Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

As noted at the Legislative Committee (Committee) meeting in February, AB 1465 (Wicks) and AB 1609 (Garcia) were spot bills at the time. Both have since been amended and now include substantive language. The Board of Directors (Board) approved the reintroduction and sponsorship of last year's refinery penalty bill, now AB 1465 (Wicks), at their December 21, 2022, Board meeting. The Committee previously received staff's report on AB 1609 (Garcia) and the bill's intent to collect additional motor vehicle fees for air pollution reduction programs, and the request from the South Coast Air Quality Management District for co-sponsorship.

Another potential bill for co-sponsorship with the South Coast Air Quality Management District, Senate Bill (SB) 849 (Stern) – Air pollution: emissions from ports, was not amended and is unlikely to move as a bill this year.

DISCUSSION

Staff will provide the Legislative Committee (Committee) with a summary and status of Air District sponsored and co-sponsored bills.

AB 536 (Wilson) – Bay Area Air Quality Management Advisory Council: compensation.

CapitolTrack Summary: Current law establishes the Bay Area Air Quality Management District, which is vested with the authority to regulate air emissions located in the boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara and portions of the Counties of Solano and Sonoma. Current law establishes a district board (bay district board) to govern the district. Current law also establishes the Bay Area Air Quality Management Advisory Council, which is appointed by the bay district board, to advise and consult with the bay district board and the bay district air pollution control officer, as provided. Current law requires council members to serve without compensation, but authorizes actual expenses incurred in the discharge of their duties. This bill would repeal the compensation prohibition and would instead authorize each council member to receive actual and necessary expenses incurred in the discharge of their duties.

Current Status: AB 536 passed through the Assembly fully on consent for Assembly Natural Resources and on the Assembly Floor. The bill has been ordered to the Senate and is awaiting committee referral.

AB 953 (Connolly and Hart) – Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

CapitolTrack Summary: Would require the Ocean Protection Council, on or before May 1, 2025, in coordination with various entities, including the State Air Resources Board, to implement a statewide voluntary vessel speed reduction and sustainable shipping program for the California coast in order to reduce air pollution, the risk of fatal vessel strikes on whales, and harmful underwater acoustic impacts. The bill would require the program to expand a certain existing program and build upon other existing vessel speed reduction programs and would authorize the program to include specified components, including, upon an appropriation by the Legislature, financial incentives to program participants based on a percentage of distance traveled by a participating vessel, as provided. The bill would require the council, on or before December 31, 2026, to submit a report to the Legislature regarding the implementation of the program.

Current Status: Double-referred to the Assembly Committees on Water, Parks, and Wildlife and Natural Resources. This bill was heard in Assembly Water, Parks, and Wildlife on March 28, 2023, and received a vote in favor of 15-0. The hearing date for Assembly Natural Resources has been set for April 10, 2023.

AB 1465 (Wicks) – Nonvehicular air pollution: civil penalties.

CapitolTrack Summary: Current law prohibits a person from discharging from nonvehicular sources air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to the public, or that endanger the comfort, repose, health, or safety of the public, or that cause, or have a natural tendency to cause, injury or damage to business or property, as specified.

Current law establishes maximum civil penalties for a person who violates air pollution laws from nonvehicular sources. This bill would triple specified civil penalties, as provided, if the violation results from a discharge from a stationary source required by federal law to be included in an operating permit program established pursuant to specified provisions of the federal Clean Air Act, the stationary source is a refinery, and the discharge contains or includes one or more toxic air contaminants, as identified by the State Air Resources Board.

Current Status: Double-referred to the Assembly Committees on Natural Resources and Judiciary – hearing date not set as of this writing.

AB 1609 (Garcia) – Air pollution: motor vehicle registration: pollution reduction.

CapitolTrack Summary: Would impose an additional annual \$4 charge on each motor vehicle registered in the state except those vehicles that are expressly exempted from the payment of registration fees, thereby imposing a tax. The bill would require the department to collect the charge and deposit revenues from the charge in the Air Quality Improvement Fee Fund, which the bill would create. The bill would continuously appropriate the revenues in the fund to the department for distribution upon request to air pollution control districts and air quality management districts based upon the amount of the charges collected from motor vehicles registered within each air district, thereby creating an appropriation. The bill would require these revenues to be used for the reduction of air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies, as specified, or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles. The bill would also authorize the department to withhold up to 1% of the annual revenues collected from the charge to cover its administrative costs. The bill would require the charge to be increased annually based on the California Consumer Price Index, as specified.

Current Status: Referred to the Assembly Committee on Transportation – hearing date not set as of this writing.

As information becomes available, staff will update the Committee on additional legislative activities that the Board of Directors has previously approved or may wish to become involved with.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Philip M. Fine

ATTACHMENTS:

1. AB 536 (Wilson) - Bill Text - As Introduced on February 8, 2023
2. AB 953 (Connolly and Hart) - Bill Text - As Amended on March 16, 2023
3. AB 1465 (Wicks) - Bill Text - As Amended on March 16, 2023
4. AB 1609 (Garcia) - Bill Text - As Amended on March 16, 2023

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

ASSEMBLY BILL

No. 536

Introduced by Assembly Member Wilson
(Coauthors: Assembly Members ~~Lee and Ortega~~) *Lee, Ortega, and*
Ting
(Coauthor: Senator Becker)

February 8, 2023

An act to repeal and add Section 40266 of the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 536, as introduced, Wilson. Bay Area Air Quality Management Advisory Council: compensation.

Existing law establishes the Bay Area Air Quality Management District, which is vested with the authority to regulate air emissions located in the boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara and portions of the Counties of Solano and Sonoma. Existing law establishes a district board (bay district board) to govern the district. Existing law also establishes the Bay Area Air Quality Management Advisory Council, which is appointed by the bay district board, to advise and consult with the bay district board and the bay district air pollution control officer, as provided. Existing law requires council members to serve without compensation, but authorizes actual expenses incurred in the discharge of their duties.

This bill would repeal the compensation prohibition and would instead authorize each council member to receive actual and necessary expenses incurred in the discharge of their duties. The bill would also authorize each council member to receive compensation, to be determined by the

bay district board for either attending a meeting of the council or attending a meeting, upon authorization of the bay district board, as a representative of the council.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 40266 of the Health and Safety Code is
2 repealed.

3 ~~40266. Council members shall serve without compensation,~~
4 ~~but may be allowed actual expenses incurred in the discharge of~~
5 ~~their duties.~~

6 SEC. 2. Section 40266 is added to the Health and Safety Code,
7 to read:

8 40266. (a) Each council member may receive actual and
9 necessary expenses incurred in the discharge of their duties.

10 (b) Each council member may receive compensation, to be
11 determined by the bay district board for either of the following:

- 12 (1) Attending a meeting of the council.
- 13 (2) Attending a meeting, upon authorization of the bay district
14 board, as a representative of the council.

15
16 _____

17 **REVISIONS:**
18 **Heading—Line 2.**

19 _____

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 953

Introduced by Assembly Members Connolly and Hart

February 14, 2023

An act to add Section 35618 to the Public Resources Code, relating to coastal resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 953, as amended, Connolly. Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

Existing law establishes the Ocean Protection Council in state government to, among other things, establish policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies. Existing law requires the council to develop and implement a voluntary sustainable seafood promotion program for the state, to consist of specified components, including a competitive grant and loan program for eligible entities, including, but not limited to, fishery groups and associations, for the purpose of assisting California fisheries in qualifying for certification to internationally accepted standards for sustainable seafood.

This bill would require the council, on or before May 1, 2025, in coordination with various entities, including the State Air Resources Board, to ~~develop and~~ implement a statewide voluntary vessel speed reduction and sustainable shipping program for the California coast in order to reduce air pollution, the risk of fatal vessel strikes on whales, and harmful underwater acoustic impacts. The bill would require the program to *expand a certain existing program and build upon other existing vessel speed reduction programs and would authorize the*

program to include specified components, including, upon an appropriation by the Legislature, financial incentives to program participants based on a percentage of distance traveled by a participating vessel through a vessel speed reduction zone, vessel, as provided. The bill would require the council, on or before December 31, 2026, to submit a report to the Legislature regarding the implementation of the program.

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. The Legislature finds and declares all of the
2 following:

3 (a) California’s seaports are North America’s primary intermodal
4 gateway to Asia and Transpacific trade. Maritime industry activities
5 at California’s public seaports are responsible for employing more
6 than 500,000 people in the state. Nationwide, more than 2,000,000
7 jobs are linked to maritime industry business conducted at
8 California’s public seaports, contributing to California having the
9 largest state economy in the United States.

10 (b) Every year, the world’s largest container ships and auto
11 carriers make thousands of transits along the California coast, with
12 an estimated 120 tons per day of nitrogen dioxides, an ozone
13 precursor, being emitted within 100 nautical miles of the coast.
14 These emissions negatively affect the public health of coastal
15 communities and cause some areas of the coast to be in
16 nonattainment with the national ambient air quality standards for
17 ozone and particulate matter.

18 (c) Since 2014, the Santa Barbara County Air Pollution Control
19 District, the Ventura County Air Pollution Control District, and
20 the Bay Area Air Quality Management District, with the federal
21 Office of National Marine Sanctuaries, marine sanctuary
22 foundations, and environmental groups, have administered and
23 promoted the Blue Whales and Blue Skies Program, a voluntary
24 vessel speed reduction program off the Santa Barbara, Ventura,
25 and Bay Area coast coasts to encourage transit speeds of 10 knots
26 or less to reduce air pollution, the risk of harmful whale strikes,
27 and the level of ocean noise.

1 (d) Since its inception, through 2021, the *Protecting Blue*
2 *Whales and Blue Skies Program* has provided small incentives
3 and publicity to program participants and has achieved ~~536,211~~
4 *526,211* slow speed miles, a reduction of ~~over 76,000~~ *more than*
5 *2,300* tons of nitrogen oxides, *a reduction of over 76,000 metric*
6 *tons of regional greenhouse gas emissions*, and an estimated 50
7 percent decreased risk of whale strikes during prime migration
8 season in the affected coastal areas.

9 (e) This highly ~~cost-effective~~ *cost-effective* voluntary pollution
10 reduction program benefits public health, protects the marine
11 ecosystem, and showcases the beneficial partnership between
12 shipping companies, public health agencies, marine sanctuaries,
13 and environmental organizations.

14 (f) Creation of a statewide vessel speed reduction program and
15 expansion to other areas of the California coast, including the San
16 Diego and Monterey coasts and the North Coast, would yield
17 additional public health and ecosystem benefits.

18 SEC. 2. Section 35618 is added to the Public Resources Code,
19 to read:

20 35618. (a) On or before May 1, 2025, the council shall, in
21 coordination with air pollution control districts and air quality
22 management districts along the coast and in consultation with the
23 federal Office of National Marine Sanctuaries, the federal
24 Environmental Protection Agency, the United States Navy, and
25 the State Air Resources Board, ~~develop and implement~~ a statewide
26 voluntary vessel speed reduction and sustainable shipping program
27 for the California coast in order to reduce air pollution, the risk of
28 fatal vessel strikes on whales, and harmful underwater acoustic
29 impacts.

30 (b) The program shall *expand the existing Protecting Blue*
31 *Whales and Blue Skies Program* and build upon ~~any other~~ existing
32 ~~local voluntary incentive vessel speed reduction~~ programs and
33 ~~shall~~ *may* include all of the following components:

34 (1) A marketing ~~and brand ambassador~~ program to promote
35 voluntary vessel speed reduction and sustainable shipping, and an
36 acknowledgment of the program's participants.

37 (2) Data collection on ship speeds along the California coast in
38 order to analyze the program for future refinement, expansion, or
39 both.

- 1 (3) Data collection on underwater acoustic impacts or fatal
2 vessel strikes on whales, to the extent data is available.
- 3 (4) Data collection and consideration of the regional air quality
4 impacts on the coast and the local air quality and other
5 environmental impacts to disadvantaged communities from
6 oceangoing-vehicle vessel traffic.
- 7 (5) Financial incentives to program participants based on a
8 percentage of distance traveled by a participating vessel through
9 a vessel speed reduction zone established at 10 knots or less, to
10 the extent that local, state, or federal funding is made available
11 pursuant to an appropriation by the Legislature.
- 12 (6) *Development of vessel speed reduction zones along the coast*
13 *that take into account protected marine mammal migration and*
14 *breeding seasons, federal marine sanctuaries and state marine*
15 *protected areas, shipping lanes, and any other relevant variables.*
- 16 (c) The council may impose additional qualifying criteria on
17 program participants in order to receive financial incentives under
18 the program, including, but not limited to, individual transit speeds,
19 such as maximum speed in transit or maximum transit average
20 speed.
- 21 (d) The council shall provide financial incentives pursuant to
22 this section upon appropriation by the Legislature.
- 23 (e) (1) On or before December 31, 2026, the council shall
24 submit a report to the Legislature regarding the implementation
25 of the program.
- 26 (2) The report required in paragraph (1) shall be submitted in
27 compliance with Section 9795 of the Government Code.
- 28 (3) Pursuant to Section 10231.5 of the Government Code, the
29 requirement for submitting a report imposed by paragraph (1) is
30 inoperative on December 31, 2030.

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ASSEMBLY BILL

No. 1465

Introduced by Assembly Member Wicks

February 17, 2023

An act to ~~amend~~ *add* Section ~~42402~~ of 42402.6 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL’S DIGEST

AB 1465, as amended, Wicks. Nonvehicular air pollution: civil penalties.

Existing law prohibits a person from discharging from nonvehicular sources air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to the public, or that endanger the comfort, repose, health, or safety of the public, or that cause, or have a natural tendency to cause, injury or damage to business or property, as specified. Existing law establishes maximum civil penalties for a person who violates air pollution laws from nonvehicular sources.

This bill would triple specified civil penalties, as provided, if the violation results from a discharge from a stationary source required by federal law to be included in an operating permit program established pursuant to specified provisions of the federal Clean Air Act, the stationary source is a refinery, and the discharge contains or includes one or more toxic air contaminants, as identified by the State Air Resources Board. The bill would define “refinery” for this purpose.

Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law

establishes maximum civil penalties for any person for violations of air pollution laws from nonvehicular sources.

This bill would make nonsubstantive changes to the latter provision.

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 42402.6 is added to the Health and Safety
2 Code, to read:

3 42402.6. (a) Penalties prescribed pursuant to Sections 42402,
4 42402.1, 42402.2, 42402.3, 42402.4, and 42402.5 shall be tripled
5 if the person violates Section 41700 and both of the following
6 occur:

7 (1) The discharge is from a Title V source that is a refinery.

8 (2) The discharge contains or includes one or more toxic air
9 contaminants, as identified by the state board pursuant to Section
10 39657.

11 (b) For purposes of this section, "refinery" means an
12 establishment that is located on one or more contiguous or adjacent
13 properties that produces gasoline, diesel fuel, aviation fuel,
14 lubricating oil, asphalt, petrochemical feedstock, or other similar
15 product through the processing of crude oil or alternative
16 feedstock, redistillation of unfinished petroleum derivatives,
17 cracking, or other processes.

18 SECTION 1. Section 42402 of the Health and Safety Code is
19 amended to read:

20 42402. (a) Except as provided in Sections 42402.1, 42402.2,
21 42402.3, and 42402.4, a person who violates this part, an order
22 issued pursuant to Section 42316, or a rule, regulation, permit, or
23 order of a district, including a district hearing board, or of the state
24 board issued pursuant to Part 1 (commencing with Section 39000)
25 to Part 4 (commencing with Section 41500), inclusive, is strictly
26 liable for a civil penalty of not more than five thousand dollars
27 (\$5,000):

28 (b) (1) A person who violates a provision of this part, an order
29 issued pursuant to Section 42316, or a rule, regulation, permit or
30 order of a district, including a district hearing board, or of the state
31 board issued pursuant to Part 1 (commencing with Section 39000)
32 to Part 4 (commencing with Section 41500), inclusive, is strictly

1 liable for a civil penalty of not more than ten thousand dollars
2 (\$10,000):

3 (2) (A) If a civil penalty in excess of five thousand dollars
4 (\$5,000) for each day in which a violation occurs is sought, there
5 is no liability under this subdivision if the person accused of the
6 violation alleges by affirmative defense and establishes that the
7 violation was caused by an act that was not the result of intentional
8 conduct or negligent conduct.

9 (B) Subparagraph (A) does not apply to a violation of a federally
10 enforceable requirement that occurs at a Title V source in a district
11 in which a Title V permit program has been fully approved.

12 (C) Subparagraph (A) does not apply to a person who is
13 determined to have violated an annual facility emissions cap
14 established pursuant to a market-based incentive program adopted
15 by a district pursuant to subdivision (b) of Section 39616.

16 (e) A person who owns or operates a source of air contaminants
17 in violation of Section 41700 that causes actual injury, as defined
18 in subdivision (d) of Section 42400, to the health and safety of a
19 considerable number of persons or the public, is liable for a civil
20 penalty of not more than fifteen thousand dollars (\$15,000).

21 (d) Each day during a portion of which a violation occurs is a
22 separate offense.

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AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1609

Introduced by Assembly Member Garcia

February 17, 2023

An act to amend ~~Section~~ Sections 44225 and 44229 of the Health and Safety Code, and to add Section 9250.3 to the Vehicle Code, relating to air ~~pollution~~: pollution, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1609, as amended, Garcia. Air pollution: motor vehicles: ~~district fees~~: vehicle registration: pollution reduction.

(1) Existing law requires a registration fee to be paid to the Department of Motor Vehicles for the registration of each vehicle or trailer coach of a type subject to registration under the Vehicle Code, except those vehicles that are expressly exempted from the payment of registration fees. Existing law, until January 1, 2024, increases vehicle registration fees by \$3 and requires revenues from those fees to be used, upon appropriation by the Legislature, for programs to reduce air pollution from motor vehicles.

This bill would impose an additional annual \$4 charge on each motor vehicle registered in the state except those vehicles that are expressly exempted from the payment of registration fees, thereby imposing a tax. The bill would require the department to collect the charge and deposit revenues from the charge in the Air Quality Improvement Fee Fund, which the bill would create. The bill would continuously appropriate the revenues in the fund to the department for distribution upon request to air pollution control districts and air quality management districts based upon the amount of the charges collected from motor vehicles

registered within each air district, thereby creating an appropriation. The bill would require these revenues to be used for the reduction of air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies, as specified, or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles. The bill would also authorize the department to withhold up to 1% of the annual revenues collected from the charge to cover its administrative costs. The bill would require the charge to be increased annually based on the California Consumer Price Index, as specified.

Existing

(2) Existing law authorizes an air pollution control or air quality management district, except the Sacramento district, to levy a surcharge of up to \$6 on the registration fees for motor vehicles registered in the air district, as specified by the governing body of the air district. Existing law requires the Department of Motor Vehicles to collect that surcharge if requested by an air district, and requires the department, after deducting its administrative costs, to distribute the revenues to the air districts. Existing law, until January 1, 2034, raises the limit on the amount of that surcharge from \$4 to \$6 and requires that \$2 of the surcharge be used to implement the Carl Moyer Memorial Air Quality Standards Attainment Program, among other programs. *authorize a \$2 increment of that surcharge to be used for the reduction of air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies, as specified, or for the attainment or maintenance of state or federal ambient air quality standards or the reduction of toxic air contaminant emissions from motor vehicles.*

This bill would make a nonsubstantive change to the provision that ~~authorizes the increase in the fee until January 1, 2034.~~ *authorize that increment to be used for both of those purposes indefinitely.*

(3) This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of ²/₃ of the membership of each house of the Legislature.

Vote: ~~majority~~²/₃. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *Section 44225 of the Health and Safety Code, as*
2 *amended by Section 4 of Chapter 355 of the Statutes of 2022, is*
3 *amended to read:*

4 44225. (a) A district may increase the fee established under
5 Section 44223 to up to four dollars (\$4). A district may increase
6 the fee only if both of the following conditions are met:

7 (1) A resolution providing for both the fee increase and a
8 corresponding program for expenditure of the increased fees for
9 the reduction of air pollution from motor vehicles pursuant to, and
10 for related planning, monitoring, enforcement, and technical studies
11 necessary for the implementation of, the California Clean Air Act
12 of 1988 (Chapter 1568 of the Statutes of ~~1988~~ 1988), or for the
13 attainment or maintenance of state or federal ambient air quality
14 standards or the reduction of toxic air contaminant emissions from
15 motor vehicles, is adopted and approved by the governing board
16 of the district.

17 (2) In districts with nonelected officials on their governing
18 boards, the resolution shall be adopted and approved by both a
19 majority of the governing board and a majority of the board
20 members who are elected officials.

21 (b) An increase in fees established pursuant to this section shall
22 become effective on either April 1 or October 1, as provided in
23 the resolution adopted by the board pursuant to subdivision (a).

24 (c) This section shall become operative on January 1, 2034.

25 **SEC. 2.** *Section 44229 of the Health and Safety Code, as*
26 *amended by Section 6 of Chapter 355 of the Statutes of 2022, is*
27 *amended to read:*

28 44229. (a) After deducting all administrative costs it incurs
29 through collection of fees pursuant to Section 44227, the
30 Department of Motor Vehicles shall distribute the revenues to
31 districts, which shall use the fees to reduce air pollution from motor
32 vehicles and to carry out related planning, monitoring, enforcement,
33 and technical studies necessary for implementation of the California
34 Clean Air Act of 1988 (Chapter 1568 of the Statutes of ~~1988~~
35 1988), or for the attainment or maintenance of state or federal
36 ambient air quality standards or the reduction of toxic air
37 contaminant emissions from motor vehicles. Fees collected by the
38 Department of Motor Vehicles pursuant to this chapter shall be

1 distributed to districts based upon the amount of fees collected
2 from motor vehicles registered within each district.

3 (b) The Department of Motor Vehicles may annually expend
4 not more than the following percentages of the fees collected
5 pursuant to Section 44227 on administrative costs:

6 (1) During the first year after the operative date of this chapter,
7 not more than 5 percent of the fees collected may be used for
8 administrative costs.

9 (2) During the second year after the operative date of this
10 chapter, not more than 3 percent of the fees collected may be used
11 for administrative costs.

12 (3) During any year subsequent to the second year after the
13 operative date of this chapter, not more than 1 percent of the fees
14 collected may be used for administrative costs.

15 (c) This section shall become operative on January 1, 2034.

16 *SEC. 3. Section 44229 of the Health and Safety Code, as*
17 *amended by Section 7 of Chapter 355 of the Statutes of 2022, is*
18 *amended to read:*

19 44229. (a) After deducting all administrative costs it incurs
20 through collection of fees pursuant to Section 44227, the
21 Department of Motor Vehicles shall distribute the revenues to
22 districts, which shall use the revenues resulting from the first four
23 dollars (\$4) of each fee imposed *pursuant to Sections 44223 and*
24 *44225 to reduce air pollution from motor vehicles and to carry out*
25 *related planning, monitoring, enforcement, and technical studies*
26 *necessary for implementation of the California Clean Air Act of*
27 *1988 (Chapter 1568 of the Statutes of ~~1988~~: 1988), or for the*
28 *attainment or maintenance of state or federal ambient air quality*
29 *standards or the reduction of toxic air contaminant emissions from*
30 *motor vehicles. Fees collected by the Department of Motor*
31 *Vehicles pursuant to this chapter shall be distributed to districts*
32 *based upon the amount of fees collected from motor vehicles*
33 *registered within each district.*

34 (b) Notwithstanding Sections 44241 and 44243, a district shall
35 use the revenues resulting from the next two dollars (\$2) of each
36 fee imposed pursuant to *Section 44225 and collected pursuant to*
37 *Section 44227 to implement the following programs that the district*
38 *determines remediate air pollution harms created by motor vehicles*
39 *on which the surcharge is imposed:*

1 (1) Projects eligible for grants under the Carl Moyer Memorial
2 Air Quality Standards Attainment Program (Chapter 9
3 (commencing with Section 44275) of Part 5).

4 (2) The new purchase, retrofit, repower, or add-on equipment
5 for previously unregulated agricultural sources of air pollution, as
6 defined in Section 39011.5, for a minimum of three years from
7 the date of adoption of an applicable rule or standard, or until the
8 compliance date of that rule or standard, whichever is later, if the
9 state board has determined that the rule or standard complies with
10 Sections 40913, 40914, and 41503.1, after which period of time,
11 a new purchase, retrofit, repower, or add-on of equipment shall
12 not be funded pursuant to this chapter. The districts shall follow
13 any guidelines developed under subdivision (a) of Section 44287
14 for awarding grants under this program.

15 (3) The purchase of new schoolbuses or the repower or retrofit
16 of emissions control equipment for existing schoolbuses pursuant
17 to the Lower-Emission School Bus Program adopted by the state
18 board.

19 (4) An accelerated vehicle retirement or repair program that is
20 adopted by the state board pursuant to authority granted hereafter
21 by the Legislature by statute.

22 (5) The replacement of onboard natural gas fuel tanks on
23 schoolbuses that are 14 years or older or the enhancement of
24 deteriorating natural gas fueling dispensers of fueling infrastructure,
25 pursuant to the Lower-Emission School Bus Program adopted by
26 the state board.

27 (6) The funding of alternative fuel and electric infrastructure
28 projects solicited and selected through a competitive bid process.

29 (c) The Department of Motor Vehicles may annually expend
30 not more than 1 percent of the fees collected pursuant to Section
31 44227 on administrative costs.

32 (d) A project funded by the program shall not be used for credit
33 under any state or federal emissions averaging, banking, or trading
34 program. An emission reduction generated by the program shall
35 not be used as marketable emission reduction credits or to offset
36 any emission reduction obligation of any person or entity. Projects
37 involving new engines that would otherwise generate marketable
38 credits under state or federal averaging, banking, and trading
39 programs shall include transfer of credits to the engine end user
40 and retirement of those credits toward reducing air emissions in

1 order to qualify for funding under the program. A purchase of a
 2 low-emission vehicle or of equipment pursuant to a corporate or
 3 a controlling board’s policy, but not otherwise required by law,
 4 shall generate surplus emissions reductions and may be funded by
 5 the program.

6 (e) This section shall remain in effect only until January 1, 2034,
 7 and as of that date is repealed, unless a later enacted statute, that
 8 is enacted before January 1, 2034, deletes or extends that date.

9 *SEC. 4. Section 9250.3 is added to the Vehicle Code, to read:*

10 9250.3. (a) *In addition to any other fees specified in this code,*
 11 *the Health and Safety Code, or the Revenue and Taxation Code,*
 12 *an annual air quality improvement fee of four dollars (\$4),*
 13 *beginning on January 1, 2024, is hereby imposed on each motor*
 14 *vehicle registered in the state except those vehicles expressly*
 15 *exempted under this code from the payment of registration fees.*

16 (b) *The department shall collect the fee imposed pursuant to*
 17 *subdivision (a) at the same time and in the same manner as the*
 18 *department collects the vehicle registration fee pursuant to Section*
 19 *9250.*

20 (c) *The department shall deposit the revenues collected pursuant*
 21 *to subdivision (b) in the Air Quality Improvement Fee Fund, which*
 22 *is hereby created in the State Treasury. Notwithstanding Section*
 23 *13340 of the Government Code, the moneys in the fund are*
 24 *continuously appropriated to the department without regard to*
 25 *fiscal years for distribution pursuant to subdivision (d).*

26 (d) (1) *Before distributing the moneys in the Air Quality*
 27 *Improvement Fee Fund to districts pursuant to paragraph (2), the*
 28 *department may withhold up to 1 percent of the annual revenues*
 29 *collected pursuant to subdivision (b) to cover its administrative*
 30 *costs relating to the collection of the air quality improvement fee*
 31 *and distribution of the revenues from that fee.*

32 (2) *The department shall distribute revenues collected pursuant*
 33 *to subdivision (b) upon request to districts based upon the amount*
 34 *of fees collected from motor vehicles registered within each district.*

35 (e) (1) *The South Coast Air Quality Management District shall*
 36 *allocate the revenues distributed to it pursuant to subdivision (d)*
 37 *in a manner consistent with Sections 44243 and 44244 of the*
 38 *Health and Safety Code.*

39 (2) *The Bay Area Air Quality Management District shall allocate*
 40 *the revenues distributed to it pursuant to subdivision (d) in a*

1 manner consistent with Section 44241 of the Health and Safety
2 Code.

3 (f) The revenues from the fees distributed to a district pursuant
4 to this section shall be used to reduce or mitigate air pollution
5 from motor vehicles and for related planning, monitoring,
6 enforcement, and technical studies necessary for the
7 implementation of the California Clean Air Act of 1988 (Chapter
8 1568 of the Statutes of 1988), or for the attainment or maintenance
9 of state or federal ambient air quality standards or the reduction
10 or mitigation of toxic air contaminant emissions from motor
11 vehicles.

12 (g) The fees established pursuant to this section shall be
13 increased annually based on the California Consumer Price Index
14 as compiled and reported by the Department of Industrial
15 Relations.

16 (h) For purposes of this section, "district" has the same meaning
17 as defined in Section 39025 of the Health and Safety Code.

18 SECTION 1. Section 44225 of the Health and Safety Code, as
19 amended by Section 5 of Chapter 355 of the Statutes of 2022, is
20 amended to read:

21 44225. (a) A district may increase the fee established under
22 Section 44223 to up to six dollars (\$6). A district may increase the
23 fee only if both of the following conditions are met:

24 (1) A resolution providing for both the fee increase and a
25 corresponding program for expenditure of the increased fees for
26 the reduction of air pollution from motor vehicles pursuant to, and
27 for related planning, monitoring, enforcement, and technical studies
28 necessary for the implementation of, the California Clean Air Act
29 of 1988 (Chapter 1568 of the Statutes of 1988), or for the
30 attainment or maintenance of state or federal ambient air quality
31 standards or the reduction of toxic air contaminant emissions from
32 motor vehicles, is adopted and approved by the governing board
33 of the district.

34 (2) In districts with nonelected officials on their governing
35 boards, the resolution shall be adopted and approved by both a
36 majority of the governing board and a majority of the board
37 members who are elected officials.

38 (b) An increase in fees established pursuant to this section shall
39 become effective on either April 1 or October 1, as provided in
40 the resolution adopted by the board pursuant to subdivision (a).

- 1 (e) ~~This section shall remain in effect only until January 1, 2034,~~
- 2 ~~and as of that date is repealed.~~

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Margaret Abe-Koga and Members
of the Legislative Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Discussion and Consideration of Brown Act Bills

RECOMMENDED ACTION

Approve staff's recommendation to support the following bills related to the Brown Act:

- Assembly Bill (AB) 817 (Pacheco) - Open meetings: teleconferencing: subsidiary body.
- Senate Bill (SB) 537 (Becker) - Open meetings: local agencies: teleconferences.

BACKGROUND

Included as part of the Legislative Activities for 2023, approved by the Board of Directors in December 2022, was to support efforts to address concerns regarding AB 2449 (Rubio, Chapter 285, Statutes of 2022) and the limitations that the teleconferencing provisions within the Brown Act have on the legislative bodies of regional agencies.

DISCUSSION

Staff will provide the Legislative Committee with a summary and status of bills related to the Brown Act.

On the following page is a breakdown of the different bills related to the Brown Act, a summary for each bill, and recommendation position, if any.

Bill Number	Bill Summary	Proposed Position
AB 557 (Hart)	This bill would eliminate the sunset date (January 1, 2024) of AB 361 (Rivas, Chapter 165, Statutes of 2021), and extend the window for public noticing to use AB 361 provisions from 30 days to 45 days. Use of remote teleconferencing would still be limited to a declared state of emergency and need for social distancing.	None
AB 817 (Pacheco)	This bill would allow remote teleconferencing without publicly noticing private locations to “subsidiary bodies,” i.e., ones that don’t have final decision-making authority, provided there was a remote public participation option. Would apply to all Air District Brown Act meetings except the Board meetings.	Support
AB 1379 (Papan)	Would require only one posting location to notice a Brown Act meeting, effectively allowing remote teleconferencing without personal location identification. Would eliminate the current January 1, 2026 sunset date for AB 2449 meeting requirements, and eliminate other AB 2449 provisions that limit the number of times that members can use a remote option to attend meetings. Would require two meetings per year of a legislative body with all in-person attendance.	None
SB 411 (Portantino)	As currently drafted, SB 411 would authorize legislative bodies with appointed membership to continue to meet remotely without providing the physical location of each appointed member. At this time, we understand that Senator Portantino’s bill is intended to address remote participation for the 99 neighborhood councils, as well as boards and commissions, in the City of Los Angeles. However, the bill must be amended if it is to address that more narrow class of Brown Act entities.	None
SB 537 (Becker)	Adds one additional reason (immunocompromised family member) for the “just cause” that allows for remote participation under AB 2449. It also allows blanket remote teleconferencing without personal location noticing for all legislative bodies that are appointed, including multijurisdictional bodies, which would include the Air District Board and committee meetings. The public would have to be provided a way to remotely participate.	Support

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Philip M. Fine

ATTACHMENTS:

1. AB 557 (Hart) - Bill Text - As Introduced on February 8, 2023
2. AB 817 (Pacheco) - Bill Text - As Amended on March 16, 2023
3. AB 1379 (Papan) - Bill Text - As Amended on March 23, 2023
4. SB 411 (Portantino) - Bill Text - As Introduced on February 9, 2023
5. SB 537 (Becker) - Bill Text - As Amended on March 22, 2023

ASSEMBLY BILL

No. 557

Introduced by Assembly Member Hart

February 8, 2023

An act to amend and repeal Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 557, as introduced, Hart. Open meetings: local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a

declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Existing law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time.

This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures.

The bill would additionally make nonsubstantive changes to those provisions and correct erroneous cross references .

(2) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 54953 of the Government Code, as
2 amended by Section 1 of Chapter 285 of the Statutes of 2022, is
3 amended to read:

4 54953. (a) All meetings of the legislative body of a local
5 agency shall be open and public, and all persons shall be permitted
6 to attend any meeting of the legislative body of a local agency,
7 except as otherwise provided in this chapter.

8 (b) (1) Notwithstanding any other provision of law, the
9 legislative body of a local agency may use teleconferencing for
10 the benefit of the public and the legislative body of a local agency
11 in connection with any meeting or proceeding authorized by law.
12 The teleconferenced meeting or proceeding shall comply with all
13 otherwise applicable requirements of this chapter and all otherwise
14 applicable provisions of law relating to a specific type of meeting
15 or proceeding.

16 (2) Teleconferencing, as authorized by this section, may be used
17 for all purposes in connection with any meeting within the subject
18 matter jurisdiction of the legislative body. If the legislative body
19 of a local agency elects to use teleconferencing, the legislative
20 body of a local agency shall comply with all of the following:

21 (A) All votes taken during a teleconferenced meeting shall be
22 by rollcall.

23 (B) The teleconferenced meetings shall be conducted in a
24 manner that protects the statutory and constitutional rights of the
25 parties or the public appearing before the legislative body of a
26 local agency.

27 (C) The legislative body shall give notice of the meeting and
28 post agendas as otherwise required by this chapter.

29 (D) The legislative body shall allow members of the public to
30 access the meeting and the agenda shall provide an opportunity
31 for members of the public to address the legislative body directly
32 pursuant to Section 54954.3.

33 (3) If the legislative body of a local agency elects to use
34 teleconferencing, it shall post agendas at all teleconference
35 locations. Each teleconference location shall be identified in the
36 notice and agenda of the meeting or proceeding, and each
37 teleconference location shall be accessible to the public. During
38 the teleconference, at least a quorum of the members of the

1 legislative body shall participate from locations within the
2 boundaries of the territory over which the local agency exercises
3 jurisdiction, except as provided in subdivisions (d) and (e).

4 (c) (1) No legislative body shall take action by secret ballot,
5 whether preliminary or final.

6 (2) The legislative body of a local agency shall publicly report
7 any action taken and the vote or abstention on that action of each
8 member present for the action.

9 (3) Prior to taking final action, the legislative body shall orally
10 report a summary of a recommendation for a final action on the
11 salaries, salary schedules, or compensation paid in the form of
12 fringe benefits of a local agency executive, as defined in
13 subdivision (d) of Section 3511.1, during the open meeting in
14 which the final action is to be taken. This paragraph shall not affect
15 the public's right under the California Public Records Act (Division
16 10 (commencing with Section 7920.000) of Title 1) to inspect or
17 copy records created or received in the process of developing the
18 recommendation.

19 (d) (1) Notwithstanding the provisions relating to a quorum in
20 paragraph (3) of subdivision (b), if a health authority conducts a
21 teleconference meeting, members who are outside the jurisdiction
22 of the authority may be counted toward the establishment of a
23 quorum when participating in the teleconference if at least 50
24 percent of the number of members that would establish a quorum
25 are present within the boundaries of the territory over which the
26 authority exercises jurisdiction, and the health authority provides
27 a teleconference number, and associated access codes, if any, that
28 allows any person to call in to participate in the meeting and the
29 number and access codes are identified in the notice and agenda
30 of the meeting.

31 (2) Nothing in this subdivision shall be construed as
32 discouraging health authority members from regularly meeting at
33 a common physical site within the jurisdiction of the authority or
34 from using teleconference locations within or near the jurisdiction
35 of the authority. A teleconference meeting for which a quorum is
36 established pursuant to this subdivision shall be subject to all other
37 requirements of this section.

38 (3) For purposes of this subdivision, a health authority means
39 any entity created pursuant to Sections 14018.7, 14087.31,
40 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare

1 and Institutions Code, any joint powers authority created pursuant
2 to Article 1 (commencing with Section 6500) of Chapter 5 of
3 Division 7 for the purpose of contracting pursuant to Section
4 14087.3 of the Welfare and Institutions Code, and any advisory
5 committee to a county-sponsored health plan licensed pursuant to
6 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
7 Health and Safety Code if the advisory committee has 12 or more
8 members.

9 (e) (1) The legislative body of a local agency may use
10 teleconferencing without complying with the requirements of
11 paragraph (3) of subdivision (b) if the legislative body complies
12 with the requirements of paragraph (2) of this subdivision in any
13 of the following circumstances:

14 (A) The legislative body holds a meeting during a proclaimed
15 state of emergency, and state or local officials have imposed or
16 recommended measures to promote social distancing.

17 (B) The legislative body holds a meeting during a proclaimed
18 state of emergency for the purpose of determining, by majority
19 vote, whether as a result of the emergency, meeting in person
20 would present imminent risks to the health or safety of attendees.

21 (C) The legislative body holds a meeting during a proclaimed
22 state of emergency and has determined, by majority vote, pursuant
23 to subparagraph (B), that, as a result of the emergency, meeting
24 in person would present imminent risks to the health or safety of
25 attendees.

26 (2) A legislative body that holds a meeting pursuant to this
27 subdivision shall do all of the following:

28 (A) In each instance in which notice of the time of the
29 teleconferenced meeting is otherwise given or the agenda for the
30 meeting is otherwise posted, the legislative body shall also give
31 notice of the means by which members of the public may access
32 the meeting and offer public comment. The agenda shall identify
33 and include an opportunity for all persons to attend via a call-in
34 option or an internet-based service option.

35 (B) In the event of a disruption that prevents the legislative body
36 from broadcasting the meeting to members of the public using the
37 call-in option or internet-based service option, or in the event of
38 a disruption within the local agency's control that prevents
39 members of the public from offering public comments using the
40 call-in option or internet-based service option, the legislative body

1 shall take no further action on items appearing on the meeting
2 agenda until public access to the meeting via the call-in option or
3 internet-based service option is restored. Actions taken on agenda
4 items during a disruption that prevents the legislative body from
5 broadcasting the meeting may be challenged pursuant to Section
6 54960.1.

7 (C) The legislative body shall not require public comments to
8 be submitted in advance of the meeting and must provide an
9 opportunity for the public to address the legislative body and offer
10 comment in real time.

11 (D) Notwithstanding Section 54953.3, an individual desiring to
12 provide public comment through the use of an internet website, or
13 other online platform, not under the control of the local legislative
14 body, that requires registration to log in to a teleconference may
15 be required to register as required by the third-party internet
16 website or online platform to participate.

17 (E) (i) A legislative body that provides a timed public comment
18 period for each agenda item shall not close the public comment
19 period for the agenda item, or the opportunity to register, pursuant
20 to subparagraph ~~(F)~~; (D), to provide public comment until that
21 timed public comment period has elapsed.

22 (ii) A legislative body that does not provide a timed public
23 comment period, but takes public comment separately on each
24 agenda item, shall allow a reasonable amount of time per agenda
25 item to allow public members the opportunity to provide public
26 comment, including time for members of the public to register
27 pursuant to subparagraph ~~(F)~~; (D), or otherwise be recognized for
28 the purpose of providing public comment.

29 (iii) A legislative body that provides a timed general public
30 comment period that does not correspond to a specific agenda item
31 shall not close the public comment period or the opportunity to
32 register, pursuant to subparagraph ~~(F)~~; (D), until the timed general
33 public comment period has elapsed.

34 (3) If a state of emergency remains active, or state or local
35 officials have imposed or recommended measures to promote
36 social distancing, in order to continue to teleconference without
37 compliance with paragraph (3) of subdivision (b), the legislative
38 body shall, not later than ~~30~~ 45 days after teleconferencing for the
39 first time pursuant to subparagraph (A), (B), or (C) of paragraph

1 (1), and every ~~30~~ 45 days thereafter, make the following findings
2 by majority vote:

3 (A) The legislative body has reconsidered the circumstances of
4 the state of emergency.

5 (B) Any of the following circumstances exist:

6 (i) The state of emergency continues to directly impact the
7 ability of the members to meet safely in person.

8 (ii) State or local officials continue to impose or recommend
9 measures to promote social distancing.

10 (4) This subdivision shall not be construed to require the
11 legislative body to provide a physical location from which the
12 public may attend or comment.

13 (f) (1) The legislative body of a local agency may use
14 teleconferencing without complying with paragraph (3) of
15 subdivision (b) if, during the teleconference meeting, at least a
16 quorum of the members of the legislative body participates in
17 person from a singular physical location clearly identified on the
18 agenda, which location shall be open to the public and situated
19 within the boundaries of the territory over which the local agency
20 exercises jurisdiction and the legislative body complies with all
21 of the following:

22 (A) The legislative body shall provide at least one of the
23 following as a means by which the public may remotely hear and
24 visually observe the meeting, and remotely address the legislative
25 body:

26 (i) A two-way audiovisual platform.

27 (ii) A two-way telephonic service and a live webcasting of the
28 meeting.

29 (B) In each instance in which notice of the time of the
30 teleconferenced meeting is otherwise given or the agenda for the
31 meeting is otherwise posted, the legislative body shall also give
32 notice of the means by which members of the public may access
33 the meeting and offer public comment.

34 (C) The agenda shall identify and include an opportunity for all
35 persons to attend and address the legislative body directly pursuant
36 to Section 54954.3 via a call-in option, via an internet-based service
37 option, and at the in-person location of the meeting.

38 (D) In the event of a disruption that prevents the legislative body
39 from broadcasting the meeting to members of the public using the
40 call-in option or internet-based service option, or in the event of

1 a disruption within the local agency’s control that prevents
 2 members of the public from offering public comments using the
 3 call-in option or internet-based service option, the legislative body
 4 shall take no further action on items appearing on the meeting
 5 agenda until public access to the meeting via the call-in option or
 6 internet-based service option is restored. Actions taken on agenda
 7 items during a disruption that prevents the legislative body from
 8 broadcasting the meeting may be challenged pursuant to Section
 9 54960.1.

10 (E) The legislative body shall not require public comments to
 11 be submitted in advance of the meeting and must provide an
 12 opportunity for the public to address the legislative body and offer
 13 comment in real time.

14 (F) Notwithstanding Section 54953.3, an individual desiring to
 15 provide public comment through the use of an internet website, or
 16 other online platform, not under the control of the local legislative
 17 body, that requires registration to log in to a teleconference may
 18 be required to register as required by the third-party internet
 19 website or online platform to participate.

20 (2) A member of the legislative body shall only participate in
 21 the meeting remotely pursuant to this subdivision, if all of the
 22 following requirements are met:

23 (A) One of the following circumstances applies:

24 (i) The member notifies the legislative body at the earliest
 25 opportunity possible, including at the start of a regular meeting,
 26 of their need to participate remotely for just cause, including a
 27 general description of the circumstances relating to their need to
 28 appear remotely at the given meeting. The provisions of this clause
 29 shall not be used by any member of the legislative body for more
 30 than two meetings per calendar year.

31 (ii) The member requests the legislative body to allow them to
 32 participate in the meeting remotely due to emergency circumstances
 33 and the legislative body takes action to approve the request. The
 34 legislative body shall request a general description of the
 35 circumstances relating to their need to appear remotely at the given
 36 meeting. A general description of an item generally need not exceed
 37 20 words and shall not require the member to disclose any medical
 38 diagnosis or disability, or any personal medical information that
 39 is already exempt under existing law, such as the Confidentiality
 40 of Medical Information Act (Chapter 1 (commencing with Section

1 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes
2 of this clause, the following requirements apply:

3 (I) A member shall make a request to participate remotely at a
4 meeting pursuant to this clause as soon as possible. The member
5 shall make a separate request for each meeting in which they seek
6 to participate remotely.

7 (II) The legislative body may take action on a request to
8 participate remotely at the earliest opportunity. If the request does
9 not allow sufficient time to place proposed action on such a request
10 on the posted agenda for the meeting for which the request is made,
11 the legislative body may take action at the beginning of the meeting
12 in accordance with paragraph (4) of subdivision (b) of Section
13 54954.2.

14 (B) The member shall publicly disclose at the meeting before
15 any action is taken, whether any other individuals 18 years of age
16 or older are present in the room at the remote location with the
17 member, and the general nature of the member's relationship with
18 any such individuals.

19 (C) The member shall participate through both audio and visual
20 technology.

21 (3) The provisions of this subdivision shall not serve as a means
22 for any member of a legislative body to participate in meetings of
23 the legislative body solely by teleconference from a remote location
24 for a period of more than three consecutive months or 20 percent
25 of the regular meetings for the local agency within a calendar year,
26 or more than two meetings if the legislative body regularly meets
27 fewer than 10 times per calendar year.

28 (g) The legislative body shall have and implement a procedure
29 for receiving and swiftly resolving requests for reasonable
30 accommodation for individuals with disabilities, consistent with
31 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
32 Sec. 12132), and resolving any doubt in favor of accessibility. In
33 each instance in which notice of the time of the meeting is
34 otherwise given or the agenda for the meeting is otherwise posted,
35 the legislative body shall also give notice of the procedure for
36 receiving and resolving requests for accommodation.

37 (h) The legislative body shall conduct meetings subject to this
38 chapter consistent with applicable civil rights and
39 nondiscrimination laws.

1 (i) (1) Nothing in this section shall prohibit a legislative body
2 from providing the public with additional teleconference locations.

3 (2) Nothing in this section shall prohibit a legislative body from
4 providing ~~members of~~ the public with additional physical locations
5 in which the public may observe and address the legislative body
6 by electronic means.

7 (j) For the purposes of this section, the following definitions
8 shall apply:

9 (1) “Emergency circumstances” means a physical or family
10 medical emergency that prevents a member from attending in
11 person.

12 (2) “Just cause” means any of the following:

13 (A) A childcare or caregiving need of a child, parent,
14 grandparent, grandchild, sibling, spouse, or domestic partner that
15 requires them to participate remotely. “Child,” “parent,”
16 “grandparent,” “grandchild,” and “sibling” have the same meaning
17 as those terms do in Section 12945.2.

18 (B) A contagious illness that prevents a member from attending
19 in person.

20 (C) A need related to a physical or mental disability as defined
21 in Sections 12926 and 12926.1 not otherwise accommodated by
22 subdivision (g).

23 (D) Travel while on official business of the legislative body or
24 another state or local agency.

25 (3) “Remote location” means a location from which a member
26 of a legislative body participates in a meeting pursuant to
27 subdivision (f), other than any physical meeting location designated
28 in the notice of the meeting. Remote locations need not be
29 accessible to the public.

30 (4) “Remote participation” means participation in a meeting by
31 teleconference at a location other than any physical meeting
32 location designated in the notice of the meeting. Watching or
33 listening to a meeting via webcasting or another similar electronic
34 medium that does not permit members to interactively hear,
35 discuss, or deliberate on matters, does not constitute remote
36 participation.

37 (5) “State of emergency” means a state of emergency proclaimed
38 pursuant to Section 8625 of the California Emergency Services
39 Act (Article 1 (commencing with Section 8550) of Chapter 7 of
40 Division 1 of Title 2).

1 (6) “Teleconference” means a meeting of a legislative body,
2 the members of which are in different locations, connected by
3 electronic means, through either audio or video, or both.

4 (7) “Two-way audiovisual platform” means an online platform
5 that provides participants with the ability to participate in a meeting
6 via both an interactive video conference and a two-way telephonic
7 function.

8 (8) “Two-way telephonic service” means a telephone service
9 that does not require internet access, is not provided as part of a
10 two-way audiovisual platform, and allows participants to dial a
11 telephone number to listen and verbally participate.

12 (9) “Webcasting” means a streaming video broadcast online or
13 on television, using streaming media technology to distribute a
14 single content source to many simultaneous listeners and viewers.

15 (k) This section shall remain in effect only until January 1, ~~2024,~~
16 ~~2026,~~ and as of that date is repealed.

17 SEC. 2. Section 54953 of the Government Code, as amended
18 by Section 2 of Chapter 285 of the Statutes of 2022, is amended
19 to read:

20 54953. (a) All meetings of the legislative body of a local
21 agency shall be open and public, and all persons shall be permitted
22 to attend any meeting of the legislative body of a local agency,
23 except as otherwise provided in this chapter.

24 (b) (1) Notwithstanding any other provision of law, the
25 legislative body of a local agency may use teleconferencing for
26 the benefit of the public and the legislative body of a local agency
27 in connection with any meeting or proceeding authorized by law.
28 The teleconferenced meeting or proceeding shall comply with all
29 otherwise applicable requirements of this chapter and all otherwise
30 applicable provisions of law relating to a specific type of meeting
31 or proceeding.

32 (2) Teleconferencing, as authorized by this section, may be used
33 for all purposes in connection with any meeting within the subject
34 matter jurisdiction of the legislative body. If the legislative body
35 of a local agency elects to use teleconferencing, the legislative
36 body of a local agency shall comply with all of the following:

37 (A) All votes taken during a teleconferenced meeting shall be
38 by rollcall.

39 (B) The teleconferenced meetings shall be conducted in a
40 manner that protects the statutory and constitutional rights of the

1 parties or the public appearing before the legislative body of a
2 local agency.

3 (C) The legislative body shall give notice of the meeting and
4 post agendas as otherwise required by this chapter.

5 (D) The legislative body shall allow members of the public to
6 access the meeting and the agenda shall provide an opportunity
7 for members of the public to address the legislative body directly
8 pursuant to Section 54954.3.

9 (3) If the legislative body of a local agency elects to use
10 teleconferencing, it shall post agendas at all teleconference
11 locations. Each teleconference location shall be identified in the
12 notice and agenda of the meeting or proceeding, and each
13 teleconference location shall be accessible to the public. During
14 the teleconference, at least a quorum of the members of the
15 legislative body shall participate from locations within the
16 boundaries of the territory over which the local agency exercises
17 jurisdiction, except as provided in ~~subdivision (d)~~. *subdivisions*
18 *(d) and (e)*.

19 (c) (1) No legislative body shall take action by secret ballot,
20 whether preliminary or final.

21 (2) The legislative body of a local agency shall publicly report
22 any action taken and the vote or abstention on that action of each
23 member present for the action.

24 (3) Prior to taking final action, the legislative body shall orally
25 report a summary of a recommendation for a final action on the
26 salaries, salary schedules, or compensation paid in the form of
27 fringe benefits of a local agency executive, as defined in
28 subdivision (d) of Section 3511.1, during the open meeting in
29 which the final action is to be taken. This paragraph shall not affect
30 the public's right under the California Public Records Act (Division
31 10 (commencing with Section 7920.000) of Title 1) to inspect or
32 copy records created or received in the process of developing the
33 recommendation.

34 (d) (1) Notwithstanding the provisions relating to a quorum in
35 paragraph (3) of subdivision (b), if a health authority conducts a
36 teleconference meeting, members who are outside the jurisdiction
37 of the authority may be counted toward the establishment of a
38 quorum when participating in the teleconference if at least 50
39 percent of the number of members that would establish a quorum
40 are present within the boundaries of the territory over which the

1 authority exercises jurisdiction, and the health authority provides
2 a teleconference number, and associated access codes, if any, that
3 allows any person to call in to participate in the meeting and the
4 number and access codes are identified in the notice and agenda
5 of the meeting.

6 (2) Nothing in this subdivision shall be construed as
7 discouraging health authority members from regularly meeting at
8 a common physical site within the jurisdiction of the authority or
9 from using teleconference locations within or near the jurisdiction
10 of the authority. A teleconference meeting for which a quorum is
11 established pursuant to this subdivision shall be subject to all other
12 requirements of this section.

13 (3) For purposes of this subdivision, a health authority means
14 any entity created pursuant to Sections 14018.7, 14087.31,
15 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
16 and Institutions Code, any joint powers authority created pursuant
17 to Article 1 (commencing with Section 6500) of Chapter 5 of
18 Division 7 for the purpose of contracting pursuant to Section
19 14087.3 of the Welfare and Institutions Code, and any advisory
20 committee to a county-sponsored health plan licensed pursuant to
21 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
22 Health and Safety Code if the advisory committee has 12 or more
23 members.

24 (e) (1) The legislative body of a local agency may use
25 teleconferencing without complying with *the requirements of*
26 *paragraph (3) of subdivision (b) if, during the teleconference*
27 *meeting, at least a quorum of the members of the legislative body*
28 *participates in person from a singular physical location clearly*
29 *identified on the agenda, which location shall be open to the public*
30 *and situated within the boundaries of the territory over which the*
31 *local agency exercises jurisdiction and the legislative body*
32 *complies with all of the following:*

33 (A) ~~The legislative body shall provide at least one of the~~
34 ~~following as a means by which the public may remotely hear and~~
35 ~~visually observe the meeting, and remotely address the legislative~~
36 ~~body:~~

37 (i) ~~A two-way audiovisual platform.~~

38 (ii) ~~A two-way telephonic service and a live webcasting of the~~
39 ~~meeting.~~

1 if the legislative body complies with the requirements of
2 paragraph (2) of this subdivision in any of the following
3 circumstances:

4 (A) The legislative body holds a meeting during a proclaimed
5 state of emergency, and state or local officials have imposed or
6 recommended measures to promote social distancing.

7 (B) The legislative body holds a meeting during a proclaimed
8 state of emergency for the purpose of determining, by majority
9 vote, whether as a result of the emergency, meeting in person
10 would present imminent risks to the health or safety of attendees.

11 (C) The legislative body holds a meeting during a proclaimed
12 state of emergency and has determined, by majority vote, pursuant
13 to subparagraph (B), that, as a result of the emergency, meeting
14 in person would present imminent risks to the health or safety of
15 attendees.

16 (2) A legislative body that holds a meeting pursuant to this
17 subdivision shall do all of the following:

18 ~~(B)~~

19 (A) In each instance in which notice of the time of the
20 teleconferenced meeting is otherwise given or the agenda for the
21 meeting is otherwise posted, the legislative body shall also give
22 notice of the means by which members of the public may access
23 the meeting and offer public comment. *The agenda shall identify
24 and include an opportunity for all persons to attend via a call-in
25 option or an internet-based service option.*

26 ~~(C) The agenda shall identify and include an opportunity for all
27 persons to attend and address the legislative body directly pursuant
28 to Section 54954.3 via a call-in option, via an internet-based service
29 option, and at the in-person location of the meeting.~~

30 ~~(D)~~

31 (B) In the event of a disruption that prevents the legislative body
32 from broadcasting the meeting to members of the public using the
33 call-in option or internet-based service option, or in the event of
34 a disruption within the local agency’s control that prevents
35 members of the public from offering public comments using the
36 call-in option or internet-based service option, the legislative body
37 shall take no further action on items appearing on the meeting
38 agenda until public access to the meeting via the call-in option or
39 internet-based service option is restored. Actions taken on agenda
40 items during a disruption that prevents the legislative body from

1 broadcasting the meeting may be challenged pursuant to Section
2 54960.1.

3 ~~(E)~~

4 (C) The legislative body shall not require public comments to
5 be submitted in advance of the meeting and must provide an
6 opportunity for the public to address the legislative body and offer
7 comment in real time.

8 ~~(F)~~

9 (D) Notwithstanding Section 54953.3, an individual desiring to
10 provide public comment through the use of an internet website, or
11 other online platform, not under the control of the local legislative
12 body, that requires registration to log in to a teleconference may
13 be required to register as required by the third-party internet
14 website or online platform to participate.

15 ~~(2) A member of the legislative body shall only participate in~~
16 ~~the meeting remotely pursuant to this subdivision, if all of the~~
17 ~~following requirements are met:~~

18 ~~(A) One of the following circumstances applies:~~

19 ~~(i) The member notifies the legislative body at the earliest~~
20 ~~opportunity possible, including at the start of a regular meeting,~~
21 ~~of their need to participate remotely for just cause, including a~~
22 ~~general description of the circumstances relating to their need to~~
23 ~~appear remotely at the given meeting. The provisions of this clause~~
24 ~~shall not be used by any member of the legislative body for more~~
25 ~~than two meetings per calendar year.~~

26 ~~(ii) The member requests the legislative body to allow them to~~
27 ~~participate in the meeting remotely due to emergency circumstances~~
28 ~~and the legislative body takes action to approve the request. The~~
29 ~~legislative body shall request a general description of the~~
30 ~~circumstances relating to their need to appear remotely at the given~~
31 ~~meeting. A general description of an item generally need not exceed~~
32 ~~20 words and shall not require the member to disclose any medical~~
33 ~~diagnosis or disability, or any personal medical information that~~
34 ~~is already exempt under existing law, such as the Confidentiality~~
35 ~~of Medical Information Act (Chapter 1 (commencing with Section~~
36 ~~56) of Part 2.6 of Division 1 of the Civil Code). For the purposes~~
37 ~~of this clause, the following requirements apply:~~

38 ~~(I) A member shall make a request to participate remotely at a~~
39 ~~meeting pursuant to this clause as soon as possible. The member~~

1 shall make a separate request for each meeting in which they seek
2 to participate remotely.

3 ~~(H) The legislative body may take action on a request to~~
4 ~~participate remotely at the earliest opportunity. If the request does~~
5 ~~not allow sufficient time to place proposed action on such a request~~
6 ~~on the posted agenda for the meeting for which the request is made,~~
7 ~~the legislative body may take action at the beginning of the meeting~~
8 ~~in accordance with paragraph (4) of subdivision (b) of Section~~
9 ~~54954.2.~~

10 ~~(B) The member shall publicly disclose at the meeting before~~
11 ~~any action is taken whether any other individuals 18 years of age~~
12 ~~or older are present in the room at the remote location with the~~
13 ~~member, and the general nature of the member's relationship with~~
14 ~~any such individuals.~~

15 ~~(C) The member shall participate through both audio and visual~~
16 ~~technology.~~

17 ~~(3) The provisions of this subdivision shall not serve as a means~~
18 ~~for any member of a legislative body to participate in meetings of~~
19 ~~the legislative body solely by teleconference from a remote location~~
20 ~~for a period of more than three consecutive months or 20 percent~~
21 ~~of the regular meetings for the local agency within a calendar year,~~
22 ~~or more than two meetings if the legislative body regularly meets~~
23 ~~fewer than 10 times per calendar year.~~

24 *(E) (i) A legislative body that provides a timed public comment*
25 *period for each agenda item shall not close the public comment*
26 *period for the agenda item, or the opportunity to register, pursuant*
27 *to subparagraph (D), to provide public comment until that timed*
28 *public comment period has elapsed.*

29 *(ii) A legislative body that does not provide a timed public*
30 *comment period, but takes public comment separately on each*
31 *agenda item, shall allow a reasonable amount of time per agenda*
32 *item to allow public members the opportunity to provide public*
33 *comment, including time for members of the public to register*
34 *pursuant to subparagraph (D), or otherwise be recognized for the*
35 *purpose of providing public comment.*

36 *(iii) A legislative body that provides a timed general public*
37 *comment period that does not correspond to a specific agenda*
38 *item shall not close the public comment period or the opportunity*
39 *to register, pursuant to subparagraph (D), until the timed general*
40 *public comment period has elapsed.*

1 (3) *If a state of emergency remains active, or state or local*
2 *officials have imposed or recommended measures to promote*
3 *social distancing, in order to continue to teleconference without*
4 *compliance with paragraph (3) of subdivision (b), the legislative*
5 *body shall, not later than 45 days after teleconferencing for the*
6 *first time pursuant to subparagraph (A), (B), or (C) of paragraph*
7 *(1), and every 45 days thereafter, make the following findings by*
8 *majority vote:*

9 (A) *The legislative body has reconsidered the circumstances of*
10 *the state of emergency.*

11 (B) *Any of the following circumstances exist:*

12 (i) *The state of emergency continues to directly impact the ability*
13 *of the members to meet safely in person.*

14 (ii) *State or local officials continue to impose or recommend*
15 *measures to promote social distancing.*

16 (4) *This subdivision shall not be construed to require the*
17 *legislative body to provide a physical location from which the*
18 *public may attend or comment.*

19 (f) *The legislative body shall have and implement a procedure*
20 *for receiving and swiftly resolving requests for reasonable*
21 *accommodation for individuals with disabilities, consistent with*
22 *the federal Americans with Disabilities Act of 1990 (42 U.S.C.*
23 *Sec. 12132), and resolving any doubt in favor of accessibility. In*
24 *each instance in which notice of the time of the meeting is*
25 *otherwise given or the agenda for the meeting is otherwise posted,*
26 *the legislative body shall also give notice of the procedure for*
27 *receiving and resolving requests for accommodation.*

28 (g) *The legislative body shall conduct meetings subject to this*
29 *chapter consistent with applicable civil rights and*
30 *nondiscrimination laws.*

31 (h) (1) *Nothing in this section shall prohibit a legislative body*
32 *from providing the public with additional teleconference locations.*

33 (2) *Nothing in this section shall prohibit a legislative body from*
34 *providing members of the public with additional physical locations*
35 *in which the public may observe and address the legislative body*
36 *by electronic means.*

37 (i) *For the purposes of this section, the following definitions*
38 *shall apply:*

1 (1) ~~“Emergency circumstances” means a physical or family~~
2 ~~medical emergency that prevents a member from attending in~~
3 ~~person.~~

4 (2) ~~“Just cause” means any of the following:~~

5 (A) ~~A childcare or caregiving need of a child, parent,~~
6 ~~grandparent, grandchild, sibling, spouse, or domestic partner that~~
7 ~~requires them to participate remotely. “Child,” “parent,”~~
8 ~~“grandparent,” “grandchild,” and “sibling” have the same meaning~~
9 ~~as those terms do in Section 12945.2.~~

10 (B) ~~A contagious illness that prevents a member from attending~~
11 ~~in person.~~

12 (C) ~~A need related to a physical or mental disability as defined~~
13 ~~in Sections 12926 and 12926.1 not otherwise accommodated by~~
14 ~~subdivision (f).~~

15 (D) ~~Travel while on official business of the legislative body or~~
16 ~~another state or local agency.~~

17 (3) ~~“Remote location” means a location from which a member~~
18 ~~of a legislative body participates in a meeting pursuant to~~
19 ~~subdivision (e), other than any physical meeting location designated~~
20 ~~in the notice of the meeting. Remote locations need not be~~
21 ~~accessible to the public.~~

22 (4) ~~“Remote participation” means participation in a meeting by~~
23 ~~teleconference at a location other than any physical meeting~~
24 ~~location designated in the notice of the meeting. Watching or~~
25 ~~listening to a meeting via webcasting or another similar electronic~~
26 ~~medium that does not permit members to interactively hear,~~
27 ~~discuss, or deliberate on matters, does not constitute remote~~
28 ~~participation.~~

29 (1) *“State of emergency” means a state of emergency*
30 *proclaimed pursuant to Section 8625 of the California Emergency*
31 *Services Act (Article 1 (commencing with Section 8550) of Chapter*
32 *7 of Division 1 of Title 2).*

33 (5)

34 (2) ~~“Teleconference” means a meeting of a legislative body,~~
35 ~~the members of which are in different locations, connected by~~
36 ~~electronic means, through either audio or video, or both.~~

37 (6) ~~“Two-way audiovisual platform” means an online platform~~
38 ~~that provides participants with the ability to participate in a meeting~~
39 ~~via both an interactive video conference and a two-way telephonic~~
40 ~~function.~~

1 ~~(7) “Two-way telephonic service” means a telephone service~~
2 ~~that does not require internet access, is not provided as part of a~~
3 ~~two-way audiovisual platform, and allows participants to dial a~~
4 ~~telephone number to listen and verbally participate.~~

5 ~~(8) “Webcasting” means a streaming video broadcast online or~~
6 ~~on television, using streaming media technology to distribute a~~
7 ~~single content source to many simultaneous listeners and viewers.~~

8 ~~(j) This section shall become operative January 1, 2024, shall~~
9 ~~remain in effect only until January 1, 2026, and as of that date is~~
10 ~~repealed.~~

11 ~~(j) This section shall become operative January 1, 2026.~~

12 SEC. 3. Section 54953 of the Government Code, as added by
13 Section 3 of Chapter 285 of the Statutes of 2022, is repealed.

14 54953. ~~(a) All meetings of the legislative body of a local~~
15 ~~agency shall be open and public, and all persons shall be permitted~~
16 ~~to attend any meeting of the legislative body of a local agency,~~
17 ~~except as otherwise provided in this chapter.~~

18 ~~(b) (1) Notwithstanding any other provision of law, the~~
19 ~~legislative body of a local agency may use teleconferencing for~~
20 ~~the benefit of the public and the legislative body of a local agency~~
21 ~~in connection with any meeting or proceeding authorized by law.~~
22 ~~The teleconferenced meeting or proceeding shall comply with all~~
23 ~~requirements of this chapter and all otherwise applicable provisions~~
24 ~~of law relating to a specific type of meeting or proceeding.~~

25 ~~(2) Teleconferencing, as authorized by this section, may be used~~
26 ~~for all purposes in connection with any meeting within the subject~~
27 ~~matter jurisdiction of the legislative body. All votes taken during~~
28 ~~a teleconferenced meeting shall be by rollcall.~~

29 ~~(3) If the legislative body of a local agency elects to use~~
30 ~~teleconferencing, it shall post agendas at all teleconference~~
31 ~~locations and conduct teleconference meetings in a manner that~~
32 ~~protects the statutory and constitutional rights of the parties or the~~
33 ~~public appearing before the legislative body of a local agency.~~
34 ~~Each teleconference location shall be identified in the notice and~~
35 ~~agenda of the meeting or proceeding, and each teleconference~~
36 ~~location shall be accessible to the public. During the teleconference,~~
37 ~~at least a quorum of the members of the legislative body shall~~
38 ~~participate from locations within the boundaries of the territory~~
39 ~~over which the local agency exercises jurisdiction, except as~~
40 ~~provided in subdivision (d). The agenda shall provide an~~

1 opportunity for members of the public to address the legislative
2 body directly pursuant to Section 54954.3 at each teleconference
3 location.

4 (4) For the purposes of this section, “teleconference” means a
5 meeting of a legislative body, the members of which are in different
6 locations, connected by electronic means, through either audio or
7 video, or both. Nothing in this section shall prohibit a local agency
8 from providing the public with additional teleconference locations.

9 (e) (1) No legislative body shall take action by secret ballot,
10 whether preliminary or final.

11 (2) The legislative body of a local agency shall publicly report
12 any action taken and the vote or abstention on that action of each
13 member present for the action.

14 (3) Prior to taking final action, the legislative body shall orally
15 report a summary of a recommendation for a final action on the
16 salaries, salary schedules, or compensation paid in the form of
17 fringe benefits of a local agency executive, as defined in
18 subdivision (d) of Section 3511.1, during the open meeting in
19 which the final action is to be taken. This paragraph shall not affect
20 the public’s right under the California Public Records Act (Chapter
21 3.5 (commencing with Section 6250) of Division 7 of Title 1) to
22 inspect or copy records created or received in the process of
23 developing the recommendation.

24 (d) (1) Notwithstanding the provisions relating to a quorum in
25 paragraph (3) of subdivision (b), if a health authority conducts a
26 teleconference meeting, members who are outside the jurisdiction
27 of the authority may be counted toward the establishment of a
28 quorum when participating in the teleconference if at least 50
29 percent of the number of members that would establish a quorum
30 are present within the boundaries of the territory over which the
31 authority exercises jurisdiction, and the health authority provides
32 a teleconference number, and associated access codes, if any, that
33 allows any person to call in to participate in the meeting and the
34 number and access codes are identified in the notice and agenda
35 of the meeting.

36 (2) Nothing in this subdivision shall be construed as
37 discouraging health authority members from regularly meeting at
38 a common physical site within the jurisdiction of the authority or
39 from using teleconference locations within or near the jurisdiction
40 of the authority. A teleconference meeting for which a quorum is

1 established pursuant to this subdivision shall be subject to all other
2 requirements of this section.

3 (3) For purposes of this subdivision, a health authority means
4 any entity created pursuant to Sections 14018.7, 14087.31,
5 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
6 and Institutions Code, any joint powers authority created pursuant
7 to Article 1 (commencing with Section 6500) of Chapter 5 of
8 Division 7 for the purpose of contracting pursuant to Section
9 14087.3 of the Welfare and Institutions Code, and any advisory
10 committee to a county-sponsored health plan licensed pursuant to
11 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
12 Health and Safety Code if the advisory committee has 12 or more
13 members.

14 (e) This section shall become operative January 1, 2026.

15 SEC. 4. The Legislature finds and declares that Sections 1 and
16 2 of this act, which amend Section 54953 of the Government Code,
17 furthers, within the meaning of paragraph (7) of subdivision (b)
18 of Section 3 of Article I of the California Constitution, the purposes
19 of that constitutional section as it relates to the right of public
20 access to the meetings of local public bodies or the writings of
21 local public officials and local agencies. Pursuant to paragraph (7)
22 of subdivision (b) of Section 3 of Article I of the California
23 Constitution, the Legislature makes the following findings:

24 This act is necessary to ensure minimum standards for public
25 participation and notice requirements allowing for greater public
26 participation in teleconference meetings.

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AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 817

**Introduced by Assembly Member Pacheco
(Coauthor: Assembly Member Wilson)**

February 13, 2023

An act to amend Section 54950 of the Government Code, relating to ~~local government~~; add Section 54953.05 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 817, as amended, Pacheco. ~~Local government: open meetings.~~
Open meetings: teleconferencing: subsidiary body.

Existing law, the Ralph M. Brown Act, ~~requires~~ *requires*, with *specified exceptions*, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. *The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.*

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.

This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

~~This bill would make nonsubstantive changes to a provision of the Ralph M. Brown Act.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 54953.05 is added to the Government*
2 *Code, to read:*

3 54953.05. (a) (1) *The definitions in Section 54953, as that*
4 *section may be amended from time to time, apply for purposes of*
5 *this section.*

6 (2) *For purposes of this section, “subsidiary body” means a*
7 *legislative body that meets all of the following:*

8 (A) *Is described in subdivision (b) of Section 54952.*

9 (B) *Serves exclusively in an advisory capacity.*

10 (C) *Is not authorized to take final action on legislation,*
11 *regulations, contracts, licenses, permits, or any other entitlements.*

12 (b) *A subsidiary body may use teleconferencing without*
13 *complying with paragraph (3) of subdivision (b) of Section 54953,*
14 *if the subsidiary body complies with all of the following:*

15 (1) *The teleconferenced meetings shall be conducted in a manner*
16 *that protects the statutory and constitutional rights of the parties*
17 *or the public appearing before the subsidiary body.*

18 (2) *Each member of the subsidiary body shall participate*
19 *through both audio and visual technology.*

20 (3) *The subsidiary body shall provide at least one of the*
21 *following as a means by which the public may remotely hear and*
22 *visually observe the meeting, and remotely address the subsidiary*
23 *body:*

24 (A) *A two-way audiovisual platform.*

25 (B) *A two-way telephonic service and a live webcasting of the*
26 *meeting.*

27 (4) *The subsidiary body shall give notice of the meeting and*
28 *post agendas as otherwise required by this chapter.*

29 (5) *In each instance in which notice of the time of the*
30 *teleconferenced meeting is otherwise given or the agenda for the*
31 *meeting is otherwise posted, the subsidiary body shall also give*
32 *notice of the means by which members of the public may access*
33 *the meeting and offer public comment.*

34 (6) *The agenda shall identify and include an opportunity for all*
35 *persons to attend and address the subsidiary body directly pursuant*
36 *to Section 54954.3 via a call-in option or via an internet-based*
37 *service option.*

1 (7) *In the event of a disruption that prevents the subsidiary body*
2 *from broadcasting the meeting to members of the public using the*
3 *call-in option or internet-based service option, or in the event of*
4 *a disruption within the subsidiary body's control that prevents*
5 *members of the public from offering public comments using the*
6 *call-in option or internet-based service option, the subsidiary body*
7 *shall take no further action on items appearing on the meeting*
8 *agenda until public access to the meeting via the call-in option or*
9 *internet-based service option is restored. Actions taken on agenda*
10 *items during a disruption that prevents the subsidiary body from*
11 *broadcasting the meeting may be challenged pursuant to Section*
12 *54960.1.*

13 (8) *Notwithstanding Section 54953.3, an individual desiring to*
14 *provide public comment through the use of an internet website, or*
15 *other online platform, not under the control of the subsidiary body,*
16 *that requires registration to log in to a teleconference may be*
17 *required to register as required by the third-party internet website*
18 *or online platform to participate.*

19 (9) *The subsidiary body shall not require public comments to*
20 *be submitted in advance of the meeting and must provide an*
21 *opportunity for the public to address the subsidiary body and offer*
22 *comment in real time.*

23 (A) *A subsidiary body that provides a timed public comment*
24 *period for each agenda item shall not close the public comment*
25 *period for the agenda item, or the opportunity to register, pursuant*
26 *to paragraph (8), to provide public comment until that timed public*
27 *comment period has elapsed.*

28 (B) *A subsidiary body that does not provide a timed public*
29 *comment period, but takes public comment separately on each*
30 *agenda item, shall allow a reasonable amount of time per agenda*
31 *item to allow public members the opportunity to provide public*
32 *comment, including time for members of the public to register*
33 *pursuant to paragraph (8), or otherwise be recognized for the*
34 *purpose of providing public comment.*

35 (C) *A subsidiary body that provides a timed general public*
36 *comment period that does not correspond to a specific agenda*
37 *item shall not close the public comment period or the opportunity*
38 *to register, pursuant to paragraph (8), until the timed general*
39 *public comment period has elapsed.*

1 (c) In order to use teleconferencing pursuant to this section, the
2 legislative body that established the subsidiary body by charter,
3 ordinance, resolution, or other formal action shall make the
4 following findings by majority vote before the subsidiary body
5 uses teleconferencing pursuant to this section for the first time,
6 and every 12 months thereafter:

7 (1) The legislative body has considered the circumstances of
8 the subsidiary body.

9 (2) Teleconference meetings of the subsidiary body would
10 enhance public access to meetings of the subsidiary body.

11 (3) Teleconference meetings of the subsidiary body would
12 promote the attraction, retention, and diversity of subsidiary body
13 members.

14 SEC. 2. The Legislature finds and declares that Section 1 of
15 this act, which adds Section 54953.05 to the Government Code,
16 imposes a limitation on the public's right of access to the meetings
17 of public bodies or the writings of public officials and agencies
18 within the meaning of Section 3 of Article I of the California
19 Constitution. Pursuant to that constitutional provision, the
20 Legislature makes the following findings to demonstrate the interest
21 protected by this limitation and the need for protecting that
22 interest:

23 By removing the requirement for agendas to be placed at the
24 location of each public official participating in a public meeting
25 remotely, this act protects the personal, private information of
26 public officials and their families while preserving the public's
27 right to access information concerning the conduct of the people's
28 business.

29 SEC. 3. The Legislature finds and declares that Section 1 of
30 this act, which adds Section 54953.05 to the Government Code,
31 furthers, within the meaning of paragraph (7) of subdivision (b)
32 of Section 3 of Article I of the California Constitution, the purposes
33 of that constitutional section as it relates to the right of public
34 access to the meetings of local public bodies or the writings of
35 local public officials and local agencies. Pursuant to paragraph
36 (7) of subdivision (b) of Section 3 of Article I of the California
37 Constitution, the Legislature makes the following findings:

38 This act is necessary to provide opportunities for public
39 participation in meetings of specified public agencies and to
40 promote the attraction and retention of members of those agencies.

1 SECTION 1. ~~Section 54950 of the Government Code is~~
2 ~~amended to read:~~

3 54950. (a) ~~In enacting this chapter, the Legislature finds and~~
4 ~~declares that the public commissions, boards, councils, and the~~
5 ~~other public agencies in this state exist to aid in the conduct of the~~
6 ~~people's business. It is the intent of the law that their actions be~~
7 ~~taken openly and that their deliberations be conducted openly.~~

8 (b) ~~The people of this state do not yield their sovereignty to the~~
9 ~~agencies that serve them. The people, in delegating authority, do~~
10 ~~not give their public servants the right to decide what is good for~~
11 ~~the people to know and what is not good for them to know. The~~
12 ~~people insist on remaining informed, so that they may retain control~~
13 ~~over the instruments they have created.~~

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1379

Introduced by Assembly Member Papan

February 17, 2023

An act to amend ~~Section 53908~~ of and repeal Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1379, as amended, Papan. ~~Local agencies: financial affairs. Open meetings: local agencies: teleconferences.~~

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that

each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would instead provide that, for purposes of establishing a quorum of the legislative body, members of the body may participate remotely, at the designated physical location, or at both the designated physical meeting location and remotely. The bill would require the legislative body to have at least 2 meetings per year in which the legislative body's members are in person at a singular designated physical meeting location.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing provisions without complying with the general teleconferencing requirements that agendas be posted at each teleconference, that each teleconference location be identified in the notice and agenda, and that each teleconference location be accessible to the public, if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. Under existing law, these alternative teleconferencing provisions require the legislative body to provide at least one of 2 specified means by which the public may remotely hear and visually observe the meeting. Under existing law, these alternative teleconferencing provisions authorize a member to participate remotely if the member is participating remotely for just cause, limited to twice per year, or due to emergency circumstances, contingent upon a request to, and action by, the legislative body, as prescribed. Existing law specifies that just cause includes travel while on official business of the legislative body or another state or local agency.

This bill would revise the alternative provisions, operative until January 1, 2026, to make these provisions operative indefinitely. The bill would delete the restriction that prohibits a member, based on just cause, from participating remotely for more than 2 meetings per calendar year. The bill would delete the requirement for the legislative body to provide at least one of 2 specified means by which the public may remotely hear and visually observe the meeting. The bill would also delete a provision that requires a member participating remotely to publicly disclose at the meeting before action is taken whether there are individuals 18 years of age present in the room at the remote location and the general nature of the member's relationship to those

individuals. The bill would further delete a provision that prohibits a member from participating remotely for a period of more than 3 consecutive months or 20% of the regular meetings within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. The bill would expand the definition of just cause to include travel related to a member of a legislative body’s occupation. The bill would make related, conforming changes.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Existing law requires that the officer of each local agency who has charge of the financial records furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. If a local agency maintains an internet website, existing law requires that the local agency post information on the annual compensation of its elected officials, as specified.

This bill would make nonsubstantive changes to that law.

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 54953 of the Government Code, as
- 2 amended by Section 2 of Chapter 285 of the Statutes of 2022, is
- 3 amended to read:
- 4 54953. (a) All meetings of the legislative body of a local
- 5 agency shall be open and public, and all persons shall be permitted
- 6 to attend any meeting of the legislative body of a local agency,
- 7 except as otherwise provided in this chapter.

1 (b) (1) Notwithstanding any other provision of law, the
2 legislative body of a local agency may use teleconferencing for
3 the benefit of the public and the legislative body of a local agency
4 in connection with any meeting or proceeding authorized by law.
5 The teleconferenced meeting or proceeding shall comply with all
6 otherwise applicable requirements of this chapter and all otherwise
7 applicable provisions of law relating to a specific type of meeting
8 or proceeding.

9 (2) Teleconferencing, as authorized by this section, may be used
10 for all purposes in connection with any meeting within the subject
11 matter jurisdiction of the legislative body. If the legislative body
12 of a local agency elects to use teleconferencing, the legislative
13 body of a local agency shall comply with all of the following:

14 (A) All votes taken during a teleconferenced meeting shall be
15 by rollcall.

16 (B) The teleconferenced meetings shall be conducted in a
17 manner that protects the statutory and constitutional rights of the
18 parties or the public appearing before the legislative body of a
19 local agency.

20 (C) The legislative body shall give notice of the meeting and
21 post agendas as otherwise required by this chapter.

22 (D) The legislative body shall allow members of the public to
23 access the meeting and the agenda shall provide an opportunity
24 for members of the public to address the legislative body directly
25 pursuant to Section 54954.3.

26 (3) (A) If the legislative body of a local agency elects to use
27 teleconferencing, it shall post agendas at ~~all teleconference~~
28 ~~locations. Each teleconference location shall be identified in the~~
29 ~~notice and agenda of the meeting or proceeding, and each~~
30 ~~teleconference location shall be accessible to the public. During~~
31 ~~the teleconference, at least a quorum of the members of the~~
32 ~~legislative body shall participate from locations within the~~
33 ~~boundaries of the territory over which the local agency exercises~~
34 ~~jurisdiction, except as provided in subdivision (d). *the singular*~~
35 ~~*designated physical meeting location, as defined in subparagraph*~~
36 ~~*(B). Establishment of a quorum of a legislative body may include*~~
37 ~~*all of the following:*~~

38 (i) *A legislative body consisting of members participating*
39 *remotely.*

1 (ii) A legislative body consisting of members participating at
2 the designated physical meeting location.

3 (iii) A legislative body consisting of members participating at
4 the designated physical meeting location and members
5 participating remotely.

6 (B) “Singular designated physical meeting location” means the
7 location that is clearly identified on the agenda, is open to the
8 public and situated within the boundaries of the territory over
9 which the local agency exercises jurisdiction, and the legislative
10 body provides at least one of the following as a means by which
11 the public may remotely hear and visually observe the meeting,
12 and remotely address the legislative body:

13 (i) A two-way audiovisual platform.

14 (ii) A two-way telephonic service.

15 (C) The legislative body shall have at least two meetings per
16 calendar year in which the legislative body’s members are in
17 person at a singular designated physical meeting location.

18 (c) (1) No legislative body shall take action by secret ballot,
19 whether preliminary or final.

20 (2) The legislative body of a local agency shall publicly report
21 any action taken and the vote or abstention on that action of each
22 member present for the action.

23 (3) Prior to taking final action, the legislative body shall orally
24 report a summary of a recommendation for a final action on the
25 salaries, salary schedules, or compensation paid in the form of
26 fringe benefits of a local agency executive, as defined in
27 subdivision (d) of Section 3511.1, during the open meeting in
28 which the final action is to be taken. This paragraph shall not affect
29 the public’s right under the California Public Records Act (Division
30 10 (commencing with Section 7920.000) of Title 1) to inspect or
31 copy records created or received in the process of developing the
32 recommendation.

33 (d) (1) Notwithstanding the provisions relating to a quorum in
34 paragraph (3) of subdivision (b), if a health authority conducts a
35 teleconference meeting, members who are outside the jurisdiction
36 of the authority may be counted toward the establishment of a
37 quorum when participating in the teleconference if at least 50
38 percent of the number of members that would establish a quorum
39 are present within the boundaries of the territory over which the
40 authority exercises jurisdiction, and the health authority provides

1 a teleconference number, and associated access codes, if any, that
2 allows any person to call in to participate in the meeting and the
3 number and access codes are identified in the notice and agenda
4 of the meeting.

5 (2) Nothing in this subdivision shall be construed as
6 discouraging health authority members from regularly meeting at
7 a common physical site within the jurisdiction of the authority or
8 from using teleconference locations within or near the jurisdiction
9 of the authority. A teleconference meeting for which a quorum is
10 established pursuant to this subdivision shall be subject to all other
11 requirements of this section.

12 (3) For purposes of this subdivision, a health authority means
13 any entity created pursuant to Sections 14018.7, 14087.31,
14 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
15 and Institutions Code, any joint powers authority created pursuant
16 to Article 1 (commencing with Section 6500) of Chapter 5 of
17 Division 7 for the purpose of contracting pursuant to Section
18 14087.3 of the Welfare and Institutions Code, and any advisory
19 committee to a county-sponsored health plan licensed pursuant to
20 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
21 Health and Safety Code if the advisory committee has 12 or more
22 members.

23 (e) (1) The legislative body of a local agency may *also* use
24 teleconferencing ~~without complying in accordance~~ with paragraph
25 (3) of subdivision (b) if, during the teleconference meeting, ~~at least~~
26 ~~a quorum of the members of the legislative body participates in~~
27 ~~person from a singular physical location clearly identified on the~~
28 ~~agenda, which location shall be open to the public and situated~~
29 ~~within the boundaries of the territory over which the local agency~~
30 ~~exercises jurisdiction and the legislative body complies with all~~
31 ~~of the following: the legislative body complies with all of the~~
32 ~~following:~~

33 (A) ~~The legislative body shall provide at least one of the~~
34 ~~following as a means by which the public may remotely hear and~~
35 ~~visually observe the meeting, and remotely address the legislative~~
36 ~~body:~~

37 (i) ~~A two-way audiovisual platform.~~

38 (ii) ~~A two-way telephonic service and a live webcasting of the~~
39 ~~meeting.~~

40 (B)

1 (A) In each instance in which notice of the time of the
2 teleconferenced meeting is otherwise given or the agenda for the
3 meeting is otherwise posted, the legislative body shall also give
4 notice of the means by which members of the public may access
5 the meeting and offer public comment.

6 ~~(C)~~

7 (B) The agenda shall identify and include an opportunity for all
8 persons to attend and address the legislative body directly pursuant
9 to Section 54954.3 via a call-in option, via an internet-based service
10 option, and at the in-person location of the meeting.

11 ~~(D)~~

12 (C) In the event of a disruption that prevents the legislative body
13 from broadcasting the meeting to members of the public using the
14 call-in option or internet-based service option, or in the event of
15 a disruption within the local agency's control that prevents
16 members of the public from offering public comments using the
17 call-in option or internet-based service option, the legislative body
18 shall take no further action on items appearing on the meeting
19 agenda until public access to the meeting via the call-in option or
20 internet-based service option is restored. Actions taken on agenda
21 items during a disruption that prevents the legislative body from
22 broadcasting the meeting may be challenged pursuant to Section
23 54960.1.

24 ~~(E)~~

25 (D) The legislative body shall not require public comments to
26 be submitted in advance of the meeting and must provide an
27 opportunity for the public to address the legislative body and offer
28 comment in real time.

29 ~~(F)~~

30 (E) Notwithstanding Section 54953.3, an individual desiring to
31 provide public comment through the use of an internet website, or
32 other online platform, not under the control of the local legislative
33 body, that requires registration to log in to a teleconference may
34 be required to register as required by the third-party internet
35 website or online platform to participate.

36 (2) A member of the legislative body shall only participate in
37 the meeting remotely pursuant to this subdivision, if all of the
38 following requirements are met:

39 (A) One of the following circumstances applies:

1 (i) The member notifies the legislative body at the earliest
 2 opportunity possible, including at the start of a regular meeting,
 3 of their need to participate remotely for just cause, including a
 4 general description of the circumstances relating to their need to
 5 appear remotely at the given meeting. ~~The provisions of this clause~~
 6 ~~shall not be used by any member of the legislative body for more~~
 7 ~~than two meetings per calendar year.~~

8 (ii) The member requests the legislative body to allow them to
 9 participate in the meeting remotely due to emergency circumstances
 10 and the legislative body takes action to approve the request. The
 11 legislative body shall request a general description of the
 12 circumstances relating to their need to appear remotely at the given
 13 meeting. A general description of an item generally need not exceed
 14 20 words and shall not require the member to disclose any medical
 15 diagnosis or disability, or any personal medical information that
 16 is already exempt under existing law, such as the Confidentiality
 17 of Medical Information Act (Chapter 1 (commencing with Section
 18 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes
 19 of this clause, the following requirements apply:

20 (I) A member shall make a request to participate remotely at a
 21 meeting pursuant to this clause as soon as possible. The member
 22 shall make a separate request for each meeting in which they seek
 23 to participate remotely.

24 (II) The legislative body may take action on a request to
 25 participate remotely at the earliest opportunity. If the request does
 26 not allow sufficient time to place proposed action on such a request
 27 on the posted agenda for the meeting for which the request is made,
 28 the legislative body may take action at the beginning of the meeting
 29 in accordance with paragraph (4) of subdivision (b) of Section
 30 54954.2.

31 ~~(B) The member shall publicly disclose at the meeting before~~
 32 ~~any action is taken whether any other individuals 18 years of age~~
 33 ~~or older are present in the room at the remote location with the~~
 34 ~~member, and the general nature of the member's relationship with~~
 35 ~~any such individuals.~~

36 ~~(C)~~

37 (B) The member shall participate through both audio and visual
 38 technology.

39 ~~(3) The provisions of this subdivision shall not serve as a means~~
 40 ~~for any member of a legislative body to participate in meetings of~~

1 the legislative body solely by teleconference from a remote location
2 for a period of more than three consecutive months or 20 percent
3 of the regular meetings for the local agency within a calendar year,
4 or more than two meetings if the legislative body regularly meets
5 fewer than 10 times per calendar year.

6 (f) The legislative body shall have and implement a procedure
7 for receiving and swiftly resolving requests for reasonable
8 accommodation for individuals with disabilities, consistent with
9 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
10 Sec. 12132), and resolving any doubt in favor of accessibility. In
11 each instance in which notice of the time of the meeting is
12 otherwise given or the agenda for the meeting is otherwise posted,
13 the legislative body shall also give notice of the procedure for
14 receiving and resolving requests for accommodation.

15 (g) The legislative body shall conduct meetings subject to this
16 chapter consistent with applicable civil rights and
17 nondiscrimination laws.

18 (h) (1) Nothing in this section shall prohibit a legislative body
19 from providing the public with additional teleconference locations.

20 (2) Nothing in this section shall prohibit a legislative body from
21 providing members of the public with additional physical locations
22 in which the public may observe and address the legislative body
23 by electronic means.

24 (i) For the purposes of this section, the following definitions
25 shall apply:

26 (1) “Emergency circumstances” means a physical or family
27 medical emergency that prevents a member from attending in
28 person.

29 (2) “Just cause” means any of the following:

30 (A) A childcare or caregiving need of a child, parent,
31 grandparent, grandchild, sibling, spouse, or domestic partner that
32 requires them to participate remotely. “Child,” “parent,”
33 “grandparent,” “grandchild,” and “sibling” have the same meaning
34 as those terms do in Section 12945.2.

35 (B) A contagious illness that prevents a member from attending
36 in person.

37 (C) A need related to a physical or mental disability as defined
38 in Sections 12926 and 12926.1 not otherwise accommodated by
39 subdivision (f).

1 (D) Travel while on official business of the legislative body or
2 another state or local ~~agency.~~ *agency, or travel related to a member*
3 *of a legislative body’s occupation.*

4 (3) “Remote location” means a location from which a member
5 of a legislative body participates in a meeting pursuant to
6 subdivision (e), other than any physical meeting location designated
7 in the notice of the meeting. Remote locations need not be
8 accessible to the public.

9 (4) “Remote participation” means participation in a meeting by
10 teleconference at a location other than any physical meeting
11 location designated in the notice of the meeting. Watching or
12 listening to a meeting via webcasting or another similar electronic
13 medium that does not permit members to interactively hear,
14 discuss, or deliberate on matters, does not constitute remote
15 participation.

16 (5) “Teleconference” means a meeting of a legislative body,
17 the members of which are in different locations, connected by
18 electronic means, through either audio or video, or both.

19 (6) “Two-way audiovisual platform” means an online platform
20 that provides participants with the ability to participate in a meeting
21 via both an interactive video conference and a two-way telephonic
22 function.

23 (7) “Two-way telephonic service” means a telephone service
24 that does not require internet access, is not provided as part of a
25 two-way audiovisual platform, and allows participants to dial a
26 telephone number to listen and verbally participate.

27 ~~(8) “Webcasting” means a streaming video broadcast online or~~
28 ~~on television, using streaming media technology to distribute a~~
29 ~~single content source to many simultaneous listeners and viewers.~~

30 (j) This section shall become operative January 1, ~~2024,~~ shall
31 remain in effect only until January 1, 2026, and as of that date is
32 repealed. 2024.

33 *SEC. 2. Section 54953 of the Government Code, as added by*
34 *Section 3 of Chapter 285 of the Statutes of 2022, is repealed.*

35 ~~54953. (a) All meetings of the legislative body of a local~~
36 ~~agency shall be open and public, and all persons shall be permitted~~
37 ~~to attend any meeting of the legislative body of a local agency,~~
38 ~~except as otherwise provided in this chapter.~~

39 ~~(b) (1) Notwithstanding any other provision of law, the~~
40 ~~legislative body of a local agency may use teleconferencing for~~

1 the benefit of the public and the legislative body of a local agency
2 in connection with any meeting or proceeding authorized by law.
3 The teleconferenced meeting or proceeding shall comply with all
4 requirements of this chapter and all otherwise applicable provisions
5 of law relating to a specific type of meeting or proceeding.

6 (2) ~~Teleconferencing, as authorized by this section, may be used
7 for all purposes in connection with any meeting within the subject
8 matter jurisdiction of the legislative body. All votes taken during
9 a teleconferenced meeting shall be by rollcall.~~

10 (3) ~~If the legislative body of a local agency elects to use
11 teleconferencing, it shall post agendas at all teleconference
12 locations and conduct teleconference meetings in a manner that
13 protects the statutory and constitutional rights of the parties or the
14 public appearing before the legislative body of a local agency.
15 Each teleconference location shall be identified in the notice and
16 agenda of the meeting or proceeding, and each teleconference
17 location shall be accessible to the public. During the teleconference,
18 at least a quorum of the members of the legislative body shall
19 participate from locations within the boundaries of the territory
20 over which the local agency exercises jurisdiction, except as
21 provided in subdivision (d). The agenda shall provide an
22 opportunity for members of the public to address the legislative
23 body directly pursuant to Section 54954.3 at each teleconference
24 location.~~

25 (4) ~~For the purposes of this section, “teleconference” means a
26 meeting of a legislative body, the members of which are in different
27 locations, connected by electronic means, through either audio or
28 video, or both. Nothing in this section shall prohibit a local agency
29 from providing the public with additional teleconference locations.~~

30 (e) (1) ~~No legislative body shall take action by secret ballot,
31 whether preliminary or final.~~

32 (2) ~~The legislative body of a local agency shall publicly report
33 any action taken and the vote or abstention on that action of each
34 member present for the action.~~

35 (3) ~~Prior to taking final action, the legislative body shall orally
36 report a summary of a recommendation for a final action on the
37 salaries, salary schedules, or compensation paid in the form of
38 fringe benefits of a local agency executive, as defined in
39 subdivision (d) of Section 3511.1, during the open meeting in
40 which the final action is to be taken. This paragraph shall not affect~~

1 the public’s right under the California Public Records Act (Chapter
2 3.5 (commencing with Section 6250) of Division 7 of Title 1) to
3 inspect or copy records created or received in the process of
4 developing the recommendation.

5 (d) (1) Notwithstanding the provisions relating to a quorum in
6 paragraph (3) of subdivision (b), if a health authority conducts a
7 teleconference meeting, members who are outside the jurisdiction
8 of the authority may be counted toward the establishment of a
9 quorum when participating in the teleconference if at least 50
10 percent of the number of members that would establish a quorum
11 are present within the boundaries of the territory over which the
12 authority exercises jurisdiction, and the health authority provides
13 a teleconference number, and associated access codes, if any, that
14 allows any person to call in to participate in the meeting and the
15 number and access codes are identified in the notice and agenda
16 of the meeting.

17 (2) Nothing in this subdivision shall be construed as
18 discouraging health authority members from regularly meeting at
19 a common physical site within the jurisdiction of the authority or
20 from using teleconference locations within or near the jurisdiction
21 of the authority. A teleconference meeting for which a quorum is
22 established pursuant to this subdivision shall be subject to all other
23 requirements of this section.

24 (3) For purposes of this subdivision, a health authority means
25 any entity created pursuant to Sections 14018.7, 14087.31,
26 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
27 and Institutions Code, any joint powers authority created pursuant
28 to Article 1 (commencing with Section 6500) of Chapter 5 of
29 Division 7 for the purpose of contracting pursuant to Section
30 14087.3 of the Welfare and Institutions Code, and any advisory
31 committee to a county-sponsored health plan licensed pursuant to
32 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
33 Health and Safety Code if the advisory committee has 12 or more
34 members.

35 (e) This section shall become operative January 1, 2026.

36 *SEC. 3. The Legislature finds and declares that Section 1 of*
37 *this act, which amends Section 54953 of the Government Code,*
38 *imposes a limitation on the public’s right of access to the meetings*
39 *of public bodies or the writings of public officials and agencies*
40 *within the meaning of Section 3 of Article I of the California*

1 *Constitution. Pursuant to that constitutional provision, the*
2 *Legislature makes the following findings to demonstrate the interest*
3 *protected by this limitation and the need for protecting that*
4 *interest:*

5 *By removing the requirement for agendas to be posted at all*
6 *teleconference locations, and removing the requirement for*
7 *members to publicly disclose whether any other individuals 18*
8 *years of age or older are present at the remote location with the*
9 *member, and the general nature of the member's relationship with*
10 *individuals before action is taken, this act protects the personal,*
11 *private information of public officials and their families while*
12 *preserving the public's right to access information concerning the*
13 *conduct of the people's business.*

14 *SEC. 4. The Legislature finds and declares that Section 1 of*
15 *this act, which amends Section 54953 of the Government Code,*
16 *further, within the meaning of paragraph (7) of subdivision (b)*
17 *of Section 3 of Article I of the California Constitution, the purposes*
18 *of that constitutional section as it relates to the right of public*
19 *access to the meetings of local public bodies or the writings of*
20 *local public officials and local agencies. Pursuant to paragraph*
21 *(7) of subdivision (b) of Section 3 of Article I of the California*
22 *Constitution, the Legislature makes the following findings:*

23 *This act is necessary to ensure minimum standards for public*
24 *participation and notice requirements allowing for greater public*
25 *participation in teleconference meetings.*

26 ~~SECTION 1. Section 53908 of the Government Code is~~
27 ~~amended to read:~~

28 ~~53908. (a) If a local agency, which is required to report to the~~
29 ~~Controller under Section 53891, maintains an internet website, it~~
30 ~~shall post, in a conspicuous location on its internet website,~~
31 ~~information on the annual compensation of its elected officials,~~
32 ~~officers, and employees that is submitted to the Controller under~~
33 ~~Section 53891.~~

34 ~~(b) A local agency may comply with subdivision (a) by posting,~~
35 ~~in a conspicuous location on its internet website, a link to the~~
36 ~~Controller's Government Compensation in California internet~~
37 ~~website.~~

O

Introduced by Senator Portantino
(Coauthor: Senator Menjivar)
(Coauthor: Assembly Member Luz Rivas)

February 9, 2023

An act to add Section 54953.4 to the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 411, as introduced, Portantino. Open meetings: teleconferences: bodies with appointed membership.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice,

agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.

This bill would authorize a legislative body to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. The bill would alternatively define "legislative body" for this purpose to mean a board, commission, or advisory body of a local agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the act.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 54953.4 is added to the Government
- 2 Code, to read:

1 54953.4. (a) (1) A legislative body included in subdivision
2 (c) may use teleconferencing without complying with paragraph
3 (3) of subdivision (b) of Section 54953 if the legislative body
4 complies with paragraph (2) of this section.

5 (2) A legislative body that holds a meeting pursuant to this
6 subdivision shall do all of the following:

7 (A) In each instance in which notice of the time of the
8 teleconferenced meeting is otherwise given or the agenda for the
9 meeting is otherwise posted, the legislative body shall also give
10 notice of the means by which members of the public may access
11 the meeting and offer public comment. The agenda shall identify
12 and include an opportunity for all persons to attend via a call-in
13 option or an internet-based service option.

14 (B) In the event of a disruption that prevents the legislative body
15 from broadcasting the meeting to members of the public using the
16 call-in option or internet-based service option, or in the event of
17 a disruption within the local agency's control that prevents
18 members of the public from offering public comments using the
19 call-in option or internet-based service option, the legislative body
20 shall take no further action on items appearing on the meeting
21 agenda until public access to the meeting via the call-in option or
22 internet-based service option is restored. Actions taken on agenda
23 items during a disruption that prevents the legislative body of a
24 neighborhood council from broadcasting the meeting may be
25 challenged pursuant to Section 54960.1.

26 (C) The legislative body shall not require public comments to
27 be submitted in advance of the meeting and must provide an
28 opportunity for the public to address the legislative body and offer
29 comment in real time.

30 (D) Notwithstanding Section 54953.3, an individual desiring to
31 provide public comment through the use of an internet website, or
32 other online platform, not under the control of the legislative body,
33 that requires registration to log in to a teleconference may be
34 required to register as required by the third-party internet website
35 or online platform to participate.

36 (E) (i) A legislative body that provides a timed public comment
37 period for each agenda item shall not close the public comment
38 period for the agenda item, or the opportunity to register, pursuant
39 to subparagraph (D), to provide public comment until that timed
40 public comment period has elapsed.

1 (ii) A legislative body that does not provide a timed public
2 comment period, but takes public comment separately on each
3 agenda item, shall allow a reasonable amount of time per agenda
4 item to allow public members the opportunity to provide public
5 comment, including time for members of the public to register
6 pursuant to subparagraph (D), or otherwise be recognized for the
7 purpose of providing public comment.

8 (iii) A legislative body that provides a timed general public
9 comment period that does not correspond to a specific agenda item
10 shall not close the public comment period or the opportunity to
11 register, pursuant to subparagraph (D), until the timed general
12 public comment period has elapsed.

13 (3) This subdivision shall not be construed to require the
14 legislative body to provide a physical location from which the
15 public may attend or comment.

16 (b) The legislative body shall comply with all other requirements
17 of Section 54953.

18 (c) As used in this section, “legislative body” means a board,
19 commission, or advisory body of a local agency, the membership
20 of which board, commission, or advisory body is appointed and
21 which board, commission, or advisory body is otherwise subject
22 to this chapter. As used in this subdivision, “advisory body”
23 includes, but is not limited to, a neighborhood council that is an
24 advisory body with the purpose to promote more citizen
25 participation in government and make government more responsive
26 to local needs that is established pursuant to the charter of a city
27 with a population of more than 3,000,000 people that is subject to
28 this chapter.

29 SEC. 2. The Legislature finds and declares that Section 1 of
30 this act, which adds Section 54953.4 to the Government Code,
31 imposes a limitation on the public’s right of access to the meetings
32 of public bodies or the writings of public officials and agencies
33 within the meaning of Section 3 of Article I of the California
34 Constitution. Pursuant to that constitutional provision, the
35 Legislature makes the following findings to demonstrate the interest
36 protected by this limitation and the need for protecting that interest:

37 During the COVID-19 public health emergency, audio and video
38 teleconference were widely used to conduct public meetings in
39 lieu of physical location meetings, and those public meetings have
40 been productive, increased public participation by all members of

1 the public regardless of their location and ability to travel to
2 physical meeting locations, increased the pool of people who are
3 able to serve on these bodies, and protected the health and safety
4 of civil servants and the public. Extending the operation of
5 teleconference as conducted during the COVID-19 public health
6 emergency for bodies of local agencies with appointed membership
7 will continue these benefits.

8 SEC. 3. The Legislature finds and declares that Section 1 of
9 this act, which adds Section 54953.4 to the Government Code,
10 furthers, within the meaning of paragraph (7) of subdivision (b)
11 of Section 3 of Article I of the California Constitution, the purposes
12 of that constitutional section as it relates to the right of public
13 access to the meetings of local public bodies or the writings of
14 local public officials and local agencies. Pursuant to paragraph (7)
15 of subdivision (b) of Section 3 of Article I of the California
16 Constitution, the Legislature makes the following findings:

17 During the COVID-19 public health emergency, audio and video
18 teleconference were widely used to conduct public meetings in
19 lieu of physical location meetings, and those public meetings have
20 been productive, increased public participation by all members of
21 the public regardless of their location and ability to travel to
22 physical meeting locations, increased the pool of people who are
23 able to serve on these bodies, and protected the health and safety
24 of civil servants and the public. Extending the operation of
25 teleconference as conducted during the COVID-19 public health
26 emergency for bodies of local agencies with appointed membership
27 will continue these benefits.

28 SEC. 4. This act is an urgency statute necessary for the
29 immediate preservation of the public peace, health, or safety within
30 the meaning of Article IV of the California Constitution and shall
31 go into immediate effect. The facts constituting the necessity are:

32 Virtual meetings have allowed much easier access to appointed
33 bodies of local agencies with far more members of the public
34 participating in each meeting. This has created greater equity in
35 the process and fostered the health of our democracy. In-person
36 meetings may jeopardize the health and safety of vulnerable
37 citizens due to ongoing risks of COVID-19 and other illnesses.

O

Introduced by Senator Becker

February 14, 2023

An act to amend Section 54953 of, and to add Section 54953.4 to, the Government Code, relating to local ~~government~~. government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 537, as amended, Becker. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice,

agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would authorize certain legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. The bill would also require a legislative body to provide a record of attendance on its internet website within 7 days after a teleconference meeting, as specified. The bill would define "legislative body" for this purpose to mean a board, commission, or advisory body of a multijurisdictional cross county agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the act. The bill would also define "multijurisdictional" to mean a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity.

With respect to the alternative teleconferencing provisions operative until January 1, 2026, the bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or

open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur through teleconference, subject to specified requirements.~~

~~This bill would state the intent of the Legislature to enact subsequent legislation that expands local government’s access to hold public meetings through teleconferencing and remote access.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 54953 of the Government Code, as
2 amended by Section 2 of Chapter 285 of the Statutes of 2022, is
3 amended to read:

4 54953. (a) All meetings of the legislative body of a local
5 agency shall be open and public, and all persons shall be permitted
6 to attend any meeting of the legislative body of a local agency,
7 except as otherwise provided in this chapter.

8 (b) (1) Notwithstanding any other provision of law, the
9 legislative body of a local agency may use teleconferencing for
10 the benefit of the public and the legislative body of a local agency
11 in connection with any meeting or proceeding authorized by law.
12 The teleconferenced meeting or proceeding shall comply with all
13 otherwise applicable requirements of this chapter and all otherwise
14 applicable provisions of law relating to a specific type of meeting
15 or proceeding.

16 (2) Teleconferencing, as authorized by this section, may be used
17 for all purposes in connection with any meeting within the subject
18 matter jurisdiction of the legislative body. If the legislative body
19 of a local agency elects to use teleconferencing, the legislative
20 body of a local agency shall comply with all of the following:

1 (A) All votes taken during a teleconferenced meeting shall be
2 by rollcall.

3 (B) The teleconferenced meetings shall be conducted in a
4 manner that protects the statutory and constitutional rights of the
5 parties or the public appearing before the legislative body of a
6 local agency.

7 (C) The legislative body shall give notice of the meeting and
8 post agendas as otherwise required by this chapter.

9 (D) The legislative body shall allow members of the public to
10 access the meeting and the agenda shall provide an opportunity
11 for members of the public to address the legislative body directly
12 pursuant to Section 54954.3.

13 (3) If the legislative body of a local agency elects to use
14 teleconferencing, it shall post agendas at all teleconference
15 locations. Each teleconference location shall be identified in the
16 notice and agenda of the meeting or proceeding, and each
17 teleconference location shall be accessible to the public. During
18 the teleconference, at least a quorum of the members of the
19 legislative body shall participate from locations within the
20 boundaries of the territory over which the local agency exercises
21 jurisdiction, except as provided in subdivision (d).

22 (c) (1) No legislative body shall take action by secret ballot,
23 whether preliminary or final.

24 (2) The legislative body of a local agency shall publicly report
25 any action taken and the vote or abstention on that action of each
26 member present for the action.

27 (3) Prior to taking final action, the legislative body shall orally
28 report a summary of a recommendation for a final action on the
29 salaries, salary schedules, or compensation paid in the form of
30 fringe benefits of a local agency executive, as defined in
31 subdivision (d) of Section 3511.1, during the open meeting in
32 which the final action is to be taken. This paragraph shall not affect
33 the public's right under the California Public Records Act (Division
34 10 (commencing with Section 7920.000) of Title 1) to inspect or
35 copy records created or received in the process of developing the
36 recommendation.

37 (d) (1) Notwithstanding the provisions relating to a quorum in
38 paragraph (3) of subdivision (b), if a health authority conducts a
39 teleconference meeting, members who are outside the jurisdiction
40 of the authority may be counted toward the establishment of a

1 quorum when participating in the teleconference if at least 50
2 percent of the number of members that would establish a quorum
3 are present within the boundaries of the territory over which the
4 authority exercises jurisdiction, and the health authority provides
5 a teleconference number, and associated access codes, if any, that
6 allows any person to call in to participate in the meeting and the
7 number and access codes are identified in the notice and agenda
8 of the meeting.

9 (2) Nothing in this subdivision shall be construed as
10 discouraging health authority members from regularly meeting at
11 a common physical site within the jurisdiction of the authority or
12 from using teleconference locations within or near the jurisdiction
13 of the authority. A teleconference meeting for which a quorum is
14 established pursuant to this subdivision shall be subject to all other
15 requirements of this section.

16 (3) For purposes of this subdivision, a health authority means
17 any entity created pursuant to Sections 14018.7, 14087.31,
18 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
19 and Institutions Code, any joint powers authority created pursuant
20 to Article 1 (commencing with Section 6500) of Chapter 5 of
21 Division 7 for the purpose of contracting pursuant to Section
22 14087.3 of the Welfare and Institutions Code, and any advisory
23 committee to a county-sponsored health plan licensed pursuant to
24 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
25 Health and Safety Code if the advisory committee has 12 or more
26 members.

27 (e) (1) The legislative body of a local agency may use
28 teleconferencing without complying with paragraph (3) of
29 subdivision (b) if, during the teleconference meeting, at least a
30 quorum of the members of the legislative body participates in
31 person from a singular physical location clearly identified on the
32 agenda, which location shall be open to the public and situated
33 within the boundaries of the territory over which the local agency
34 exercises jurisdiction and the legislative body complies with all
35 of the following:

36 (A) The legislative body shall provide at least one of the
37 following as a means by which the public may remotely hear and
38 visually observe the meeting, and remotely address the legislative
39 body:

40 (i) A two-way audiovisual platform.

1 (ii) A two-way telephonic service and a live webcasting of the
2 meeting.

3 (B) In each instance in which notice of the time of the
4 teleconferenced meeting is otherwise given or the agenda for the
5 meeting is otherwise posted, the legislative body shall also give
6 notice of the means by which members of the public may access
7 the meeting and offer public comment.

8 (C) The agenda shall identify and include an opportunity for all
9 persons to attend and address the legislative body directly pursuant
10 to Section 54954.3 via a call-in option, via an internet-based service
11 option, and at the in-person location of the meeting.

12 (D) In the event of a disruption that prevents the legislative body
13 from broadcasting the meeting to members of the public using the
14 call-in option or internet-based service option, or in the event of
15 a disruption within the local agency’s control that prevents
16 members of the public from offering public comments using the
17 call-in option or internet-based service option, the legislative body
18 shall take no further action on items appearing on the meeting
19 agenda until public access to the meeting via the call-in option or
20 internet-based service option is restored. Actions taken on agenda
21 items during a disruption that prevents the legislative body from
22 broadcasting the meeting may be challenged pursuant to Section
23 54960.1.

24 (E) The legislative body shall not require public comments to
25 be submitted in advance of the meeting and must provide an
26 opportunity for the public to address the legislative body and offer
27 comment in real time.

28 (F) Notwithstanding Section 54953.3, an individual desiring to
29 provide public comment through the use of an internet website, or
30 other online platform, not under the control of the local legislative
31 body, that requires registration to log in to a teleconference may
32 be required to register as required by the third-party internet
33 website or online platform to participate.

34 (2) A member of the legislative body shall only participate in
35 the meeting remotely pursuant to this subdivision, if all of the
36 following requirements are met:

37 (A) One of the following circumstances applies:

38 (i) The member notifies the legislative body at the earliest
39 opportunity possible, including at the start of a regular meeting,
40 of their need to participate remotely for just cause, including a

1 general description of the circumstances relating to their need to
2 appear remotely at the given meeting. The provisions of this clause
3 shall not be used by any member of the legislative body for more
4 than two meetings per calendar year.

5 (ii) The member requests the legislative body to allow them to
6 participate in the meeting remotely due to emergency circumstances
7 and the legislative body takes action to approve the request. The
8 legislative body shall request a general description of the
9 circumstances relating to their need to appear remotely at the given
10 meeting. A general description of an item generally need not exceed
11 20 words and shall not require the member to disclose any medical
12 diagnosis or disability, or any personal medical information that
13 is already exempt under existing law, such as the Confidentiality
14 of Medical Information Act (Chapter 1 (commencing with Section
15 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes
16 of this clause, the following requirements apply:

17 (I) A member shall make a request to participate remotely at a
18 meeting pursuant to this clause as soon as possible. The member
19 shall make a separate request for each meeting in which they seek
20 to participate remotely.

21 (II) The legislative body may take action on a request to
22 participate remotely at the earliest opportunity. If the request does
23 not allow sufficient time to place proposed action on such a request
24 on the posted agenda for the meeting for which the request is made,
25 the legislative body may take action at the beginning of the meeting
26 in accordance with paragraph (4) of subdivision (b) of Section
27 54954.2.

28 (B) The member shall publicly disclose at the meeting before
29 any action is taken whether any other individuals 18 years of age
30 or older are present in the room at the remote location with the
31 member, and the general nature of the member's relationship with
32 any such individuals.

33 (C) The member shall participate through both audio and visual
34 technology.

35 (3) The provisions of this subdivision shall not serve as a means
36 for any member of a legislative body to participate in meetings of
37 the legislative body solely by teleconference from a remote location
38 for a period of more than three consecutive months or 20 percent
39 of the regular meetings for the local agency within a calendar year,

1 or more than two meetings if the legislative body regularly meets
2 fewer than 10 times per calendar year.

3 (f) The legislative body shall have and implement a procedure
4 for receiving and swiftly resolving requests for reasonable
5 accommodation for individuals with disabilities, consistent with
6 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
7 Sec. 12132), and resolving any doubt in favor of accessibility. In
8 each instance in which notice of the time of the meeting is
9 otherwise given or the agenda for the meeting is otherwise posted,
10 the legislative body shall also give notice of the procedure for
11 receiving and resolving requests for accommodation.

12 (g) The legislative body shall conduct meetings subject to this
13 chapter consistent with applicable civil rights and
14 nondiscrimination laws.

15 (h) (1) Nothing in this section shall prohibit a legislative body
16 from providing the public with additional teleconference locations.

17 (2) Nothing in this section shall prohibit a legislative body from
18 providing members of the public with additional physical locations
19 in which the public may observe and address the legislative body
20 by electronic means.

21 (i) For the purposes of this section, the following definitions
22 shall apply:

23 (1) “Emergency circumstances” means a physical or family
24 medical emergency that prevents a member from attending in
25 person.

26 (2) “Just cause” means any of the following:

27 (A) A childcare or caregiving need of a child, parent,
28 grandparent, grandchild, sibling, spouse, or domestic partner that
29 requires them to participate remotely. “Child,” “parent,”
30 “grandparent,” “grandchild,” and “sibling” have the same meaning
31 as those terms do in Section 12945.2.

32 (B) A contagious illness that prevents a member from attending
33 in person.

34 (C) A need related to a physical or mental disability as defined
35 in Sections 12926 and 12926.1 not otherwise accommodated by
36 subdivision (f).

37 (D) Travel while on official business of the legislative body or
38 another state or local agency.

1 (E) *An immunocompromised child, parent, grandparent,*
2 *grandchild, sibling, spouse, or domestic partner that requires them*
3 *to participate remotely.*

4 (3) “Remote location” means a location from which a member
5 of a legislative body participates in a meeting pursuant to
6 subdivision (e), other than any physical meeting location designated
7 in the notice of the meeting. Remote locations need not be
8 accessible to the public.

9 (4) “Remote participation” means participation in a meeting by
10 teleconference at a location other than any physical meeting
11 location designated in the notice of the meeting. Watching or
12 listening to a meeting via webcasting or another similar electronic
13 medium that does not permit members to interactively hear,
14 discuss, or deliberate on matters, does not constitute remote
15 participation.

16 (5) “Teleconference” means a meeting of a legislative body,
17 the members of which are in different locations, connected by
18 electronic means, through either audio or video, or both.

19 (6) “Two-way audiovisual platform” means an online platform
20 that provides participants with the ability to participate in a meeting
21 via both an interactive video conference and a two-way telephonic
22 function.

23 (7) “Two-way telephonic service” means a telephone service
24 that does not require internet access, is not provided as part of a
25 two-way audiovisual platform, and allows participants to dial a
26 telephone number to listen and verbally participate.

27 (8) “Webcasting” means a streaming video broadcast online or
28 on television, using streaming media technology to distribute a
29 single content source to many simultaneous listeners and viewers.

30 (j) This section shall become operative January 1, 2024, shall
31 remain in effect only until January 1, 2026, and as of that date is
32 repealed.

33 *SEC. 2. Section 54953.4 is added to the Government Code, to*
34 *read:*

35 *54953.4. (a) (1) A legislative body included in subdivision*
36 *(c) may use teleconferencing without complying with paragraph*
37 *(3) of subdivision (b) of Section 54953 if the legislative body*
38 *complies with paragraph (2) of this section.*

39 *(2) A legislative body that holds a meeting pursuant to this*
40 *subdivision shall do all of the following:*

1 (A) In each instance in which notice of the time of the
2 teleconferenced meeting is otherwise given or the agenda for the
3 meeting is otherwise posted, the legislative body shall also give
4 notice of the means by which members of the public may access
5 the meeting and offer public comment. The agenda shall identify
6 and include an opportunity for all persons to attend via a call-in
7 option or an internet-based service option.

8 (B) In the event of a disruption that prevents the legislative body
9 from broadcasting the meeting to members of the public using the
10 call-in option or internet-based service option, or in the event of
11 a disruption within the local agency's control that prevents
12 members of the public from offering public comments using the
13 call-in option or internet-based service option, the legislative body
14 shall take no further action on items appearing on the meeting
15 agenda until public access to the meeting via the call-in option or
16 internet-based service option is restored. Actions taken on agenda
17 items during a disruption that prevents the legislative body from
18 broadcasting the meeting may be challenged pursuant to Section
19 54960.1.

20 (C) The legislative body shall not require public comments to
21 be submitted in advance of the meeting and shall provide an
22 opportunity for the public to address the legislative body and offer
23 comment in real time.

24 (D) Notwithstanding Section 54953.3, an individual desiring
25 to provide public comment through the use of an internet website,
26 or other online platform, not under the control of the legislative
27 body, that requires registration to log in to a teleconference may
28 be required to register as required by the third-party internet
29 website or online platform to participate.

30 (E) (i) A legislative body that provides a timed public comment
31 period for each agenda item shall not close the public comment
32 period for the agenda item, or the opportunity to register, pursuant
33 to subparagraph (D), to provide public comment until that timed
34 public comment period has elapsed.

35 (ii) A legislative body that does not provide a timed public
36 comment period, but takes public comment separately on each
37 agenda item, shall allow a reasonable amount of time per agenda
38 item to allow public members the opportunity to provide public
39 comment, including time for members of the public to register

1 pursuant to subparagraph (D), or otherwise be recognized for the
2 purpose of providing public comment.

3 (iii) A legislative body that provides a timed general public
4 comment period that does not correspond to a specific agenda
5 item shall not close the public comment period or the opportunity
6 to register, pursuant to subparagraph (D), until the timed general
7 public comment period has elapsed.

8 (F) Except as provided in Section 54953.3, a legislative body
9 shall provide a record of attendance of both community members,
10 and legislative body seven days after a teleconference meeting on
11 its internet website. The legislative body shall also note on its
12 website the number of public comments in the previous meeting
13 within seven days.

14 (3) This subdivision shall not be construed to require the
15 legislative body to provide a physical location from which the
16 public may attend or comment.

17 (b) The legislative body shall comply with all other requirements
18 of Section 54953.

19 (c) As used in this section, “legislative body” means a board,
20 commission, or advisory body of a multijurisdictional, cross county
21 agency, the membership of which board, commission, or advisory
22 body is appointed and which board, commission, or advisory body
23 is otherwise subject to this chapter. As used in this subdivision,
24 “multijurisdictional” means a legislative body that includes
25 representatives from more than one county, city, city and county,
26 special district, or a joint powers entity formed pursuant to Article
27 1 (commencing with Section 6500) of Chapter 5 of Division 7 of
28 Title 1.

29 SEC. 3. The Legislature finds and declares that Sections 1 and
30 2 of this act, which amend Section 54953 of, and add Section
31 54953.4 to, the Government Code, impose a limitation on the
32 public’s right of access to the meetings of public bodies or the
33 writings of public officials and agencies within the meaning of
34 Section 3 of Article I of the California Constitution. Pursuant to
35 that constitutional provision, the Legislature makes the following
36 findings to demonstrate the interest protected by this limitation
37 and the need for protecting that interest:

38 Permitting remote participation for just cause due to a member’s
39 immunocompromised family member, as well as extending the
40 operation of teleconferencing for legislative bodies of

1 *multijurisdictional, cross county agencies with appointed*
 2 *membership, will further increase public participation, increase*
 3 *the pool of people who are able to serve on these bodies, and*
 4 *protect the health and safety of the public.*

5 *SEC. 4. The Legislature finds and declares that Sections 1 and*
 6 *2 of this act, which amend Section 54953 of, and add Section*
 7 *54953.4 to, the Government Code, further, within the meaning of*
 8 *paragraph (7) of subdivision (b) of Section 3 of Article I of the*
 9 *California Constitution, the purposes of that constitutional section*
 10 *as it relates to the right of public access to the meetings of local*
 11 *public bodies or the writings of local public officials and local*
 12 *agencies. Pursuant to paragraph (7) of subdivision (b) of Section*
 13 *3 of Article I of the California Constitution, the Legislature makes*
 14 *the following findings:*

15 *Permitting remote participation for just cause due to a member's*
 16 *immunocompromised family member, as well as extending the*
 17 *operation of teleconferencing for legislative bodies of*
 18 *multijurisdictional, cross county agencies with appointed*
 19 *membership, will further increase public participation, increase*
 20 *the pool of people who are able to serve on these bodies, and*
 21 *protect the health and safety of the public.*

22 *SEC. 5. This act is an urgency statute necessary for the*
 23 *immediate preservation of the public peace, health, or safety within*
 24 *the meaning of Article IV of the California Constitution and shall*
 25 *go into immediate effect. The facts constituting the necessity are:*

26 *Virtual meetings have allowed much easier access to appointed*
 27 *bodies of local agencies with far more members of the public*
 28 *participating in each meeting. This has created greater equity in*
 29 *the process and fostered the health of our democracy. In-person*
 30 *meetings may jeopardize the health and safety of vulnerable*
 31 *citizens due to ongoing risks of illnesses.*

32 ~~*SECTION 1. It is the intent of the Legislature to enact*~~
 33 ~~*subsequent legislation that expands local government's access to*~~
 34 ~~*hold public meetings through teleconferencing and remote access.*~~

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Margaret Abe-Koga and Members
of the Legislative Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Consideration of New Bills

RECOMMENDED ACTION

Approve staff's recommendation of SUPPORT for the following bills:

- Assembly Bill (AB) 1267 (Ting) – Zero-emission vehicle incentive programs: gasoline superusers.
- Senate Bill (SB) 397 (Wahab) – Safety roadside rests: electric vehicle service equipment.

Approve staff's recommendation of OPPOSE for the following bill:

- AB 698 (Essayli) – Energy: gas stoves.

Approve staff's recommendation of OPPOSE UNLESS AMENDED for the following bill:

- SB 415 (Durazo) - Air quality: rules and regulations: socioeconomic impacts assessment.

Approve staff's recommendation of WORK WITH AUTHOR for the following bill:

- SB 768 (Caballero) – California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.

BACKGROUND

This is the first year of the two-year 2023-2024 Legislative Session.

Attached is the matrix of bills that the Air District is currently tracking and has been arranged by category.

Upcoming dates of importance:

April 28th	Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.
May 5th	Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house.
May 12th	Last day for policy committees to meet prior to June 5th.
May 19th	Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 5th.
June 2nd	Last day for each house to pass bills introduced in that house.
June 15th	Budget Bill must be passed by midnight.
July 14th	Last day for policy committees to meet and report bills.
July 14th – August 14th	Summer recess
September 1st	Last day for fiscal committees to meet and report bills.
September 14th	Last day for each house to pass bills.
October 14th	Last day for Governor to sign or veto bills passed by the Legislature on or before September 14th and in the Governor's possession on or after September 14 th .

DISCUSSION

Staff will provide the Committee with a brief summary and status of bills listed on the attached list and will recommend bills to support, oppose, and work with the author during the session. Staff will review other bills that may be of interest to the Committee.

Specifically, staff will plan to discuss the following bills:

AB 504 (Reyes) – State and local public employees: labor relations: disputes.

CapitolTrack Summary: The Meyers-Milias-Brown Act and the Ralph C. Dills Act grant specified employees of local public agencies and the state the right to form, join, and participate in the activities of employee organizations of their choosing and require public agency employers, among other things, to meet and confer with representatives of recognized employee organizations and exclusive representatives on terms and conditions of employment. The acts grant the Public Employment Relations Board the power to hear specified disputes in relation to these provisions and to make determinations regarding them. This bill would provide that it is not unlawful or a cause for discipline or other adverse action against a state or local public employee for that employee to refuse to enter property that is the site of a primary labor dispute, perform work for an employer involved in a primary labor dispute, or go through or work behind

a primary picket line. The bill would prohibit an employer from directing an employee to take those actions.

If passed, AB 504 might complicate Air District compliance and enforcement activities at facilities that are sites of primary labor disputes.

Current Status: Referred to the Assembly Public Employment and Retirement Committee – hearing date not set.

Staff Recommendation: None, at this time.

AB 698 (Essayli) – Energy: gas stoves.

CapitolTrack Summary: Current law prohibits new residential-type gas appliances that are equipped with a pilot light from being sold in the state 24 months after an intermittent ignition device has been demonstrated and certified by the State Energy Resources Conservation and Development Commission. This bill would prohibit state agencies and local governments from adopting or enforcing a rule, regulation, resolution, or ordinance that directly or indirectly results in prohibiting the use of gas stoves in residential and nonresidential buildings. 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.

If passed, AB 698 would prohibit local governments from adopting decarbonization policies, including all-electric new home construction.

Current Status: Referred to the Assembly Utilities and Energy Committee – set for hearing on April 12, 2023.

Staff Recommendation: Oppose

AB 1267 (Ting) – Zero-emission vehicle incentive programs: gasoline superusers.

CapitolTrack Summary: Current 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 by individuals, including, among others, the Clean Cars 4 All Program. This bill would require the state board, upon appropriation by the Legislature, to ensure that beginning January 1, 2025, an additional incentive, to be known as a “superuser incentive,” is awarded under a zero-emission vehicle incentive program that is administered or funded by the state board to a gasoline superuser, as defined, who otherwise qualifies for an incentive under the zero-emission vehicle incentive program. The bill would require the state board to set the amount of the superuser incentive at a level that maximizes the displacement of gasoline and the reduction of emissions of criteria pollutants and greenhouse gases per dollar spent. The bill would require specified information to be provided by an applicant for the additional incentive under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

If passed, AB 1267 would create an additional incentive within the Clean Cars 4 All Program, for high mileage drivers to purchase a zero-emission vehicle.

Current Status: Referred to the Assembly Transportation Committee – set for hearing on March 27, 2023.

Staff Recommendation: Support

AB 1464 (Connolly) – Richmond-San Rafael Bridge.

CapitolTrack Summary: Existing law establishes state-owned toll bridges in the San Francisco Bay area, including the Richmond-San Rafael Bridge. Under existing law, the Bay Area Toll Authority is responsible for the administration of the toll revenues from the state-owned toll bridges in the San Francisco Bay area. Existing law requires the Department of Transportation to collect tolls, operate, maintain, and provide rehabilitation of the state-owned toll bridges in the San Francisco Bay area and to be responsible for the design and construction of improvements on those bridges in accordance with programming and scheduling requirements adopted by the Bay Area Toll Authority. This bill would require the department and the authority, if they develop a project to open the 3rd lane on the westbound level of the Richmond-San Rafael Bridge to motor vehicle traffic, to consider operating the Richmond-San Rafael Bridge in a specified manner.

If passed, AB 1464 would make several requirements regarding operation of the third eastbound lane contingent upon a project to open the lane to motor vehicle traffic.

Current Status: Referred to Assembly Transportation Committee – set for hearing on April 17, 2023.

Staff Recommendation: None, at this time.

SB 397 (Wahab) – Safety roadside rests: electric vehicle service equipment.

CapitolTrack Summary: Would require the State Air Resources Board, upon appropriation by the Legislature, to establish a program to install and maintain electric vehicle service equipment at safety roadside rests, with the goal of serving at least one-half of the parking spaces, excluding those parking spaces designed for use by a tractor-trailer, at each safety roadside rest in California. The bill would require that the electric vehicle service equipment installed pursuant to the program be available to the public at no charge and be the fastest type that is reasonably commercially available.

If passed, SB 397 would task the California Air Resources Board (CARB) to establish a program to provide electric vehicle charging infrastructure at highway rest stops.

Current Status: This bill has not yet been referred to a committee or set for hearing.

Staff Recommendation: Support

SB 415 (Durazo) – Air quality: rules and regulations: socioeconomic impacts assessment.

CapitolTrack Summary: Current law requires a local air pollution control district or an air quality management district (local air district) that intends to propose the adoption, amendment, or

repeal of a rule or regulation that will significantly affect air quality or emissions limitations to perform, except as specified, an assessment of the socioeconomic impacts of the proposed adoption, amendment, or repeal of the rule or regulation, as provided. Current law defines “socioeconomic impacts” to include, among other things, the type of industries or business, including small business, affected by the rule or regulation, the impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation, and the range of probable costs, including costs to industry or business, including small business, of the rule or regulation. This bill would authorize a local air district to contract with a third party to conduct the required assessment of socioeconomic impacts, or portion thereof, as provided. The bill would require a local air district to ensure that a prospective third-party contractor includes in its proposal for the assessment specified information, including, among other things, a conflicts statement and a proposed schedule and budget for the assessment. This bill would expand the definition of “socioeconomic impacts” to include the disproportionate impact, if any, of the proposed adoption, amendment, or repeal of the rule or regulation on Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, and transgender individuals and women.

If passed, SB 415 would expand the definitions and requirements of a socioeconomic impact assessment conducted by an air district or CARB.

Current Status: Referred to the Senate Environmental Quality Committee – set for hearing on April 19, 2023.

Staff Recommendation: Oppose unless amended to remove applicability to air districts.

SB 527 (Min) – Neighborhood Decarbonization Program.

CapitolTrack Summary: Current law requires the State Energy Resources Conservation and Development Commission to establish the Equitable Building Decarbonization Program, which includes establishing the direct install program to fund certain projects and remediation and safety measures to facilitate the installation of new technologies and a statewide incentive program for low-carbon building technologies, as specified. This bill would require the Public Utilities Commission, in consultation with gas corporations, to develop and supervise the administration of the Neighborhood Decarbonization Program to facilitate the cost-effective decarbonization of targeted natural gas zones with the intent to provide benefits that include, but are not limited to, reduced emissions of greenhouse gases and air pollution, increased safety, and the maintenance of rate affordability for California gas customers, and to decommission gas assets in zones with the highest community burdens and those that would result in the highest projected ratepayer cost savings. The bill would require the commission, in consultation with each gas corporation, to adopt guidelines and regulations for the program, as specified. The bill would require the commission, after 5 years of implementing the program, to review the efficacy of the program in providing benefits to gas customers and in assisting the state in meeting the state’s climate change goals. The bill would require the commission, based on its review, to determine whether or not to continue implementing the program.

If passed, SB 527 would establish a Neighborhood Decarbonization Program, and allow a gas corporation to propose to cease providing service in some areas.

Current Status: This bill has not yet been referred to a committee or set for hearing.

Staff Recommendation: None, at this time.

SB 674 (Gonzalez) – Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

CapitolTrack Summary: Current law requires a refinery-related community air monitoring system to be installed near each petroleum refinery that meets certain requirements. Current law requires the owner or operator of a petroleum refinery to develop, install, operate, and maintain a fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district or air pollution control district. Current law requires the air districts and the owners or operators of refineries to collect real-time data from those monitoring systems, to maintain records of that data, and, to the extent feasible, provide to the public those data in a publicly accessible format. This bill would extend the above requirements to refineries engaging in other types of refining processes, including those using noncrude oil feedstock, and to auxiliary facilities. The bill would require the refinery-related community air monitoring system and the fence-line monitoring system to be installed on or before January 1, 2026, and after a 30-day public comment period. The bill would require the monitoring systems to monitor certain pollutants identified by the Office of Environmental Health Hazard Assessment. The bill would require the air districts and the owners and operators of refineries to maintain records of the data collected from those systems for at least 5 years and would require the owners and operators to post online, and to notify the public of the availability of, quarterly reports containing certain information.

If passed, SB 674 would make changes to existing fenceline monitoring requirements at refineries, including equipment, reporting, and emergency response.

Staff has recently been provided proposed amendments to review, and may propose a SUPPORT position at a later date.

Current Status: Referred to the Senate Environmental Quality Committee – set for hearing on March 29, 2023.

Staff Recommendation: Work with Author – To be considered by the Board on April 5, 2023.

SB 768 (Caballero) – California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.

CapitolTrack Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA prohibits a public agency from approving or carrying out a project for which a certified EIR has identified one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency finds either (1) changes or alterations have been required in, or incorporated into, the project that mitigate or

avoid the significant effects on the environment, (2) those changes or alterations are within the jurisdiction of another public agency and have been, or can and should be, adopted by the other agency, or (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives identified in the EIR and the public agency finds that those specific considerations outweigh the significant effects on the environment, commonly known as a statement of overriding consideration. This bill would provide that a public agency, in approving or carrying out a housing development project, as defined, a commercial project, or an industrial project, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled or similar metrics if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

If passed, SB 768 may relax requirements for some lead agencies to address potential vehicle miles traveled (VMT) increases in CEQA analyses.

Current Status: This bill has not yet been referred to a committee or set for hearing.

Staff Recommendation: Work with Author

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Philip M. Fine

ATTACHMENTS:

1. Bills of Interest Matrix - As of March 28, 2023
2. AB 504 (Reyes) - Bill Text - As Amended on March 13, 2023
3. AB 698 (Essayli) - Bill Text - As Amended on March 9, 2023
4. AB 1267 (Ting) - Bill Text - As Amended on March 16, 2023
5. AB 1464 (Connolly) - Bill Text - As Amended on March 23, 2023
6. SB 397 (Wahab) - Bill Text - As Amended on March 22, 2023
7. SB 415 (Durazo) - Bill Text - As Introduced on February 9, 2023
8. SB 527 (Min) - Bill Text - As Amended on March 22, 2023
9. SB 674 (Gonzalez) - Bill Text - As Introduced on February 16, 2023
10. SB 768 (Caballero) - Bill Text - As Amended on March 22, 2023

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

Bill #	Author	Subject	Last Amended	Last Status - As of 3/28/2023	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 9	Muratsuchi	California Global Warming Solutions Act of 2006: emissions limit.		01/26/2023 - Referred to Com. on NAT. RES.	01/26/2023 - Assembly NAT. RES.			Low	Climate Change
AB 30	Ward	Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.		03/14/2023 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (March 14). Re-referred to Com. on APPR.	03/14/2023 - Assembly APPR.			Low	Climate Change
AB 43	Holden	Greenhouse gas emissions: building materials: embodied carbon trading system.	3/2/2023	03/27/2023 - VOTE: Do pass as amended and be re-referred to the Committee on Appropriations (PASS)	03/27/2023 - Assembly APPR.			Low	Climate Change
AB 45	Boerner Horvath	Coastal resources: coastal development permits: blue carbon demonstration projects: new development: greenhouse gas emissions.	3/15/2023	03/22/2023 - In committee: Set, first hearing. Referred to APPR. suspense file.	03/22/2023 - Assembly APPR. SUSPENSE FILE			Low	Climate Change
AB 397	Essayli	California Global Warming Solutions Act of 2006: scoping plan.		03/14/2023 - In committee: Set, first hearing. Failed passage. Reconsideration granted.	02/09/2023 - Assembly NAT. RES.			Low	Climate Change
AB 593	Haney	Carbon emission reduction strategy: building sector.	3/9/2023	03/13/2023 - Re-referred to Com. on NAT. RES.	03/09/2023 - Assembly NAT. RES.			Low	Climate Change
AB 882	Davies	Coastal resources: Climate Ready Program: State Coastal Conservancy.		03/27/2023 - VOTE: Do pass as amended and be re-referred to the Committee on Appropriations (PASS)	03/27/2023 - Assembly APPR.			Low	Climate Change
AB 1265	Gallagher	Transportation fuels: gasoline specifications.	3/9/2023	03/13/2023 - Re-referred to Com. on TRANS.	03/09/2023 - Assembly TRANS.			Low	Climate Change
AB 1305	Gabriel	Voluntary carbon offset disclosures.		03/02/2023 - Referred to Coms. on NAT. RES. and JUD.	03/02/2023 - Assembly NAT. RES.			Low	Climate Change
AB 1689	Grayson	Greenhouse gases: built environment: decarbonization.		02/18/2023 - From printer. May be heard in committee March 20.	02/17/2023 - Assembly PRINT			Low	Climate Change
SB 12	Stern	California Global Warming Solutions Act of 2006: emissions limit.		03/15/2023 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (March 15). Re-referred to Com. on APPR.	03/15/2023 - Senate APPR.			Low	Climate Change
SB 253	Wiener	Climate Corporate Data Accountability Act.		03/15/2023 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 4. Noes 2.) (March 15). Re-referred to Com. on JUD.	03/15/2023 - Senate JUD.			Low	Climate Change
SB 306	Caballero	Climate change: Equitable Building Decarbonization Program: Extreme Heat Action Plan.	3/7/2023	03/16/2023 - March 21 set for first hearing canceled at the request of author.	02/15/2023 - Senate E. U., & C.			Low	Climate Change
SB 308	Becker	Carbon Dioxide Removal Market Development Act.	3/14/2023	03/22/2023 - Re-referred to Com. on E.Q.	03/22/2023 - Senate E.Q.			Low	Climate Change
SB 390	Limón	Voluntary carbon offsets: business regulation.	3/16/2023	03/16/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/09/2023 - Senate RLS.			Low	Climate Change
SB 422	Portantino	California Environmental Quality Act: expedited environmental review: climate change regulations.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/13/2023 - Senate RLS.			Medium	Climate Change
SB 511	Blakespear	Greenhouse gas emissions inventories.		03/20/2023 - March 29 hearing postponed by committee.	02/22/2023 - Senate E.Q.			Low	Climate Change
SB 527	Min	Neighborhood Decarbonization Program.	3/22/2023	03/22/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/14/2023 - Senate RLS.			Low	Climate Change
SB 682	Skinner	Low-carbon cement and concrete.		03/07/2023 - Set for hearing March 29.	03/01/2023 - Senate E.Q.			Low	Climate Change
SJR 2	Gonzalez	Climate change: Fossil Fuel Non-Proliferation Treaty.	3/16/2023	03/16/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.	03/01/2023 - Senate E.Q.			Low	Climate Change
AB 631	Hart	Oil and gas: enforcement: penalties.	3/23/2023	03/27/2023 - Re-referred to Com. on NAT. RES.	03/23/2023 - Assembly NAT. RES.			Low	Energy
AB 698	Essayli	Energy: gas stoves.	3/9/2023	03/13/2023 - Re-referred to Com. on U. & E.	03/09/2023 - Assembly U. & E.		Propose Oppose	Medium	Energy
AB 841	Berman	State Energy Resources Conservation and Development Commission: Industrial Heat Electrification Roadmap.	3/16/2023	03/20/2023 - Re-referred to Com. on U. & E.	03/16/2023 - Assembly U. & E.			Low	Energy
AB 944	Irwin	Fire stations: alternative power generation.	3/20/2023	03/21/2023 - Re-referred to Com. on E.M.	03/16/2023 - Assembly EMERGENCY MANAGEMENT			Low	Energy
AB 998	Connolly	Biomass energy facilities: State Energy Resources Conservation and Development Commission: report.	3/15/2023	03/27/2023 - VOTE: Do pass and be re-referred to the Committee on Utilities and Energy with recommendation: To Consent Calendar (PASS)	03/27/2023 - Assembly U. & E.			Medium	Energy
AB 1550	Bennett	Green hydrogen.		03/09/2023 - Referred to Coms. on U. & E. and NAT. RES.	03/09/2023 - Assembly U. & E.			Low	Energy
AB 1561	Gallagher	Housing development: Camp Fire Housing Assistance Act of 2019.	3/9/2023	03/13/2023 - Re-referred to Com. on NAT. RES.	03/09/2023 - Assembly NAT. RES.			Low	Energy
AB 1591	Wallis	Energy: petroleum pricing.		03/23/2023 - In committee: Hearing postponed by committee.	03/09/2023 - Assembly NAT. RES.			Low	Energy
AB 1614	Gabriel	Gasoline fueling stations: phase out: study.		03/23/2023 - In committee: Hearing postponed by committee.	03/09/2023 - Assembly TRANS.			Low	Energy
AB 1687	Dahle	Greenhouse gas emissions: fixed-mount generators.	3/16/2023	03/20/2023 - Re-referred to Com. on NAT. RES.	03/16/2023 - Assembly NAT. RES.			Low	Energy
ABX1 1	Ting	Oil refineries: maintenance.		12/06/2022 - From printer.	12/05/2022 - Assembly PRINT			Low	Energy
ABX1 2	Fong	Motor Vehicle Fuel Tax Law: suspension of tax.		12/06/2022 - From printer.	12/05/2022 - Assembly PRINT			Low	Energy
ABX1 3	Bains	Petroleum refineries: imports.		02/18/2023 - From printer.	02/17/2023 - Assembly PRINT			Low	Energy
SB 5	Nguyen	Motor Vehicle Fuel Tax Law: limitation on adjustment.		01/18/2023 - Referred to Com. on GOV. & F.	01/18/2023 - Senate GOV. & F.			Low	Energy

Bill #	Author	Subject	Last Amended	Last Status - As of 3/28/2023	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 233	Skinner	Electricvehicles and electric vehicle supply equipment: bidirectional capability.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	01/24/2023 - Senate RLS.			Low	Energy
SB 438	Caballero	Carbon sequestration: Carbon Capture, Removal, Utilization, and Storage Program.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.	02/22/2023 - Senate N.R. & W.			Low	Energy
SB 493	Min	Air pollution: alternative vehicles and electric and hydrogen infrastructure.		03/21/2023 - From committee: Do pass and re-refer to Com. on E.Q. (Ayes 17. Noes 0.) (March 21). Re-referred to Com. on E.Q.	03/21/2023 - Senate E.Q.			Low	Energy
SB 507	Gonzalez	Electric vehicle charging station infrastructure: assessments.		03/21/2023 - From committee: Do pass and re-refer to Com. on TRANS. (Ayes 17. Noes 0.) (March 21). Re-referred to Com. on TRANS.	03/21/2023 - Senate TRANS.			Low	Energy
SB 556	Gonzalez	Oil and gas wells: health protection zones: civil liability.	3/22/2023	03/22/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/15/2023 - Senate RLS.			Low	Energy
SB 746	Eggman	Energy conservation contracts: alternate energy equipment: electrolytic hydrogen.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E. U. & C.	03/01/2023 - Senate E. U. & C.			Low	Energy
SB 755	Becker	Energy efficiency and building decarbonization programs.	3/21/2023	03/21/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/17/2023 - Senate RLS.			Low	Energy
SBX1 2	Skinner	Energy: transportation fuels: supply and pricing: maximum gross gasoline refining margin.	3/20/2023	03/27/2023 - From committee: Do pass. (Ayes 11. Noes 4.) (March 27). Assembly Rule 63 suspended. Read second time. Read third time. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling. Enrolled and presented to the Governor at 4 p.m.	03/27/2023 - Senate ENROLLMENT			Low	Energy
SBX1 3	Grove	Oil imports: air quality emissions data.		01/04/2023 - Read first time.	12/06/2022 - Senate RLS.			Low	Energy
AB 1195	Calderon	Climate Change Preparedness, Resiliency, and Jobs for Communities Program: climate-beneficial projects: grant funding.		03/27/2023 - VOTE: Do pass as amended and be re-referred to the Committee on [Appropriations] (PASS)	03/27/2023 - Assembly APPR.			Low	Environmental Justice
AB 1224	Bryan	Workforce development: green jobs survey.	3/16/2023	03/20/2023 - Re-referred to Com. on L. & E.	03/16/2023 - Assembly L. & E.			Low	Environmental Justice
AB 1681	Bryan	Environmental justice.		02/18/2023 - From printer. May be heard in committee March 20.	02/17/2023 - Assembly PRINT			Low	Environmental Justice
AB 536	Wilson	Bay Area Air Quality Management Advisory Council: compensation.		03/20/2023 - Read third time. Passed. Ordered to the Senate. (Ayes 78. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.	03/20/2023 - Senate RLS.		Air District-Sponsored	High	General-Air District
AB 650	Arambula	San Joaquin Valley Unified Air Pollution Control District: board.	3/23/2023	03/27/2023 - Re-referred to Com. on L. GOV.	03/23/2023 - Assembly L. GOV.			Low	General-Air District
AB 849	Garcia	Community emissions reduction programs.	3/15/2023	03/27/2023 - VOTE: Do pass as amended and be re-referred to the Committee on [Appropriations] (PASS)	03/27/2023 - Assembly APPR.		Interim Support	Medium	General-Air District
AB 985	Arambula	San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system.	3/23/2023	03/27/2023 - Re-referred to Com. on NAT. RES.	03/23/2023 - Assembly NAT. RES.			Low	General-Air District
AB 1609	Garcia	Air pollution: motor vehicle registration: pollution reduction.	3/16/2023	03/20/2023 - Re-referred to Com. on TRANS.	03/16/2023 - Assembly TRANS.		Propose Co-Sponsor	Medium	General-Air District
SB 415	Durazo	Air quality: rules and regulations: socioeconomic impacts assessment.		03/20/2023 - March 29 set for first hearing canceled at the request of author.	02/22/2023 - Senate E.Q.		Propose Oppose Unless Amended	Medium	General-Air District
SB 563	Archuleta	Air pollution control districts and air quality management districts: independent special districts: funding.		02/22/2023 - Referred to Com. on GOV. & F.	02/22/2023 - Senate GOV. & F.		Interim Support	Medium	General-Air District
SB 674	Gonzalez	Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.		03/07/2023 - Set for hearing March 29.	03/01/2023 - Senate E.Q.		Interim Work with Author	Medium	General-Air District
AB 287	Garcia	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: competitive grant programs: funding objectives.		03/14/2023 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 1.) (March 13). Re-referred to Com. on APPR.	03/13/2023 - Assembly APPR.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 321	Wilson	Sales and Use Tax: exemptions: zero-emission public transportation ferries.	3/6/2023	03/14/2023 - In committee: Set, first hearing. Referred to suspense file.	03/14/2023 - Assembly APPR. SUSPENSE FILE			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 579	Ting	Schoolbuses: zero-emission vehicles.	3/13/2023	03/16/2023 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/17/2023 - Assembly ED.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 627	Jackson	Heavy-duty trucks: grant program: operating requirements.		03/08/2023 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/17/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 769	Bauer-Kahan	Personal Income Tax Law: Corporation Tax Law: credits: carbon reduction.		02/23/2023 - Referred to Com. on REV. & TAX.	02/23/2023 - Assembly REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 772	Jackson	Electric vehicle chargers.		03/27/2023 - In committee: Set, first hearing. Hearing canceled at the request of author.	03/02/2023 - Assembly U. & E.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 858	Muratsuchi	California Climate Cashback Program.		02/23/2023 - Referred to Com. on NAT. RES.	02/23/2023 - Assembly NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 953	Connolly	Coastal resources: voluntary vessel speed reduction and sustainable shipping program.	3/16/2023	03/20/2023 - Re-referred to Com. on W., P., & W.	03/02/2023 - Assembly W., P. & W.		Air-District Co-Sponsor	High	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1012	Quirk-Silva	State Air Resources Board: mobile source regulations: lifecycle analysis.		03/23/2023 - In committee: Hearing postponed by committee.	03/02/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1267	Ting	Zero-emission vehicle incentive programs: gasoline superusers.	3/16/2023	03/27/2023 - VOTE: Do pass and be re-referred to the Committee on [Natural Resources] (PASS)	03/27/2023 - Assembly NAT. RES.		Propose Support	Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1349	Irwin	Zero-emission vehicle charging stations: open data portal.	3/16/2023	03/20/2023 - Re-referred to Com. on TRANS.	03/16/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1372	Alvarez	Vehicle air pollution: medium- and heavy-duty vehicles: land ports of entry.		03/23/2023 - In committee: Hearing postponed by committee.	03/09/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

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AB 1374	Alvarez	Greenhouse Gas Reduction Fund: investment plan.		03/02/2023 - Referred to Com. on NAT. RES.	03/02/2023 - Assembly NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1401	Garcia	Low Carbon Fuel Standard regulations: alternative diesel fuel regulations.	3/13/2023	03/20/2023 - In committee: Hearing postponed by committee.	03/09/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1525	Bonta	Transportation Agency: allocations for projects in priority populations.	3/16/2023	03/23/2023 - In committee: Hearing postponed by committee.	03/16/2023 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1567	Garcia	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2023.		03/09/2023 - Referred to Coms. on W., P., & W. and NAT. RES.	03/09/2023 - Assembly W.P. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
ACA 2	Alanis	Public resources: Water and Wildfire Resiliency Act of 2023.		12/06/2022 - From printer. May be heard in committee January 5.	12/05/2022 - Assembly PRINT			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 32	Jones	Motor vehicle fuel tax: greenhouse gas reduction programs: suspension.		03/08/2023 - Referred to Coms. on E.Q. and GOV. & F.	03/08/2023 - Senate E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 301	Portantino	Vehicle air pollution: Zero-Emission Aftermarket Conversion Project.	3/16/2023	03/16/2023 - Read second time and amended. Re-referred to Com. on TRANS.	03/16/2023 - Senate TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 425	Newman	Clean Vehicle Rebate Project: fuel cell electric pickup trucks.	3/16/2023	03/16/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.	02/22/2023 - Senate E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 638	Eggman	Climate Resiliency and Flood Protection Bond Act of 2024.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.	03/01/2023 - Senate N.R. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 709	Allen	Greenhouse Gas Reduction Fund: investment plan.		03/01/2023 - Referred to Com. on E.Q.	03/01/2023 - Senate E.Q.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 867	Allen	Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023.		03/07/2023 - Set for hearing March 28.	03/01/2023 - Senate N.R. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 6	Friedman	Transportation planning: regional transportation plans: Solutions for Congested Corridors Program: reduction of greenhouse gas emissions.	3/16/2023	03/27/2023 - VOTE: Do pass and be re-referred to the Committee on [Natural Resources] (PASS)	03/27/2023 - Assembly NAT. RES.			Low	Other
AB 16	Dixon	Motor Vehicle Fuel Tax Law: adjustment suspension.		12/06/2022 - From printer. May be heard in committee January 5.	12/05/2022 - Assembly PRINT			Low	Other
AB 53	Fong, Vince	Motor Vehicle Fuel Tax Law: suspension of tax.		12/06/2022 - From printer. May be heard in committee January 5.	12/05/2022 - Assembly PRINT			Low	Other
AB 69	Waldron	Transportation: traffic signal synchronization: roadway improvement projects.		02/02/2023 - Referred to Com. on TRANS.	02/02/2023 - Assembly TRANS.			Low	Other
AB 99	Connolly	Department of Transportation: state roads and highways: integrated pest management.	3/21/2023	03/22/2023 - Re-referred to Com. on E.S. & T.M.	03/06/2023 - Assembly E.S. & T.M.			Low	Other
AB 221	Ting	Budget Act of 2023.		01/26/2023 - Referred to Com. on BUDGET.	01/26/2023 - Assembly BUDGET			High	Other
AB 241	Reyes	Clean Transportation Program: Air Quality Improvement Program: funding.	3/23/2023	03/27/2023 - Re-referred to Com. on TRANS.	03/23/2023 - Assembly TRANS.			Low	Other
AB 504	Reyes	State and local public employees: labor relations: disputes.	3/13/2023	03/14/2023 - Re-referred to Com. on P.E. & R.	03/09/2023 - Assembly P.E. & R.			Low	Other
AB 530	Boerner Horvath	Methane emissions.	3/9/2023	03/13/2023 - Re-referred to Com. on NAT. RES.	03/09/2023 - Assembly NAT. RES.			Low	Other
AB 557	Hart	Open meetings: local agencies: teleconferences.		02/17/2023 - Referred to Com. on L. GOV.	02/17/2023 - Assembly L. GOV.			Medium	Other
AB 817	Pacheco	Open meetings: teleconferencing: subsidiary body.	3/16/2023	03/20/2023 - Re-referred to Com. on L. GOV.	03/16/2023 - Assembly L. GOV.		Propose Support	Medium	Other
AB 1044	Gallagher	California Agriculture Relief Act.	3/16/2023	03/20/2023 - Re-referred to Com. on TRANS.	03/16/2023 - Assembly TRANS.			Low	Other
AB 1153	Alvarez	San Diego Unified Port District.		03/02/2023 - Referred to Com. on J., E.D., & E.	03/02/2023 - Assembly J., E.D. & E.			Low	Other
AB 1176	Zbur	General plans: Local Electrification Planning Act.	3/23/2023	03/27/2023 - Re-referred to Com. on L. GOV.	03/23/2023 - Assembly L. GOV.			Low	Other
AB 1183	Holden	Streamlined housing projects: construction permits: notice.	3/14/2023	03/15/2023 - In committee: Set, first hearing. Hearing canceled at the request of author. Re-referred to Com. on L. GOV.	03/02/2023 - Assembly L. GOV.			Low	Other
AB 1216	Muratsuchi	Wastewater treatment plants: monitoring of air pollutants.	3/16/2023	03/20/2023 - Re-referred to Com. on NAT. RES.	03/16/2023 - Assembly NAT. RES.			Low	Other
AB 1379	Papan	Open meetings: local agencies: teleconferences.	3/23/2023	03/27/2023 - Re-referred to Com. on L. GOV.	03/23/2023 - Assembly L. GOV.			Low	Other
AB 1464	Connolly	Richmond-San Rafael Bridge.	3/23/2023	03/27/2023 - Re-referred to Com. on TRANS.	03/23/2023 - Assembly TRANS.			Medium	Other
AB 1465	Wicks	Nonvehicular air pollution: civil penalties.	3/16/2023	03/20/2023 - Re-referred to Com. on NAT. RES.	03/16/2023 - Assembly NAT. RES.		Air District-Sponsored	High	Other
AB 1504	McCarty	Planning and zoning: adoption of regulations: electric vehicle charging stations.		03/09/2023 - Referred to Com. on L. GOV.	03/09/2023 - Assembly L. GOV.			Low	Other
AB 1529	Gabriel	Electric vehicle charging stations.	3/16/2023	03/20/2023 - Re-referred to Com. on U. & E.	03/16/2023 - Assembly U. & E.			Low	Other
AB 1534	Irwin	Methane emissions: municipal solid waste landfills: remote sensing data.		03/09/2023 - Referred to Com. on NAT. RES.	03/09/2023 - Assembly NAT. RES.			Low	Other
AB 1535	Mathis	The Energy, Environment, and Economy Council.		03/09/2023 - Referred to Coms. on NAT. RES. and U. & E.	03/09/2023 - Assembly NAT. RES.			Low	Other
AB 1579	Garcia	Vehicles: batteries.	3/23/2023	03/27/2023 - Re-referred to Com. on A. & A.R.	03/23/2023 - Assembly A. & A.R.			Low	Other
AB 1580	Carrillo, Juan	Air pollution: electric vehicle infrastructure.		03/27/2023 - VOTE: Do pass and be re-referred to the Committee on [Utilities and Energy] with recommendation: To Consent Calendar (PASS)	03/27/2023 - Assembly U. & E.			Low	Other

Bill #	Author	Subject	Last Amended	Last Status - As of 3/28/2023	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 1660	Ta	Cosmetic products: perfluoroalkyl and polyfluoroalkyl substances (PFAS).		03/09/2023 - Referred to Com. on E.S. & T.M.	03/09/2023 - Assembly E.S. & T.M.			Low	Other
AB 1700	Hoover	California Environmental Quality Act: population growth and noise impacts: housing projects.		03/09/2023 - Referred to Com. on NAT. RES.	03/09/2023 - Assembly NAT. RES.			Low	Other
AB 1702	Hart	Active Transportation Program.		02/18/2023 - From printer. May be heard in committee March 20.	02/17/2023 - Assembly PRINT			Low	Other
AB 1743	Bennett	Lower Emissions Transition Program.	3/15/2023	03/16/2023 - Re-referred to Com. on TRANS.	03/09/2023 - Assembly TRANS.			Low	Other
SB 15	Grove	Oil imports: air quality emissions data.		03/14/2023 - Set for hearing March 29.	03/08/2023 - Senate E.Q.			Low	Other
SB 30	Umberg	Transportation: zero-emission vehicle signage.	2/27/2023	03/08/2023 - Re-referred to Com. on TRANS.	03/08/2023 - Senate TRANS.			Low	Other
SB 48	Becker	Water and Energy Savings Act.	3/1/2023	03/16/2023 - March 21 hearing postponed by committee.	03/08/2023 - Senate E. U. & C.			Low	Other
SB 69	Cortese	California Environmental Quality Act: judicial and administrative proceedings: limitations.	3/16/2023	03/21/2023 - Set for hearing April 11.	03/15/2023 - Senate JUD.			Low	Other
SB 72	Skinner	Budget Act of 2023.		01/11/2023 - From printer.	01/10/2023 - Senate BUDGET & F.R.			High	Other
SB 84	Gonzalez	Clean Transportation Program: Air Quality Improvement Program: funding.	3/13/2023	03/22/2023 - Re-referred to Coms. on TRANS. and E.Q.	03/22/2023 - Senate TRANS.			Low	Other
SB 258	Roth	General aviation airports: funding needs assessment.	3/15/2023	03/15/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.	02/09/2023 - Senate TRANS.			Low	Other
SB 291	Newman	Pupil rights: recess.		03/21/2023 - Set for hearing April 12.	02/15/2023 - Senate ED.			Low	Other
SB 312	Wiener	State highways: true warm mix asphalt.	3/14/2023	03/22/2023 - Set for hearing April 11.	02/15/2023 - Senate TRANS.			Medium	Other
SB 394	Gonzalez	Master Plan for Healthy, Sustainable, and Climate-Resilient Schools.	3/13/2023	03/22/2023 - Re-referred to Coms. on E., U. & C. and ED.	03/22/2023 - Senate E. U. & C.			Low	Other
SB 397	Wahab	Safety roadside rests: electric vehicle service equipment.	3/22/2023	03/22/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/09/2023 - Senate RLS.		Propose Support	Medium	Other
SB 411	Portantino	Open meetings: teleconferences: bodies with appointed membership.		02/22/2023 - Referred to Coms. on GOV. & F. and JUD.	02/22/2023 - Senate GOV. & F.			Medium	Other
SB 529	Gonzalez	Electric vehicle sharing services: affordable housing facilities.	3/20/2023	03/20/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C.	02/22/2023 - Senate E. U. & C.			Low	Other
SB 537	Becker	Open meetings: local agencies: teleconferences.	3/22/2023	03/22/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/14/2023 - Senate RLS.		Propose Support	Medium	Other
SB 670	Allen	State Air Resources Board: vehicle miles traveled: maps.	3/20/2023	03/21/2023 - Withdrawn from committee. Re-referred to Com. on RLS.	03/21/2023 - Senate RLS.			Low	Other
SB 768	Caballero	California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.	3/22/2023	03/22/2023 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	02/17/2023 - Senate RLS.		Propose Work With Author	Medium	Other
SB 781	Stern	Methane emissions: low-methane natural gas.		03/07/2023 - Set for hearing March 29.	03/01/2023 - Senate E.Q.			Low	Other
SB 823	Smallwood-Cuevas	Electrical corporations: Discounted Electric Vehicle Charging Payment Card Program.		03/01/2023 - Referred to Com. on E., U. & C.	03/01/2023 - Senate E. U. & C.			Low	Other
SB 849	Stern	Air pollution: emissions from ports.		03/01/2023 - Referred to Com. on RLS.	02/17/2023 - Senate RLS.			Medium	Other
SBX1.1	Jones	Motor vehicle fuel tax: greenhouse gas reduction programs: suspension.		12/05/2022 - Introduced. Read first time. Referred to Com. on RLS.	12/05/2022 - Senate RLS.			Low	Other
AB 54	Aguiar-Curry	Department of Food and Agriculture: research funding: winegrapes: smoke exposure.		03/16/2023 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (March 15). Re-referred to Com. on APPR.	12/05/2022 - Assembly APPR.			Low	Wildfire/Smoke/PSPS
SB 310	Dodd	Prescribed fire: civil liability: cultural burns.		03/23/2023 - Set for hearing April 11.	02/15/2023 - Senate N.R. & W.			Low	Wildfire/Smoke/PSPS
Total Active Bills	128							Low: 105 Medium: 18 High: 5	

AMENDED IN ASSEMBLY MARCH 13, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 504

Introduced by Assembly Member Reyes

February 7, 2023

An act to ~~amend Section 2753 of the Labor Code, relating to employment.~~ *add Sections 3502.2 and 3515.3 to the Government Code, relating to public employment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 504, as amended, Reyes. ~~Employment relations. State and local public employees: labor relations: disputes.~~

Existing law, the Meyers-Milias-Brown Act and the Ralph C. Dills Act, regulate the labor relations of employees and employers of local public agencies and the state, respectively. The acts grant specified employees of local public agencies and the state the right to form, join, and participate in the activities of employee organizations of their choosing and require public agency employers, among other things, to meet and confer with representatives of recognized employee organizations and exclusive representatives on terms and conditions of employment. The acts grant the Public Employment Relations Board the power to hear specified disputes in relation to these provisions and to make determinations regarding them.

This bill would provide that it is not unlawful or a cause for discipline or other adverse action against a state or local public employee for that employee to refuse to enter property that is the site of a primary labor dispute, perform work for an employer involved in a primary labor dispute, or go through or work behind a primary picket line. The bill would prohibit an employer from directing an employee to take

those actions. The bill would authorize a recognized employee organization to inform employees of these rights and encourage them to exercise those rights. The bill would also state that a provision in a public employer policy or collective bargaining agreement that purports to limit or waive the rights set forth in this provision shall be void against public policy. The bill would include related legislative findings.

~~Existing law requires, except as prescribed, a person who, for money or other valuable consideration, knowingly advises an employer to treat an individual as an independent contractor to avoid employee status for that individual to be jointly and severally liable with the employer if the individual is found not to be an independent contractor.~~

~~This bill would make a nonsubstantive change to that provision.~~

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 3502.2 is added to the Government Code,
- 2 to read:
- 3 3502.2. (a) The Legislature finds and declares that the right
- 4 of a public employee to demonstrate solidarity with other
- 5 employees by honoring a picket line, or by refusing to enter upon
- 6 the premises or perform work for an employer engaged in a
- 7 primary labor dispute, is a fundamental human right protected by
- 8 the Constitution and laws of this state.
- 9 (b) Notwithstanding any other law, policy, or collective
- 10 bargaining agreement, it shall not be unlawful or a cause for
- 11 discipline or other adverse action against a public employee for
- 12 that public employee to refuse to do any of the following:
- 13 (1) Enter property that is the site of a primary labor dispute.
- 14 (2) Perform work for an employer involved in a primary labor
- 15 dispute.
- 16 (3) Go through or work behind any primary picket line.
- 17 (c) A public employer shall not direct a public employee to take
- 18 any of the actions set forth in subdivision (b).
- 19 (d) A recognized employee organization may inform employees
- 20 of their rights and encourage employees to exercise their rights
- 21 under this section.

1 (e) A provision in a public employer policy or collective
2 bargaining agreement that purports to limit or waive the rights
3 set forth in this section shall be void as against public policy.

4 SEC. 2. Section 3515.3 is added to the Government Code, to
5 read:

6 3515.3. (a) The Legislature finds and declares that the right
7 of a state employee to demonstrate solidarity with other employees
8 by honoring a picket line, or by refusing to enter upon the premises
9 or perform work for an employer engaged in a primary labor
10 dispute, is a fundamental human right protected by the Constitution
11 and laws of this state.

12 (b) Notwithstanding any other law, policy, or collective
13 bargaining agreement, it shall not be unlawful or a cause for
14 discipline or other adverse action against a state employee for
15 that state employee to refuse to do any of the following:

16 (1) Enter property that is the site of a primary labor dispute.

17 (2) Perform work for an employer involved in a primary labor
18 dispute.

19 (3) Go through or work behind any primary picket line.

20 (c) A state employer shall not direct a state employee to take
21 any of the actions set forth in subdivision (b).

22 (d) A recognized employee organization may inform employees
23 of their rights and encourage employees to exercise their rights
24 under this section.

25 (e) A provision in a public employer policy or collective
26 bargaining agreement that purports to limit or waive the rights
27 set forth in this section shall be void as against public policy.

28 SECTION 1. Section 2753 of the Labor Code is amended to
29 read:

30 ~~2753. (a) A person who, for money or other valuable~~
31 ~~consideration, knowingly advises an employer to treat an individual~~
32 ~~as an independent contractor to avoid employee status for that~~
33 ~~individual shall be jointly and severally liable with the employer~~
34 ~~if the individual is found not to be an independent contractor.~~

35 (b) This section does not apply to the following persons:

36 (1) A person who provides advice to that person's employer.

- 1 ~~(2) An attorney authorized to practice law in California or~~
- 2 ~~another United States jurisdiction who provides legal advice in~~
- 3 ~~the course of the practice of law.~~

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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AMENDED IN ASSEMBLY MARCH 9, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 698

Introduced by Assembly Member Essayli

February 13, 2023

An act to ~~amend Section 3270.3 of~~ *add Section 25969* to the Public Resources Code, relating to ~~oil and gas~~: *energy*.

LEGISLATIVE COUNSEL'S DIGEST

AB 698, as amended, Essayli. ~~Oil and gas: production facility: cease and desist order.~~ *Energy: gas stoves.*

Existing law prohibits new residential-type gas appliances that are equipped with a pilot light from being sold in the state 24 months after an intermittent ignition device has been demonstrated and certified by the State Energy Resources Conservation and Development Commission.

This bill would prohibit state agencies and local governments from adopting or enforcing a rule, regulation, resolution, or ordinance that directly or indirectly results in prohibiting the use of gas stoves in residential and nonresidential buildings.

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.

~~Existing law requires the Geologic Energy Management Division in the Department of Conservation to prescribe minimum facility maintenance standards, as described, for all production facilities, as defined, in the state. Existing law authorizes the State Oil and Gas Supervisor, upon the supervisor's determination or that of the district deputy that a production facility is being operated in violation of those standards, to issue a cease and desist order to a production facility~~

~~operator requiring the operator to cease operation until the operator demonstrates, to the satisfaction of the supervisor, that the violation has been corrected.~~

~~This bill would make a nonsubstantive change to that authorization.~~

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 25969 is added to the Public Resources
2 Code, to read:

3 25969. (a) A state agency or local government, including a
4 charter city, shall not adopt or enforce a rule, regulation,
5 resolution, or ordinance, including an ordinance prohibiting
6 natural gas hookups for new buildings, that directly or indirectly
7 results in prohibiting the use of gas stoves in residential and
8 nonresidential buildings.

9 (b) The Legislature finds and declares that this section addresses
10 a matter of statewide concern rather than a municipal affair as
11 that term is used in Section 5 of Article XI of the California
12 Constitution. Therefore, this section applies to all cities, including
13 charter cities.

14 SECTION 1. ~~Section 3270.3 of the Public Resources Code is~~
15 ~~amended to read:~~

16 3270.3. ~~In addition to any other remedy provided by law, the~~
17 ~~supervisor, upon the supervisor's determination or that of the~~
18 ~~district deputy that a production facility is being operated in~~
19 ~~violation of the standards prescribed in subdivision (a) of Section~~
20 ~~3270, may issue a cease and desist order to a production facility~~
21 ~~operator requiring the operator to cease operation until the operator~~
22 ~~demonstrates, to the satisfaction of the supervisor, that the violation~~
23 ~~has been corrected.~~

O

AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1267

Introduced by Assembly Member Ting

February 16, 2023

An act to add Chapter 4.5 (commencing with Section 43880) to Part 5 of Division 26 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1267, as amended, Ting. Zero-emission vehicle incentive programs: ~~diesel and~~ gasoline superusers.

Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law establishes various incentive programs that are administered or funded by the state board to provide financial assistance for the purchase of zero-emission vehicles by individuals, including, among others, the Clean Cars 4 All Program.

This bill would require the state board, upon appropriation by the Legislature, to ensure that beginning January 1, 2025, an additional ~~incentive~~ *incentive, to be known as a "superuser incentive,"* is awarded under a zero-emission vehicle incentive program that is administered or funded by the state board to a ~~recipient of an incentive under one of those programs who is a gasoline or diesel superuser, as defined.~~ *gasoline superuser, as defined, who otherwise qualifies for an incentive under the zero-emission vehicle incentive program.* The bill would require the state board to set the amount of the *superuser* incentive at a level that maximizes the displacement of gasoline ~~or diesel~~ and the reduction of emissions of *criteria pollutants and greenhouse gases* per dollar spent. The bill would require specified information to be provided

by an applicant for the additional incentive under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would require the state board, on or before January 1, 2025, to develop and implement a strategy to, among other things, identify the drivers who ~~use the most gasoline or diesel~~ *are gasoline superusers and are low or moderate income* and expedite the replacement of the vehicles of those drivers, as specified. The bill would require the state board to submit a report to the Legislature on or before January 1, 2025, and every 2 years thereafter, regarding the zero-emission vehicle incentive programs administered or funded by the state board.

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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.5 (commencing with Section 43880)
2 is added to Part 5 of Division 26 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 4.5. ZEV INCENTIVES FOR ~~DIESEL AND~~ GASOLINE
6 SUPERUSERS
7

8 43880. For purposes of this chapter, the following definitions
9 apply:

10 (a) ~~“Diesel superuser” means a person who consumes an amount~~
11 ~~of diesel in excess of a threshold established by the state board in~~
12 ~~the operation of an internal combustion engine vehicle registered~~
13 ~~to that person. The state board shall establish the threshold in a~~
14 ~~manner that maximizes the displacement of diesel and the reduction~~
15 ~~of emissions criteria pollutants per dollar spent for an incentive~~
16 ~~awarded pursuant to Section 43882.~~

17 (b)

18 (a) “Gasoline superuser” means a person who consumes an
19 amount of gasoline in excess of a threshold established by the state

1 board in the operation of an internal combustion engine vehicle
2 registered to that person. The state board shall establish the
3 threshold in a manner that maximizes the displacement of ~~gasoline~~
4 ~~and gasoline~~, the reduction of emissions of criteria pollutants *and*
5 *greenhouse gases* per dollar ~~spent for an incentive spent~~, and the
6 *turnover of older vehicles, resulting from incentives* awarded
7 pursuant to Section 43882. The state board shall consider
8 establishing that threshold at *an average annual amount of 700*
9 gallons in a calendar year.

10 (e)

11 (b) “Zero-emission vehicle incentive program” or “ZEV
12 incentive program” means a program that provides incentives to
13 an individual for the purchase of a light-duty zero-emission vehicle
14 and that receives funding from, or is administered by, the state
15 board. A ZEV incentive program includes, but is not limited to,
16 all of the following programs:

17 (1) The Clean Cars 4 All Program established pursuant Section
18 44124.5.

19 (2) The Clean Vehicle Rebate Project established as a part of
20 the Air Quality Improvement Program (Article 3 (commencing
21 with Section 44274) of Chapter 8.9).

22 (3) The Clean Vehicle Assistance Program established as a part
23 of the Air Quality Improvement Program (Article 3 (commencing
24 with Section 44274) of Chapter 8.9).

25 43881. (a) On or before January 1, 2025, the state board shall
26 develop and implement a strategy for doing all of the following:

27 (1) Identifying the drivers who ~~use the most gasoline or diesel~~
28 *are gasoline superusers* and are low income or moderate income.

29 (2) Expediting the replacement of ~~gasoline- or diesel-powered~~
30 *gasoline-powered* vehicles of drivers identified pursuant to
31 paragraph (1) with zero-emission vehicles.

32 (3) Identifying barriers that prevent ~~gasoline or diesel~~ superusers
33 from accessing ZEV incentive programs and adopting
34 zero-emission vehicles.

35 (4) Developing *ZEV* outreach protocols ~~and metrics to assess~~
36 *to target gasoline superusers and prioritize those superusers who*
37 *are low income or moderate income and measure* the success of
38 outreach to ~~gasoline and diesel~~ superusers ~~across~~ *in* each district
39 in the state.

1 (b) In advertising the availability of ZEV incentive programs
2 to gasoline ~~and diesel~~ superusers, the state board shall consider
3 coordinating with districts and local nonprofit and community
4 organizations, prioritizing those organizations that have a strong
5 and ongoing local presence in areas within the applicable district.

6 43882. (a) The state board shall, upon appropriation by the
7 Legislature, ensure that beginning January 1, 2025, an additional
8 ~~incentive incentive, to be known as the “superuser incentive,”~~ is
9 awarded under a ZEV incentive program to a ~~recipient of an~~
10 ~~incentive of one of those programs who is a gasoline or diesel~~
11 ~~superuser.~~ *gasoline superuser who otherwise qualifies for an*
12 *incentive under the ZEV incentive program.*

13 (b) The state board shall set the amount of the *superuser*
14 incentive at a level that maximizes the displacement of gasoline
15 ~~or diesel~~ and the reduction of emissions of *criteria pollutants and*
16 *greenhouse gases* per dollar spent.

17 (c) The state board shall require an applicant to provide the
18 vehicle identification ~~number and an~~ *number, the* odometer reading
19 *from the applicant’s vehicle registration, and the current odometer*
20 *reading from the applicant’s vehicle* under penalty of perjury to
21 verify whether the applicant qualifies as a ~~diesel or~~ gasoline
22 superuser.

23 43883. (a) Notwithstanding Section 10231.5 of the
24 Government Code, the state board shall report to the Legislature
25 no later than January 1, 2025, and biennially thereafter, all of the
26 following information:

27 (1) ~~The actual~~ gasoline ~~or diesel~~ emissions reduced per dollar
28 spent on ZEV incentive programs.

29 (2) The impacts of ZEV incentive program spending in terms
30 of quantifiable *carbon* emissions reductions and transportation
31 savings among low- to moderate-income individuals.

32 (3) The changes in annual gasoline ~~and diesel~~ use at local levels
33 by census tract or ZIP Code.

34 (b) A report to be submitted to the Legislature pursuant to
35 subdivision (a) shall be submitted in compliance with Section 9795
36 of the Government Code.

37 SEC. 2. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1464

Introduced by Assembly Member Connolly

February 17, 2023

An act to add Section 30910.8 to the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1464, as amended, Connolly. ~~Toll Bridges: Richmond-San Rafael Bridge.~~

Existing law establishes state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission, in the San Francisco Bay area, including the Richmond-San Rafael Bridge. Under existing law, the Bay Area Toll Authority is responsible for the administration of the toll revenues from the state-owned toll bridges in the San Francisco Bay area. Existing law requires the Department of Transportation to collect tolls, operate, maintain, and provide rehabilitation of the state-owned toll bridges in the San Francisco Bay area and to be responsible for the design and construction of improvements on those bridges in accordance with programming and scheduling requirements adopted by the Bay Area Toll Authority.

This bill would state the intent of the Legislature to enact subsequent legislation to improve traffic flow on the Richmond-San Rafael Bridge. ~~require the department and the authority, if they develop a project to open the 3rd lane on the westbound level of the Richmond-San Rafael Bridge to motor vehicle traffic, to consider operating the Richmond-San Rafael Bridge in a specified manner.~~

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. *The Legislature finds and declares all of the*
2 *following:*
3 (a) *The Richmond-San Rafael Bridge opened on September 1,*
4 *1956. At the time of construction, the bridge was one of the longest*
5 *bridges in the world and was constructed at a cost of \$62,000,000.*
6 (b) *The initial construction, with the help of additional funding*
7 *provided by the state (Chapter 159 of the Statutes of 1955),*
8 *provided for the construction of six 12-foot-wide lanes. The six*
9 *lanes were initially composed of three lanes in both the eastbound*
10 *and westbound directions.*
11 (c) *In 1977, the then little-used third lane on the Richmond-San*
12 *Rafael Bridge was closed to allow for a pipeline to transport*
13 *8,000,000 gallons of water a day from the East Bay Municipal*
14 *Utility District to drought-stricken Marin County. In 1978, the*
15 *pipeline was removed and the third lane was restriped as an*
16 *emergency shoulder.*
17 (d) *In 1989, following the Loma Prieta earthquake and the*
18 *closure of the San Francisco-Oakland Bay Bridge from October*
19 *17 to November 18, inclusive, the third lane on the Richmond-San*
20 *Rafael Bridge was opened in both the eastbound and westbound*
21 *directions to help ease traffic flow across the bay, and was closed*
22 *after the San Francisco-Oakland Bay Bridge reopened.*
23 (e) *In 2016, the Bay Area Toll Authority and the Metropolitan*
24 *Transportation Commission (MTC) declared that the Marin County*
25 *side of the bridge had “unacceptable levels of service,” not only*
26 *on the freeway, but also on the local Marin streets in the Cities of*
27 *Larkspur and San Rafael. As a result, they authorized a*
28 *\$74,000,000 project to reopen the third lane of the lower deck.*
29 *Completed two years later, the Department of Transportation and*
30 *MTC reported that the new lane “has eliminated afternoon*
31 *congestion on eastbound I-580 onto the bridge saving drivers*
32 *approximately 15 minutes daily on their seven mile trip from Marin*
33 *to Contra Costa County. This equates to annual savings of 700,000*
34 *vehicle-hours of delay on weekdays and another 91,000 vehicle*

1 hours on weekends.” The project was put up for awards, and won
2 “Project of the Year” in California.

3 (f) Unaddressed traffic on the East Bay approach of the
4 Richmond-San Rafael Bridge has steadily worsened, even during
5 the pandemic. Each workday, during the morning commute,
6 approximately 18,000 Bay Area residents cross the Richmond-San
7 Rafael Bridge. The vast majority of those commuters, 63 percent,
8 are people of color. Sixty-nine percent of them do not have a
9 college degree, and the majority of commuters, 60 percent, make
10 less than the median income in the San Francisco Bay area.
11 Virtually all of these drivers have no other reasonable means to
12 get to work.

13 (g) As these 18,000 drivers approach the Richmond-San Rafael
14 Bridge in the County of Contra Costa, they hit a very significant
15 and growing traffic issue. During the peak hour, on average, they
16 face an added 16 minutes of gridlocked, stop-and-go traffic. This
17 traffic jam on the freeway also backs up local streets and roads
18 in the City of Richmond, impacting many local families residing
19 in traditionally disadvantaged communities.

20 (h) According to air monitors in the City of Richmond, this
21 morning freeway backup is now the largest source of nonwildfire
22 air pollution in the City of Richmond. This pollution is largely
23 concentrated in disadvantaged communities.

24 (i) In the interest of social justice, environmental justice,
25 improving traffic flow, maximizing existing resources, reducing
26 greenhouse gases, and reducing the environmental impacts
27 resulting from traffic backup on the westbound Richmond-San
28 Rafael Bridge approach, the Department of Transportation and
29 the Bay Area Toll Authority should consider reopening the third
30 westbound lane on the Richmond-San Rafael Bridge to motor
31 vehicle traffic in a manner that considers expanding multimodal
32 transportation, preserving pathways for bicyclists, and reducing
33 localized greenhouse gas emissions.

34 SEC. 2. Section 30910.8 is added to the Streets and Highways
35 Code, to read:

36 30910.8. If the authority and the department develop a project
37 to open the third lane on the westbound level of the Richmond-San
38 Rafael Bridge to motor vehicle traffic, the authority and the
39 department shall consider doing all of the following as part of the
40 project:

1 (a) Restoring the third westbound lane on the Richmond-San
2 Rafael Bridge to motor vehicle traffic during the weekday morning
3 commute.

4 (b) Adding a movable “zipper” barrier to the eastbound level
5 of the Richmond-San Rafael Bridge similar to the barrier on the
6 westbound level so that a continuously operating bicycle and
7 pedestrian lane and the San Francisco Bay Trail can be
8 maintained.

9 (c) Operating the moveable “zipper” barriers on both levels of
10 the Richmond-San Rafael bridge in such a manner so as to allow
11 the most efficient flow of traffic in either direction while preserving
12 an open bicycle and pedestrian lane and the San Francisco Bay
13 Trail.

14 ~~SECTION 1. It is the intent of the Legislature to enact~~
15 ~~subsequent legislation to improve traffic flow on the Richmond-San~~
16 ~~Rafael Bridge.~~

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

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AMENDED IN SENATE MARCH 22, 2023

SENATE BILL

No. 397

**Introduced by Senator Wahab
(Coauthors: Senators Durazo and Gonzalez)**

February 9, 2023

An act to add Chapter 8.8 (commencing with Section 44269) to Part 5 of Division 26 of the Health and Safety Code, relating to transportation electrification.

LEGISLATIVE COUNSEL'S DIGEST

SB 397, as amended, Wahab. ~~Rest stops: Safety roadside rests: electric vehicle charging stations and alternative fuel sources: service equipment.~~

Existing law requires the State Energy Resources Conservation and Development Commission, working with the State Air Resources Board and the Public Utilities Commission, to prepare, and update biennially, a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least 5,000,000 zero-emission vehicles on California roads by 2030, and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030, as specified.

~~This bill would state the intent of the Legislature to enact future legislation to encourage the installation of electric vehicle charging stations, and access to alternative fuel sources, at rest stops: require the state board, upon appropriation by the Legislature, to establish a program to install and maintain electric vehicle service equipment at safety roadside rests, with the goal of serving at least one-half of the parking spaces, excluding those parking spaces designed for use by a tractor-trailer, at each safety roadside rest in California. The bill would~~

require that the electric vehicle service equipment installed pursuant to the program be available to the public at no charge and be the fastest type that is reasonably commercially available.

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. Chapter 8.8 (commencing with Section 44269)
 2 is added to Part 5 of Division 26 of the Health and Safety Code,
 3 to read:

4
 5 CHAPTER 8.8. TRANSPORTATION ELECTRIFICATION

6
 7 44269. For purposes of this chapter, both of the following
 8 definitions apply:

9 (a) “Electric vehicle service equipment” has the same meaning
 10 as defined in Section 44268.

11 (b) “Safety roadside rests” has the same meaning as used in
 12 Article 7 (commencing with Section 218) of Chapter 1 of Division
 13 1 of the Streets and Highways Code.

14 44269.1. (a) Upon appropriation by the Legislature, the state
 15 board shall establish a program to install and maintain electric
 16 vehicle service equipment at safety roadside rests.

17 (b) The goal of the program is to install and maintain electric
 18 vehicle service equipment sufficient to serve at least one-half of
 19 the parking spaces, excluding those parking spaces designed for
 20 use by a tractor-trailer, at each safety roadside rest in California.

21 (c) The electric vehicle service equipment installed pursuant to
 22 the program shall be available to the public at no charge.

23 (d) The electric vehicle service equipment installed pursuant to
 24 the program shall be the fastest type that is reasonably
 25 commercially available.

26 SECTION 1. It is the intent of the Legislature to enact future
 27 legislation to encourage the installation of electric vehicle charging
 28 stations, and access to alternative fuel sources, at rest stops.

O

Introduced by Senator DurazoFebruary 9, 2023

An act to amend Section 40728.5 of, and to add Sections 40728.7 and 40728.9 to, the Health and Safety Code, relating to air quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 415, as introduced, Durazo. Air quality: rules and regulations: socioeconomic impacts assessment.

Existing law requires a local air pollution control district or an air quality management district (local air district) that intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations to perform, except as specified, an assessment of the socioeconomic impacts of the proposed adoption, amendment, or repeal of the rule or regulation, as provided. Existing law defines "socioeconomic impacts" to include, among other things, the type of industries or business, including small business, affected by the rule or regulation, the impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation, and the range of probable costs, including costs to industry or business, including small business, of the rule or regulation.

This bill would authorize a local air district to contract with a third party to conduct the required assessment of socioeconomic impacts, or portion thereof, as provided. The bill would require a local air district to ensure that a prospective third-party contractor includes in its proposal for the assessment specified information, including, among other things, a conflicts statement and a proposed schedule and budget for the assessment. This bill would expand the definition of "socioeconomic impacts" to include the disproportionate impact, if any, of the proposed

adoption, amendment, or repeal of the rule or regulation on Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, and transgender individuals and women. The bill would require a local air district or the third-party contractor, if no disproportionate impact is identified, to describe the basis for its conclusion that there is no disproportionate impact. By expanding the definition of “socioeconomic impact” for purposes of a socioeconomic impacts assessment conducted by a local air district, this bill would increase the requirements on local officials, thereby imposing a state-mandated local program.

This bill would additionally require the State Air Resources Board, except as specified, to conduct an assessment of the socioeconomic impacts, as defined, of a proposed adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations, as provided, and similarly authorize the state board to contract with a third party to conduct the required assessment of socioeconomic impacts, or portion thereof, as provided. The bill would specify minimum standards for the assessment of socioeconomic impacts, and would require the state board or a third-party contractor to include in the assessment of socioeconomic impacts, specified information and analysis, including, but not limited to, the disproportionate impacts analysis described above. The bill would prohibit the state board from approving an assessment of socioeconomic impacts that fails to meet those requirements.

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.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 40728.5 of the Health and Safety Code
- 2 is amended to read:
- 3 40728.5. (a) Whenever a district intends to propose the
- 4 adoption, amendment, or repeal of a rule or regulation that will

1 significantly affect air quality or emissions limitations, ~~that agency~~
2 *the district board* shall, to the extent data are available, perform
3 an assessment of the socioeconomic impacts of the *proposed*
4 adoption, amendment, or repeal of the rule or regulation. The
5 district board shall actively consider the socioeconomic ~~impact of~~
6 ~~regulations~~ *impacts of the proposed adoption, amendment, or*
7 *repeal of the rule or regulation* and make a good faith effort to
8 minimize adverse socioeconomic ~~impacts, as defined below:~~
9 *impacts*. This section does not apply to the adoption, amendment,
10 or repeal of ~~any a~~ rule or regulation that results in ~~any a~~ less
11 restrictive emissions limit if the action does not interfere with the
12 district's adopted plan to attain ambient air quality standards, or
13 does not result in any significant increase in emissions.

14 ~~(b) For purposes of this section, "socioeconomic impact" means~~
15 ~~the following:~~

16 ~~(1) The type of industries or business, including small business,~~
17 ~~affected by the rule or regulation.~~

18 ~~(2) The impact of the rule or regulation on employment and~~
19 ~~the economy of the region affected by the adoption of the rule or~~
20 ~~regulation.~~

21 ~~(3) The range of probable costs, including costs to industry or~~
22 ~~business, including small business, of the rule or regulation.~~

23 ~~(4) The availability and cost-effectiveness of alternatives to the~~
24 ~~rule or regulation being proposed or amended.~~

25 ~~(5) The emission reduction potential of the rule or regulation.~~

26 ~~(6) The necessity of adopting, amending, or repealing the rule~~
27 ~~or regulation to attain state and federal ambient air standards~~
28 ~~pursuant to Chapter 10 (commencing with Section 40910).~~

29 ~~(e)~~

30 ~~(b)~~ To the extent that information on the socioeconomic ~~impact~~
31 ~~of a~~ *impacts of the proposed adoption, amendment, or repeal of a*
32 *rule or regulation* is required to be developed by a district pursuant
33 to other provisions of this division, *the district board may use or*
34 *reference* that information ~~may be used or referenced~~ in the
35 assessment ~~in order of socioeconomic impacts required pursuant~~
36 ~~to subdivision (a)~~ to comply with the requirements of this section.

37 ~~(d) This section does not apply to any district with a population~~
38 ~~of less than 500,000 persons.~~

39 ~~(e)~~

1 (c) Upon the approval by a majority vote of the district board,
2 a county district is not required to include *in its assessment of*
3 *socioeconomic impacts required pursuant to subdivision (a)* the
4 analysis specified in paragraphs (2) and (4) of subdivision ~~(b)~~ *in*
5 ~~any assessment of socioeconomic impacts for any (f) for a rule or~~
6 regulation that only adopts a requirement that is substantially
7 similar to, or is required by, a state or federal statute, regulation,
8 or applicable formal guidance document. Examples of state ~~or~~ *and*
9 federal formal guidance documents include, but are not limited to,
10 federal Control Techniques Guidelines, state and federal reasonably
11 available control technology determinations, state best available
12 retrofit control technology determinations, and state air toxic
13 control measures.

14 (d) *This section does not apply to a district with a population*
15 *of less than 500,000 persons.*

16 (e) (I) *A district board may contract with a third-party*
17 *contractor, consistent with applicable state and local laws, rules,*
18 *and regulations, to conduct a socioeconomic impacts assessment,*
19 *or portion thereof, and shall require the prospective third-party*
20 *contractor to include all of the following in the prospective*
21 *third-party contractor's proposal for the assessment:*

22 (A) *A conflicts statement that includes both of the following:*

23 (i) *A description of all work performed by the prospective*
24 *third-party contractor in the last five years that potentially relates*
25 *to or could potentially be directly impacted by the proposed action.*

26 (ii) *All financial, personal, or familial relationships of any*
27 *person employed by the prospective third-party contractor with*
28 *either of the following:*

29 (I) *An employee of the district that holds a designated position*
30 *listed in Appendix A of Section 95000 of Title 17 of the Code of*
31 *Regulations.*

32 (II) *An executive officer of any business or corporation that*
33 *could potentially be directly impacted by the proposed action.*

34 (B) *A statement of the prospective third-party contractor's*
35 *experience and key staff's expertise in conducting socioeconomic*
36 *impact studies, or similar studies that involve cost analysis of*
37 *environmental rules and regulations and their economic and*
38 *demographic impacts, that includes both of the following:*

1 (i) A list of socioeconomic impact studies or similar studies
2 conducted by the prospective third-party contractor in the last five
3 years.

4 (ii) The curriculum vitae of the team leader and key professional
5 team members whom the prospective third-party contractor
6 proposes to conduct the assessment that includes the relevant
7 expertise, education, and certifications, if any, of the proposed
8 team leader and key professional team members.

9 (C) A proposed schedule for the assessment that includes the
10 date by which the prospective third-party contractor will provide
11 a draft assessment to the district board for review.

12 (D) A proposed budget for the assessment.

13 (2) The district board may disqualify a prospective third-party
14 contractor if the district board determines either of the following:

15 (A) The prospective third-party contractor's conflicts statement
16 submitted pursuant to subparagraph (A) of paragraph (1) reveals
17 a material conflict of interest that violates Section 18730 of Title
18 2 of the California Code of Regulations.

19 (B) The experience and qualifications of the prospective
20 third-party contractor or its employees identified pursuant to
21 subparagraph (B) of paragraph (1) are insufficient to conduct the
22 assessment.

23 (f) For purposes of this chapter, "socioeconomic impacts"
24 means all of the following:

25 (1) The types of industry and business, including small business,
26 affected by the rule or regulation proposed to be adopted, amended,
27 or repealed.

28 (2) The impact of the proposed adoption, amendment, or repeal
29 of the rule or regulation on employment and the economy of the
30 region affected by the proposed action.

31 (3) The range of probable costs, including costs to industry and
32 business, including small business, of the rule or regulation
33 proposed to be adopted, amended, or repealed.

34 (4) The availability and cost-effectiveness of alternatives to the
35 rule or regulation proposed to be adopted, amended, or repealed.

36 (5) The emissions reduction potential of the rule or regulation
37 proposed to be adopted, amended, or repealed.

38 (6) The necessity of adopting, amending, or repealing the rule
39 or regulation to attain state and federal ambient air standards
40 pursuant to Chapter 10 (commencing with Section 40910).

1 (7) *The disproportionate impact, if any, of the proposed action*
2 *on Black, African American, Hispanic, Latino, Asian, Pacific*
3 *Islander, Native American, Native Hawaiian, Alaska Native, gay,*
4 *lesbian, bisexual, and transgender individuals and women. If no*
5 *disproportionate impact is identified, the district board or the*
6 *third-party contractor shall describe the basis for its conclusion*
7 *that there is no disproportionate impact.*

8 SEC. 2. Section 40728.7 is added to the Health and Safety
9 Code, to read:

10 40728.7. (a) Whenever the state board intends to propose the
11 adoption, amendment, or repeal of a rule or regulation that will
12 significantly affect air quality or emissions limitations, the state
13 board shall, to the extent data are available and, consistent with
14 Section 40728.9, perform an assessment of the socioeconomic
15 impacts of the proposed adoption, amendment, or repeal of the
16 rule or regulation. The state board shall actively consider the
17 socioeconomic impacts of the proposed adoption, amendment, or
18 repeal of the rule or regulation and make a good faith effort to
19 minimize adverse socioeconomic impacts.

20 (b) To the extent that information on the socioeconomic impacts
21 of the proposed adoption, amendment, or repeal of a rule or
22 regulation is required to be developed by the state board pursuant
23 to other provisions of this division, the state board may use or
24 reference that information in the assessment of socioeconomic
25 impacts required pursuant to subdivision (a) to comply with the
26 requirements of this section.

27 (c) The state board may contract with a third party, consistent
28 with Section 40728.9 and with applicable state and local laws,
29 rules, and regulations, to conduct the assessment of socioeconomic
30 impacts, or a portion thereof, required pursuant to subdivision (a).
31 Nothing in this section, however, requires the state board to
32 contract with a third party to conduct the assessment.

33 (d) This section does not apply to either of the following:

34 (1) The proposed adoption, amendment, or repeal of a rule or
35 regulation that results in a less restrictive emissions limit if the
36 proposed action does not interfere with the state board's adopted
37 plan to attain ambient air quality standards or does not result in
38 any significant increase in emissions.

1 (2) The proposed adoption, amendment, or repeal by the state
2 board of a rule or regulation that has an economic impact of less
3 than ten million dollars (\$10,000,000).

4 (e) For purposes of this chapter, “socioeconomic impacts” means
5 all of the following:

6 (1) The type of industry and business, including small business,
7 affected by the rule or regulation proposed to be adopted, amended,
8 or repealed.

9 (2) The impact of the proposed adoption, amendment, or repeal
10 of the rule or regulation on employment and the economy of the
11 region affected by the proposed action.

12 (3) The range of probable costs, including costs to industry and
13 business, including small business, of the rule or regulation
14 proposed to be adopted, amended, or repealed.

15 (4) The availability and cost-effectiveness of alternatives to the
16 rule or regulation proposed to be adopted, amended, or repealed.

17 (5) The emissions reduction potential of the rule or regulation
18 proposed to be adopted, amended, or repealed.

19 (6) The necessity of adopting, amending, or repealing the rule
20 or regulation to attain state and federal ambient air standards
21 pursuant to Chapter 10 (commencing with Section 40910).

22 SEC. 3. Section 40728.9 is added to the Health and Safety
23 Code, to read:

24 40728.9. (a) For purposes of this section, the following terms
25 have the following meanings:

26 (1) “Assessment” means the assessment of socioeconomic
27 impacts of a proposed adoption, amendment, or repeal of a rule or
28 regulation required to be conducted by the state board pursuant to
29 subdivision (a) of Section 40728.7.

30 (2) “Proposed action” means the proposed adoption, amendment,
31 or repeal of a rule or regulation being contemplated by the state
32 board.

33 (3) “Third-party contractor” means a third party with whom the
34 state board contracts, consistent with state and local laws, rules,
35 and regulations, to conduct an assessment, or portion thereof.

36 (b) (1) This section outlines the minimum standards applicable
37 to the state board when it is required to conduct an assessment of
38 socioeconomic impacts required pursuant to subdivision (a) of
39 Section 40728.7. Nothing in this section prohibits the state board

1 from creating or imposing additional requirements on a third-party
2 contractor relating to an assessment.

3 (2) The state board shall not approve an assessment pursuant
4 to Section 40728.7 if the assessment does not comply with the
5 requirements of this section.

6 (3) Nothing in this section shall be construed to supersede,
7 modify, or otherwise affect, or exempt the state board from,
8 applicable state or local laws, rules, or regulations relating to the
9 ability or authority of the state board to contract with an outside
10 third party to conduct the assessment, including, but not limited
11 to, the State Contract Act (Chapter 1 (commencing with Section
12 10100) of Part 2 of Division 2 of the Public Contract Code).

13 (c) (1) A state board may contract with a third-party contractor,
14 consistent with applicable state laws, rules, and regulations, to
15 conduct an assessment, or portion thereof, and shall require the
16 prospective third-party contractor to include all of the following
17 in the prospective third-party contractor's proposal for the
18 assessment:

19 (A) A conflicts statement that includes both of the following:

20 (i) A description of all work performed by the prospective
21 third-party contractor in the last five years that potentially relates
22 to or could potentially be directly impacted by the proposed action.

23 (ii) All financial, personal, or familial relationships of any person
24 employed by the prospective third-party contractor with either of
25 the following:

26 (I) An employee of the state board that holds a designated
27 position listed in Appendix A of Section 95000 of Title 17 of the
28 Code of Regulations.

29 (II) An executive officer of any business or corporation that
30 could potentially be directly impacted by the proposed action.

31 (B) A statement of the prospective third-party contractor's
32 experience and key staff's expertise in conducting socioeconomic
33 impact studies, or similar studies that involve cost analysis of
34 environmental rules and regulations and their economic and
35 demographic impacts, that includes both of the following:

36 (i) A list of socioeconomic impact studies or similar studies
37 conducted by the prospective third-party contractor in the last five
38 years.

39 (ii) The curriculum vitae of the team leader and key professional
40 team members whom the prospective third-party contractor

1 proposes to conduct the assessment that includes the relevant
2 expertise, education, and certifications, if any, of the proposed
3 team leader and key professional team members.

4 (C) A proposed schedule for the assessment that includes the
5 date by which the prospective third-party contractor will provide
6 a draft assessment to the state board for review.

7 (D) A proposed budget for the assessment.

8 (2) The state board may disqualify a prospective third-party
9 contractor if the state board determines either of the following:

10 (A) The prospective third-party contractor's conflicts statement
11 submitted pursuant to subparagraph (A) of paragraph (1) reveals
12 a material conflict of interest that violates Section 18730 of Title
13 2 of the California Code of Regulations.

14 (B) The experience and qualifications of the prospective
15 third-party contractor or its employees identified pursuant to
16 subparagraph (B) of paragraph (1) are insufficient to conduct the
17 assessment.

18 (d) The state board shall include, or require a third-party
19 contractor with whom the state board contracts to include, at a
20 minimum, all of the following in the assessment:

21 (1) All of the information and analysis required pursuant to
22 subdivision (e) of Section 40728.7.

23 (2) (A) A description of the specific methodologies employed
24 by the state board or the third-party contractor to conduct the
25 assessment.

26 (B) The state board and the third-party contractor shall comply
27 with the Department of Finance's methodological standards for
28 state agencies outlined in Chapter 1 (commencing with Section
29 2000) of Division 3 of Title 1 of the California Code of Regulations
30 in conducting the assessment.

31 (3) An analysis of the disproportionate impact, if any, of the
32 proposed action on Black, African American, Hispanic, Latino,
33 Asian, Pacific Islander, Native American, Native Hawaiian, Alaska
34 Native, gay, lesbian, bisexual, and transgender individuals and
35 women. If no disproportionate impact is identified, the state board
36 or the third-party contractor shall describe the basis for its
37 conclusion that there is no disproportionate impact.

38 (4) An econometric analysis that includes all of the following:

39 (A) A baseline estimate of the costs, revenues, income, and
40 other relevant economic factors for businesses and consumers

1 affected by the proposed action. The baseline estimate shall take
2 into account economic and regulatory factors based on data
3 available to the state board.

4 (B) A detailed description of the assumptions supporting the
5 baseline estimate required pursuant to subparagraph (A), and which
6 assumptions shall be based on the conditions specific to the region
7 affected by the proposed action.

8 (C) An estimate of the impacts of the proposed action on the
9 baseline estimate developed pursuant to subparagraph (A).

10 (D) An estimate of the impact that the proposed action will have
11 on state revenues.

12 (5) A citation to each data source relied on in the assessment
13 so that any person can view the original data source.

14 (6) Identification of the key assumptions and inputs entered into
15 any model created or used for the assessment, including, but not
16 limited to, assumptions regarding the responsiveness of labor
17 supply to changes in wage rates and the responsiveness of
18 consumer spending to changes in product or service prices.

19 (7) (A) Except as provided in subparagraph (B), a detailed
20 description of any manipulation, calculation, interpolation, or
21 extrapolation of original source data so that any person can
22 reproduce the same estimates presented in the assessment.

23 (B) Complex calculations using generally accepted and publicly
24 available input-output econometric models, such as the Regional
25 Input-Output Modeling System (RIMS II) published by the Bureau
26 of Economic Analysis of the United States Department of
27 Commerce and the proprietary Economic Impact Analysis for
28 Planning (IMPLAN), are exempt from the requirement in
29 subparagraph (A) if the state board or the third-party contractor
30 documents all inputs.

31 (e) In developing the estimate of the impacts of the proposed
32 actions on baseline estimates pursuant to subparagraph (C) of
33 paragraph (4) of subdivision (d), the state board or the third-party
34 contractor shall do all of the following:

35 (1) Identify the direct cost of the proposed action on the entities
36 impacted by the proposed action, including separately identifying
37 the costs for permitting, planning, purchasing, installation, and
38 ongoing operations associated with any major investment needed
39 to comply with the proposed action.

40 (2) Identify the basis for each component of the estimate.

1 (3) Consider input from entities affected by the proposed action
2 in developing the estimate.

3 (4) Ensure that the estimate reflects statewide market conditions.

4 (5) Include the basis for the assumptions used for the estimate,
5 develop a reasonable range surrounding the estimate, and describe
6 in detail the impacts of the range on the costs and benefits of the
7 proposed action.

8 (6) Analyze the likely behavioral changes by affected entities
9 and individuals in response to the proposed action, including, but
10 not limited to, the extent to which costs or benefits are retained by
11 the affected entities or are passed on to others, including customers
12 and employees.

13 (7) Take into account the types of occupations that would be
14 impacted by job cutbacks or increases associated with the proposed
15 action.

16 (8) Estimate direct, indirect, and induced impacts on consumers
17 by income level.

18 (f) The provisions of this section are severable. If any provision
19 of this section or its application is held invalid, that invalidity shall
20 not affect other provisions or applications that can be given effect
21 without the invalid provision or application.

22 SEC. 4. If the Commission on State Mandates determines that
23 this act contains costs mandated by the state, reimbursement to
24 local agencies and school districts for those costs shall be made
25 pursuant to Part 7 (commencing with Section 17500) of Division
26 4 of Title 2 of the Government Code.

O

Introduced by Senator Min

February 14, 2023

An act to add Section 451.6 to, and to add and repeal Chapter 8.8 (commencing with Section 1650) of Part 1 of Division 1 of, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 527, as amended, Min. ~~Equitable Zonal Neighborhood~~ Decarbonization Program.

Existing law requires the State Energy Resources Conservation and Development Commission to establish the Equitable Building Decarbonization Program, which includes establishing the direct install program to fund certain projects and remediation and safety measures to facilitate the installation of new technologies and a statewide incentive program for low-carbon building technologies, as specified.

~~This bill would state the intent of the Legislature to enact future legislation to direct the Public Utilities Commission (PUC) to establish the Equitable Zonal Decarbonization Program, which would establish a small-scale community-targeted decarbonization program, and to require the PUC to fund, administer, and implement the program to ensure rate affordability, dedicated and prioritized funding for disadvantaged and low-income customers, and the development of high road jobs and workforces.~~

This bill would require the Public Utilities Commission, in consultation with gas corporations, to develop and supervise the administration of the Neighborhood Decarbonization Program to facilitate the cost-effective decarbonization of targeted natural gas

zones with the intent to provide benefits that include, but are not limited to, reduced emissions of greenhouse gases and air pollution, increased safety, and the maintenance of rate affordability for California gas customers, and to decommission gas assets in zones with the highest community burdens and those that would result in the highest projected ratepayer cost savings. The bill would require the commission, in consultation with each gas corporation, to adopt guidelines and regulations for the program, as specified. The bill would require the commission, after 5 years of implementing the program, to review the efficacy of the program in providing benefits to gas customers and in assisting the state in meeting the state's climate change goals. The bill would require the commission, based on its review, to determine whether or not to continue implementing the program.

This bill would authorize a gas corporation to cease providing service in an area within its service territory if the commission determines that adequate substitute energy service is reasonably available to support the energy end use of affected gas customers as a part of the Neighborhood Decarbonization Program. The bill would require a gas corporation to be authorized to fully recover the undepreciated cost of a gas plant or asset if full cost recovery has not been achieved for the gas plant or asset that is decommissioned. The bill would require the commission, in a new or existing proceeding, to develop the roles, responsibilities, timelines, and processes for determining whether gas service may be discontinued. The bill would require the commission, in determining what constitutes adequate substitute energy service and when the substitute energy service is reasonably available, to adopt guidelines necessary to ensure that the rates for substitution of service for low-income customers and renters are just, adequate, and reasonable. The bill would authorize the commission, upon the termination of the program, to terminate, modify, or retain a gas corporation's obligation to provide service in an area within its service territory where adequate substitute energy service is reasonably available.

Under existing law, a violation of an order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing the requirements of this bill 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 a specified reason.

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) Buildings~~

4 *(a) In California, buildings are responsible for 25 percent of all*
5 *emissions and 13 percent of all direct emissions of greenhouse*
6 *gases, which contribute to indoor and outdoor pollution.*

7 ~~(2)~~

8 *(b) Building decarbonization should prioritize high road jobs*
9 *for workers and prioritize benefits to—environmental justice*
10 *disadvantaged and low-income communities.*

11 ~~(3)~~

12 *(c) There are a range of technologies that can achieve deep*
13 *emission reductions in buildings, including advanced energy*
14 *efficiency technologies, clean heating technologies, and demand*
15 *and load management strategies.*

16 ~~(4)~~

17 *(d) Research has shown that targeted decarbonization—has been*
18 *shown to can provide a potential decarbonization strategy that*
19 *both reduces emissions and provides greater gas rate stability for*
20 *utility customers.*

21 ~~(5)~~

22 *(e) Despite the favorable economics of targeted decarbonization,*
23 *regulatory and financial challenges have impeded California from*
24 *exploring and scaling targeted decarbonization efforts.*

25 ~~(6)~~

26 *(f) It is essential to enable cost-effective decarbonization*
27 *strategies, such as targeted decarbonization, to achieve California’s*
28 *greenhouse gas—emission reduction goals. emissions reduction*
29 *target.*

30 *(g) Closed-loop energy networks consist of pipe loops between*
31 *multiple buildings and energy sources carrying water at ambient*

1 *temperature. Building owners can connect to the ambient*
 2 *temperature loops with water source heat pumps installed within*
 3 *the building, which can be used for heating and cooling and hot*
 4 *water services.*

5 *(h) Advanced heat-pump technologies can maximize greenhouse*
 6 *gas emissions reduction in cooling and heating systems for*
 7 *buildings that deploy closed-looped or other onsite or district*
 8 *energy networks and provide jobs for a skilled workforce.*

9 ~~(7)~~

10 *(i) Network geothermal, thermal energy network, and*
 11 *closed-loop energy systems have the potential to decarbonize*
 12 *buildings at the community and utility-scale level and would assist*
 13 *in achieving California's 2045 carbon neutrality goal.*

14 ~~(b) It is the intent of the Legislature to enact future legislation~~
 15 ~~to do both of the following:~~

16 ~~(1) Direct the Public Utilities Commission to establish the~~
 17 ~~Equitable Zonal Decarbonization Program, through a new or~~
 18 ~~existing proceeding, to establish a small-scale community-targeted~~
 19 ~~decarbonization program.~~

20 ~~(2) Require the commission to fund, administer, and implement~~
 21 ~~the Equitable Zonal Decarbonization Program to ensure rate~~
 22 ~~affordability, dedicated and prioritized funding for disadvantaged~~
 23 ~~and low-income customers, and the development of high road jobs~~
 24 ~~and workforces.~~

25 *SEC. 2. Section 451.6 is added to the Public Utilities Code, to*
 26 *read:*

27 *451.6. (a) Notwithstanding any other law, a gas corporation*
 28 *may cease providing service in an area within its service territory*
 29 *if the commission determines that adequate substitute energy*
 30 *service is reasonably available to support the energy end use of*
 31 *affected gas corporation customers as a part of the Neighborhood*
 32 *Decarbonization Program (Chapter 8.8 (commencing with Section*
 33 *1650)).*

34 *(b) A gas corporation shall be authorized to fully recover the*
 35 *undepreciated costs of any gas plant or asset, including the cost*
 36 *to retire the gas plant or asset, if full cost recovery has not been*
 37 *achieved for the gas plant or asset that is decommissioned.*

38 *(c) (1) The commission, in a new or existing proceeding, shall*
 39 *develop the roles, responsibilities, timelines, and processes for*
 40 *determining whether gas service may be discontinued to one or*

1 more gas customers as a part of the Neighborhood
2 Decarbonization Program to promote decarbonization because
3 adequate substitute energy service is reasonably available to
4 support the energy end use of affected gas corporation customers.

5 (2) In determining what constitutes adequate substitute energy
6 service and when the substitute energy service is reasonably
7 available, the commission shall adopt guidelines necessary to
8 ensure the rates for substitution of energy service for low-income
9 customers and renters are just, adequate, and reasonable.

10 (d) Upon termination of the Neighborhood Decarbonization
11 Program pursuant to Section 1654, the commission may terminate,
12 modify, or retain a gas corporation's obligation to provide service
13 in an area within its service territory where adequate substitute
14 energy service is reasonably available.

15 SEC. 3. Chapter 8.8 (commencing with Section 1650) is added
16 to Part 1 of Division 1 of the Public Utilities Code, to read:

17
18 CHAPTER 8.8. NEIGHBORHOOD DECARBONIZATION PROGRAM

19
20 1650. For purposes of this chapter, the following definitions
21 apply:

22 (a) "Disadvantaged community" means a community identified
23 as a disadvantaged community pursuant to Section 39711 of the
24 Health and Safety Code.

25 (b) "Neighborhood Decarbonization Program" or "program"
26 means the program developed pursuant to Section 1651.

27 (c) "Low-income community" means a geographic area in
28 which at least 50 percent of households have an income less than
29 80 percent of the area median gross income.

30 (d) "Targeted decarbonization" means geographically targeted
31 decommissioning of a portion of the gas system with an intent to
32 decarbonize buildings and to reduce gas corporation capital costs,
33 operational costs, or both of those costs, done in coordination with
34 the decarbonization of affected buildings.

35 1651. The commission, in consultation with gas corporations,
36 shall develop and supervise the administration of the Neighborhood
37 Decarbonization Program to facilitate the cost-effective
38 decarbonization of targeted natural gas zones, with the intent to
39 provide benefits that include, but are not limited to, reduced
40 emissions of greenhouse gases and air pollution, increased safety,

1 and the maintenance of rate affordability for California gas
2 customers, and to decommission gas assets in zones with the
3 highest community burdens and those that would result in the
4 highest projected ratepayer cost savings.

5 1652. The commission, in collaboration with each gas
6 corporation, shall adopt guidelines and regulations for the
7 program that include all of the following:

8 (a) A process for gas corporations to determine and submit
9 eligible targeted decarbonization zones and the requirements and
10 standards for determining cost-effectiveness of decarbonization
11 projects as compared to the replacement, repair, or continued
12 operation of the affected gas system.

13 (b) The process and metrics used for evaluating success of the
14 program.

15 (c) Eligible program-related costs, including, but not limited
16 to, outreach, design, planning, demonstration, implementation,
17 and technical assistance.

18 (d) Preference for projects where the cost of decarbonization
19 is less than avoided gas asset replacement, repair, or operational
20 costs, such that decarbonization represents a cost-effective
21 alternative to continued gas asset use.

22 (e) Preference for projects that serve a large percentage of
23 low-income individuals or households.

24 (f) Preference for projects that provide prevailing wage and
25 use high road job programs.

26 (g) Priority for a minimum of one networked geothermal,
27 thermal energy network, or closed-loop energy network system
28 project in each gas corporation's service territory.

29 (h) Preference for projects that consider the deployment of
30 advanced heat-pump technology in closed-loop systems.

31 (i) Preference for projects that partner with other state and
32 federal funding programs, including, but not limited to, the
33 California Schools Healthy Air, Plumbing, and Efficiency Program,
34 federal programs administered by the United States Department
35 of Energy, and programs funded by the federal Inflation Reduction
36 Act of 2022 (Public Law 117-169).

37 1653. (a) The commission shall coordinate with the Strategic
38 Growth Council, the Governor's Office of Business and Economic
39 Development, the Energy Commission, gas corporations, and
40 relevant federal agencies to identify third-party funding, such as

1 state and federal funds, that may be used to establish and
2 implement the program, including the use of external funding to
3 execute projects that would be cost effective with supplemental
4 nonratepayer funding.

5 (b) The commission shall seek to reduce the initial costs of the
6 program by maximizing the use of appropriate third-party funding,
7 such as state and federal incentive and financing funding.

8 1654. (a) After five years after the commencement of the
9 implementation of the program, the commission, in a new
10 proceeding, shall review the efficacy of the program in providing
11 benefits to gas customers and in assisting the state in meeting the
12 state's climate change goals. Based on the review, the commission
13 shall determine whether or not to continue implementing the
14 program.

15 (b) If the commission determines to terminate the program, the
16 commission shall notify the Secretary of State of that determination
17 and the effective date of that determination.

18 1655. This chapter shall become inoperative on the effective
19 date of the determination of the commission to terminate the
20 program, and, as of January 1 of the following year, is repealed.

21 SEC. 4. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 the only costs that may be incurred by a local agency or school
24 district will be incurred because this act creates a new crime or
25 infraction, eliminates a crime or infraction, or changes the penalty
26 for a crime or infraction, within the meaning of Section 17556 of
27 the Government Code, or changes the definition of a crime within
28 the meaning of Section 6 of Article XIII B of the California
29 Constitution.

O

Introduced by Senator GonzalezFebruary 16, 2023

An act to amend Section 42705.6 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 674, as introduced, Gonzalez. Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

Existing law requires a refinery-related community air monitoring system to be installed near each petroleum refinery that meets certain requirements. Existing law requires the owner or operator of a petroleum refinery to develop, install, operate, and maintain a fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district or air pollution control district. Existing law requires the air districts and the owners or operators of refineries to collect real-time data from those monitoring systems, to maintain records of that data, and, to the extent feasible, provide to the public those data in a publicly accessible format.

This bill would extend the above requirements to refineries engaging in other types of refining processes, including those using noncrude oil feedstock, and to auxiliary facilities. The bill would require the refinery-related community air monitoring system and the fence-line monitoring system to be installed on or before January 1, 2026, and after a 30-day public comment period. The bill would require the monitoring systems to monitor certain pollutants identified by the Office of Environmental Health Hazard Assessment. The bill would require the air districts and the owners and operators of refineries to maintain records of the data collected from those systems for at least 5 years and would require the owners and operators to post online, and to notify

the public of the availability of, quarterly reports containing certain information. The bill would require owners and operators of refineries to notify the air district and the public, as provided, as quickly as possible of any exceedances of the lowest available reference exposure levels set by the office. The bill would require the owners or operators of refineries, within 24 hours of a fence-line monitoring system detecting an exceedance, to initiate a root cause analysis and to determine appropriate corrective action, as provided. The bill would require the owners or operators of refineries to conduct third-party audits of its fence-line monitoring system, as provided, to ensure the accuracy of the system. Because the bill would impose additional duties on air districts, the bill would impose a state-mandated local program.

Under existing law a violation of requirements for stationary sources, or any rule, regulation, permit, or order of the state board or of an air district is a crime.

Because this bill would impose the monitoring systems requirement on owners or operators of refineries engaging in other types of refining processes, as defined, and would impose additional requirements on owners and operators of refineries, a violation of which would be a crime, 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 no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited, as the
- 2 Refinery Air Pollution Transparency and Reduction Act.
- 3 SEC. 2. Section 42705.6 of the Health and Safety Code is
- 4 amended to read:
- 5 42705.6. (a) For purposes of this section, the following
- 6 definitions apply:
- 7 (1) “Auxiliary facilities” means any site necessary to support
- 8 refining processes at a refinery, including storage tanks, hydrogen
- 9 plants, sulfuric acid plants, port terminals, and electrical

1 *generation plants that provide more than 50 percent of production*
2 *output to the refinery.*

3 (2) *“Biofuel” means biodiesel, renewable diesel, and renewable*
4 *aviation fuel, and other products derived from noncrude oil*
5 *feedstock.*

6 (3) *“Fence-line monitoring system” means equipment that*
7 *measures and records ambient air pollutant concentrations at or*
8 *adjacent to a refinery and that detects and estimates the quantity*
9 *of fugitive emissions, gas leaks, and other air emissions from the*
10 *refinery and that may be useful for estimating associated pollutant*
11 *exposures and health risks and in determining trends in air*
12 *pollutant levels over time.*

13 (4) *“Refinery” means an establishment that is located on one*
14 *or more adjacent properties that is primarily involved in refining*
15 *processes and related auxiliary facilities.*

16 (4)

17 (5) *“Refinery-related community air monitoring system” means*
18 *equipment that measures and records air pollutant concentrations*
19 *in the ambient air at or near sensitive receptor locations near a*
20 *petroleum refinery and that may be useful for estimating associated*
21 *pollutant exposures and health risks and in determining trends in*
22 *air pollutant levels over time.*

23 ~~(2) “Fence-line monitoring system” means equipment that~~
24 ~~measures and records air pollutant concentrations at or adjacent~~
25 ~~to a petroleum refinery and that may be useful for detecting or~~
26 ~~estimating the quantity of fugitive emissions, gas leaks, and other~~
27 ~~air emissions from the refinery.~~

28 (6) *“Refining processes” means the production, separation,*
29 *conversion, treating, handling, or blending of gasoline, diesel fuel,*
30 *aviation fuel, biofuel, petroleum distillates, lubricating oils,*
31 *petroleum coke, asphalt, or petrochemicals, among other products*
32 *derived from petroleum and alternative feedstock.*

33 (7) *“Sensitive receptor” means any of the following:*

34 (A) *A residence, including a private home, condominium,*
35 *apartment, and living quarter.*

36 (B) *An education resource, including a preschool, school*
37 *maintaining transitional kindergarten, kindergarten, or any of*
38 *grades 1 to 12, inclusive, daycare center, park, playground,*
39 *university, and college.*

40 (C) *A community resource center, including a youth center.*

1 (D) A health care facility, including a hospital, retirement home,
2 and nursing home.

3 (E) Live-in housing, including a long-term care hospital,
4 hospice, prison, detention center, and dormitory.

5 (F) A building housing a business that is open to the public.

6 (b) Notwithstanding Section 42708, and on or before January
7 1, ~~2020~~, 2026, a refinery-related community air monitoring system
8 ~~shall~~ shall, after a 30-day public comment period, be installed near
9 each refinery that is consistent with the requirements and guidance
10 applicable to the siting of air quality monitors as established by
11 the federal Environmental Protection Agency and that meets ~~all~~
12 both of the following requirements:

13 (1) A district shall design, develop, install, operate, and maintain
14 the refinery-related community air monitoring system, which shall
15 be operated and maintained in accordance with guidance from the
16 appropriate district. A district may contract with a third party to
17 implement this paragraph.

18 (2) The refinery-related community air monitoring system shall
19 include equipment capable of measuring compounds emitted to
20 the atmosphere from refinery processes, *meteorological monitoring,*
21 *and digital components capable of enabling real-time access to*
22 *air pollution and meteorological measurements via an internet*
23 *website and application programming interface*, as determined by
24 the appropriate district.

25 (c) On or before January 1, ~~2020~~, 2026, the owner or operator
26 of a ~~petroleum~~ refinery shall ~~shall~~, after a 30-day public comment
27 *period and approval by the appropriate district*, develop, install,
28 operate, and maintain a fence-line monitoring system *that covers*
29 *the entire perimeter of the refinery and is in accordance with*
30 *guidance developed by the appropriate district. The fence-line*
31 *monitoring system shall include equipment capable of measuring*
32 *compounds emitted to the atmosphere from refinery processes,*
33 *meteorological monitoring, and digital components capable of*
34 *enabling real-time access to air pollution and meteorological*
35 *measurements via an internet website and application*
36 *programming interface.*

37 (d) The refinery-related community air monitoring systems and
38 refinery fence-line monitoring systems shall, at a minimum, monitor
39 pollutants identified by the Office of Environmental Health Hazard
40 Assessment, including, but not limited to, the following pollutants

1 *identified in the office's March 2019 Analysis of Refinery Chemical*
2 *Emissions and Health Effects as candidates for air monitoring at*
3 *a refinery:*

- 4 (1) *Acetaldehyde.*
- 5 (2) *Ammonia.*
- 6 (3) *Benzene.*
- 7 (4) *1,3-butadiene.*
- 8 (5) *Cadmium.*
- 9 (6) *Diethanolamine.*
- 10 (7) *Formaldehyde.*
- 11 (8) *Hydrogen fluoride.*
- 12 (9) *Hydrogen sulfide.*
- 13 (10) *Manganese.*
- 14 (11) *Naphthalene.*
- 15 (12) *Nickel.*
- 16 (13) *Oxides of nitrogen.*
- 17 (14) *Polycyclic aromatic hydrocarbons.*
- 18 (15) *Particulate matter.*
- 19 (16) *Sulfur dioxide.*
- 20 (17) *Sulfuric acid.*
- 21 (18) *Toluene.*

22 ~~(d)~~
23 *(e) (1) The district and the owner or operator of a petroleum*
24 *refinery shall collect real-time data from the refinery-related*
25 *community air monitoring system and the fence-line monitoring*
26 *system and shall maintain records of that data. To the extent*
27 *feasible, the data for at least five years. The owner or operator of*
28 *a refinery shall post online quarterly reports that summarize*
29 *pollutant levels, variations, and trends over a three-month period*
30 *timeframe and notify the public of the availability of the reports.*

31 *(2) The data generated by these systems shall be provided to*
32 *the public as quickly as possible within 24 hours in a publicly*
33 *accessible and machine-readable format. The data shall be*
34 *archived and made available to the public online for download*
35 *through an application programming interface or other widely*
36 *recognized standard and backend components shall be optimized*
37 *to minimize delays in accessing data. The data shall include all*
38 *historical and meteorological data, and pollution measurements*
39 *and metadata, including latitude and longitude, detection limits,*
40 *signal strength, calibration, and quality control checks.*

1 (f) The owner or operator of a refinery shall conduct third-party
2 audits, using an auditor approved by the district, of its fence-line
3 monitoring system to ensure the system is providing accurate data,
4 including conducting quality control checks, system calibration,
5 and evaluation of quality control and assurance plans. The audit
6 reports shall be submitted to the district and made available to
7 the public online by the refinery. The third-party audits shall be
8 conducted in accordance with the following schedule:

9 (1) An initial audit shall be conducted as follows:

10 (A) For a fence-line monitoring system installed on or after
11 January 1, 2024, within three months after the installation and
12 operation the system.

13 (B) For a fence-line monitoring system installed before January
14 1, 2024, by July 1, 2024.

15 (2) If the initial, subsequent, or followup audit does not identify
16 deficiencies in the fence-line monitoring system, subsequent audits
17 shall occur every two years and review at least one year of
18 monitoring data.

19 (3) If an initial, subsequent, or followup audit identifies
20 deficiencies in the fence-line monitoring system, a followup audit
21 shall be conducted within six months of the completion of actions
22 taken to correct the deficiencies identified in the audit.

23 (g) The owner or operator of a refinery shall notify the district
24 and public as quickly as possible of any exceedances of the lowest
25 available reference exposure or concentration levels set by the
26 Office of Environmental Health Hazard Assessment or the United
27 States Environmental Protection Agency that are detected by the
28 fence-line monitoring system. At a minimum, the notification to
29 the public shall include email and text message notifications to
30 members of the public requesting notification by email or text
31 message notification, as appropriate.

32 (h) (1) Within 24 hours of a fence-line system detecting an
33 exceedance of a historical one-hour average concentration of any
34 measured pollutant, the owner or operator of a refinery shall
35 initiate a root cause analysis to locate the cause of the exceedance
36 and to determine appropriate corrective action. The owner or
37 operator of the refinery shall prepare and submit a report to the
38 district and post online within five days of the exceedance
39 explaining the root cause analysis findings and corrective action
40 performed by the refinery. The root cause analysis shall include

1 a visual inspection to determine the cause of the exceedance and
2 any of the following:

3 (A) Optical gas imaging.

4 (B) Leak inspection using Method 21 under Appendix A-7 of
5 Part 60 (commencing with Section 60.1) of Title 40 of the Code
6 of Federal Regulations.

7 (C) Other test or monitoring method approved by the district,
8 the State Air Resources Board, or the federal Environmental
9 Protection Agency.

10 (2) If the root cause analysis requires corrective action, the
11 refinery shall conduct a reinspection of the source within 14 days
12 of the corrective action and submit a report to the district and post
13 online.

14 (3) The refinery shall be assessed a civil penalty pursuant to
15 Article 3 (commencing with Section 42400) of Chapter 4 by the
16 district for failing to conduct a root cause analysis and take
17 corrective action within five days.

18 (4) A fence-line monitoring system approved by the district shall
19 presumptively yield credible evidence that may be used to establish
20 whether a refinery has violated or is in violation of any plan, order,
21 permit, rule, regulation, or law.

22 (e)

23 (i) Guidance developed by a district pursuant to this section
24 shall require the preparation of a quality control and assurance
25 plan to ensure data quality and take into account technological
26 capabilities and incorporate input from affected parties and, to the
27 extent feasible, shall be informed by refinery-related guidance in
28 the monitoring plan prepared pursuant to subdivision (b) of Section
29 42705.5.

30 (f)

31 (j) (1) Except as provided in paragraph (2), the owner or
32 operator of a ~~petroleum~~ refinery shall be responsible for the costs
33 associated with implementing this section.

34 (2) To the extent a refinery-related community air monitoring
35 system is intentionally ~~utilized~~ used by a district to monitor
36 emissions from sources under its jurisdiction other than a ~~petroleum~~
37 refinery, the district shall ensure the costs of the system are shared
38 in a reasonably equitable manner.

39 (k) This section does not limit the authority or jurisdiction of
40 the Environmental Protection Agency, the State Air Resources

1 *Board, or the districts, and does not prohibit a city, county, or city*
2 *and county from imposing more stringent regulations, limits, or*
3 *prohibitions on a refinery.*

4 SEC. 3. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 a local agency or school district has the authority to levy service
7 charges, fees, or assessments sufficient to pay for the program or
8 level of service mandated by this act or because costs that may be
9 incurred by a local agency or school district will be incurred
10 because this act creates a new crime or infraction, eliminates a
11 crime or infraction, or changes the penalty for a crime or infraction,
12 within the meaning of Section 17556 of the Government Code, or
13 changes the definition of a crime within the meaning of Section 6
14 of Article XIII B of the California Constitution.

LEGISLATIVE COMMITTEE
MEETING OF 04/05/2023

O

Introduced by Senator Caballero

February 17, 2023

An act to add Section 21081.1 to the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 768, as amended, Caballero. California Environmental Quality Act: ~~transportation impact analysis: rural areas: vehicle miles traveled: statement of overriding consideration.~~

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project 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. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA prohibits a public agency from approving or carrying out a project for which a certified EIR has identified one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency finds either (1) changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant effects on the environment, (2) those changes or alterations are within the jurisdiction of another public

agency and have been, or can and should be, adopted by the other agency, or (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives identified in the EIR and the public agency finds that those specific considerations outweigh the significant effects on the environment, commonly known as a statement of overriding consideration.

This bill would provide that a public agency, in approving or carrying out a housing development project, as defined, a commercial project, or an industrial project, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled or similar metrics if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

By imposing additional duties on the lead agency in determining the applicability of the provisions of the bill to a project, this 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 no reimbursement is required by this act for a specified reason.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project 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. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA exempts from its requirements a project for the development of a regional transportation improvement program, the state transportation program, or a congestion management program, as specified.

This bill would state the intent of the Legislature to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of CEQA.

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 21081.1 is added to the Public Resources
2 Code, to read:

3 21081.1. (a) For purposes of this section, “project” means a
4 housing development project, as defined in Section 65905.5 of the
5 Government Code, a commercial project, or an industrial project.

6 (b) Notwithstanding Section 21081, with respect to significant
7 effects on the environment identified by a project’s vehicle miles
8 traveled analysis or similar metrics, a public agency, in approving
9 or carrying out a project, is not required to comply with paragraph
10 (3) of subdivision (a) of, and subdivision (b) of, Section 21081 for
11 those effects on the environment if both of the following are met:

12 (1) The lead agency has imposed all feasible mitigation
13 measures on the project for those effects.

14 (2) The lead agency finds no feasible alternative to the project.

15 (c) This section shall not be interpreted to affect the definition
16 of “environment” set forth in Section 21060.5 or “significant effect
17 on the environment” set forth in Section 21068.

18 SEC. 2. No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 a local agency or school district has the authority to levy service
21 charges, fees, or assessments sufficient to pay for the program or
22 level of service mandated by this act, within the meaning of Section
23 17556 of the Government Code.

24 ~~SECTION 1. It is the intent of the Legislature to enact~~
25 ~~subsequent legislation that would create a new transportation~~
26 ~~impact analysis for rural areas for purposes of the California~~
27 ~~Environmental Quality Act.~~

O

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Report of the Finance and Administration Committee Meeting of April 5, 2023

RECOMMENDED ACTION

There is no recommended action on this agenda item. Recommended actions from the Committee meeting will be considered after presentation to the Board of Directors under a separate agenda item.

BACKGROUND

None.

DISCUSSION

The Finance and Administration Committee, a consolidation of the Board's former Administration and Budget & Finance Committees, met for the first time on Wednesday, April 5, 2023.

The Committee approved the Consent Calendar, which included: the Minutes of the Administration Committee Meeting of December 21, 2022, the Minutes of the Budget and Finance Committee Meeting of February 1, 2023, and the Hearing Board Quarterly Report: October - December 2022.

The Committee then received the staff presentation *Authorize the Commencement of Management Performance Audits in Two Business Units*. The Committee **authorized** commencement of the next two Management Performance Audits for the Engineering and My Air Online Business Units.

The Committee then received the staff presentation *Recommend Authorization of Position Classifications to Support Organizational Restructuring*. The Committee recommends the Board **authorize** proposed position classifications, reclassifications, salary resolution and corresponding amendments to the Air District's Administrative Code. The Board will consider the elements of this recommendation other than the proposed Administrative Code amendments at today's meeting under a separate agenda item. Regarding the proposed Administrative Code

amendments, Section 14.1 of Division I of the Administrative Code requires notice to be given at a Board meeting prior to consideration of any such amendments. Accordingly, notice will be provided that the Board will consider adopting the proposed amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code, regarding senior management classifications, at its next meeting on May 3, 2023.

The next meeting of the Finance and Administration Committee will be held on Wednesday, May 3, 2023, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Committee members and members of the public will be able to either join in-person or via webcast. This concludes the Chair Report of the Finance and Administration Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Finance and Administration Committee Memorandums of April 5, 2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Hearing Board Quarterly Report: October - December 2022

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

This report covers the fourth calendar quarter (October – December) of 2022.

- Held two hearings;
- Processed three orders; and
- Collected a total of \$18,920.00 in Hearing Board filing fees.

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

Docket: 3736 – Waste Connections: Potrero Hills Landfill, Inc. – Request for Interim and Regular Variances

Location: Solano County; City of Suisun City

Regulation(s): Regulation 2, Rule 1 (Permits, General Requirements), and Permit Condition (PC) co#27218.

Synopsis: Applicant is a municipal solid waste landfill (the “Facility”) located at 3675 Potrero Hills Lane, Suisun City, California, 94585. The Facility is considered an essential public service that serves as a critical public health function. The equipment that is the subject of the petition is two portable diesel tipper engines (S-38 and S-39) which are critical to the facility’s waste

disposal operations. These engines are 174 brake-horsepower [bhp], Tier 4F certified engines. The tippers are mobile hydraulic platforms powered by a diesel engine and are used to tip cargo trailer truck containers vertically to empty the loads. On Friday, August 5, 2022, the Facility experienced a small, isolated fire in the active filling area, suspected to be caused by a hot load from a residential refuse hauling truck. The fire was centralized in the trash and caused damage to the two tippers, S-38 and S-39, rendering them inoperable. There was no damage caused to any other equipment or to the landfill gas system, nor were there any excess emissions as a result of the event. The Tier 4F engines were not damaged by the fire. Applicant applied for an Emergency Variance for relief to temporarily operate two tippers that use a 174 bhp Tier 4 interim tipper engine and 156 bhp Tier 3 tipper engine.

Following the issuance of the Order Granting Emergency Variance on August 23, 2022, the Applicant contacted the Clerk of the Hearing Board on September 1, 2022, seeking relief beyond that stipulated within the granted Emergency Variance, in the form of an Application for Interim and Regular Variances. The Applicant’s plan for returning to compliance included repair, retrofitting, and replacement options, but all options were being impacted by either high workload demand or supply chain delays. Applicant represented that there were only two companies that made tippers appropriate for this facility; a repair quote and a replacement quote were obtained from Columbia Industries, but Columbia had not yet provided an estimated timeframe for implementation. The Applicant also represented that it had sought quotes from two companies for retrofitting the temporary tippers with the permitted Tier 4F engines. Some scenarios would have required an Air District permit application for Authority to Construct.

The Applicant promised to notify the Air District and provide a tentative schedule detailing the course of actions planned to return to compliance, once a decision has been made (whether to replace, retrofit, or repair the tippers.)

Requested Period of Variance: September 15, 2022, to September 15, 2023.

Estimated Excess Emissions: (See below, provided by applicant)

Air Pollutant	12-Month Net Emissions Increase		
	Existing Tippers S-38 & S-39	Temporary Tipper Engines	Net Emissions
	lbs - 12 months	lbs - 12 months	lbs - 12 months
VOCs	15.18	136.89	121.71
NOx	455.38	4,281.06	3,825.68
SOx	1,891.94	1,795.71	-96.23
CO	30.36	2,729.77	2,699.41
PM10	15.18	25	9.82
Total HAPs	24.49	23.24	-1.25

Fees collected this quarter: \$0.

Status: Application for Interim and Regular Variances filed by Applicant on September 1, 2022; Notice of Hearings filed/issued on September 7, 2022; Interim Variance hearing held on September 13, 2022; Order Granting Interim Variance, granting relief from 10:30 a.m. on September 13, 2022 through the date the Hearing Board makes a determination on the regular variance application (anticipated to be October 18, 2022), filed/issued on September 22, 2022; Regular Variance hearing held on October 18, 2022; Order Granting Regular Variance, granting relief from October 18, 2022 to October 18, 2023, filed/issued on October 26, 2022.

THE HEARING BOARD ORDERED:

Applicant is granted a Variance from Regulation 2, Rule 2 & PC #27218 for S-38 and S-39; and this variance only concerns and covers the period from October 18, 2022 through October 18, 2023.

The Variance granted herein is subject to the following reporting deadlines. These deadlines represent estimated milestones for achieving compliance, which are subject to change depending on supply chain issues and vendor availability, among other possible issues. At each of the following milestones, Applicant will update BAAQMD (attn: Salvador Rueda, srueda@baaqmd.gov) within 2 business days of each estimated completion date (where available) with whether the milestone has been completed, or, if not completed, with an estimate of when the milestone will be completed. Applicant will also update BAAQMD promptly after receipt of any information that may impact its ability or timeline to achieve compliance.

- a) Receipt of new tipper with permitted engine (estimated to be either November 8, or November 22, 2022).*
- b) Contractor begins work on retrofitting tipper that is on-site (estimated to be November 11, 2022).*
- a) Following testing, regular operation of either tipper with retrofitted permitted engine begins.*

Docket: 3737 – Schnitzer Steel Industries, Inc. – Request for Interim and Short-Term Variances

Location: Alameda County; City of Oakland

Regulation(s): PC 27410(8) of Authority to Construct (Application #30009); PC 27410(8) of Permit to Operate (Application #A0208); Regulation 2, Rule 1, Section 302 (Permits, General Requirements, Permit to Operate); and Regulation 2, Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions)

Synopsis: Applicant owns and operates a large metal shredding and recycling facility located in West Oakland, an Assembly Bill (AB) 617 community. Applicant sought interim and short-term variances for the period of October 7, 2022 through December 31, 2022 (i.e., 86 days) from PC 27410(8) of its Authority to Construct, (Application No. 30009) and Permit to Operate No.

A0208, Regulation 2, Rule 1, Section 302, and Regulation 2, Rule 1, Section 307 to allow it to increase the number of ships that may call at Applicant's facility on an annual basis (January 1st - December 31st) from 26 to 32.

The 6 ships above the Applicant's permit limit that were requested in the application were estimated to result in additional emissions of NOx, POC, CO, SO2, and PM, in the form of diesel exhaust particulate matter in the overburdened community of West Oakland. Applicant submitted a permit application to increase its ship call limit from 26 to 32 – the same increase requested in this variance application. Applicant asserted in its variance application that the increase was needed because its customers had started using smaller ships to accommodate shallow draft conditions in foreign ports where the material is delivered and because of a change in shipping practices whereby some ships could no longer be fully loaded because they came into port carrying product from other facilities.

As of the beginning of November 2022, the Applicant's application was still under review, pending the District's completion of the required California Environmental Quality Act ("CEQA") analysis.

The District and Applicant had entered into agreements (termed "Compliance and Settlement Agreements" or, hereinafter "CSA") in 2018, 2020, and 2021, to allow 4 additional ships in 2018 and 6 additional ship in 2020 and 2021. Due to market conditions, no CSA was required in 2019. The District had presumed that its decision not to enter a similar CSA in 2022 prompted the Applicant to submit this variance application.

Applicant asserted that it would suffer economic losses and be forced to lay off employees if its variance request was denied. The application also discussed the possibility that, absent variance relief, it would transport its finished product to a more distant port (e.g., Port of Stockton or West Sacramento) by truck, and estimated an additional 12,000 trucks would be required to transport the same amount of finished product that the 6 additional ships could accommodate, resulting in greater emissions than those associated with the increased ship calls. Applicant further asserted that ship emissions would still occur as the ships entered the San Francisco Bay and traveled to the more distant port, impacting numerous other communities, some of which are also AB 617 communities (e.g., Richmond/North Richmond/San Pablo) along its route.

Requested Period of Variance: October 7, 2022 to December 31, 2022.

Estimated Excess Emissions: (See below, provided by both parties)

The Air District represents the excess emissions from the 6 additional ship calls to be as follows (per ship):

CO: 163 lbs
NOx: 1,321 lbs
SO2: 39 lbs
POC: 71lbs
DPM: 28 lbs

PM10: 28 lbs
PM2.5: 26 lbs

The Air District estimates the excess emission fees to be \$11,976 per ship, and Applicant does not dispute the Air District's estimates.

Fees collected this quarter: \$8,862.00.

Status: Application for Interim and Short-Term Variances filed by Applicant on October 7, 2022; Notice of Hearings filed/issued on October 13, 2022; Request from both parties to change the hearing date filed on October 20, 2022; Revised Notice of Hearing filed/issued October 24, 2022; Interim and Short-Term Variance hearings both held on November 8, 2022; Order Granting Short-Term Variance, granting relief from November 8, 2022 through December 31, 2022, filed/issued on November 16 2022.

As of the date of the hearing, the Applicant no longer required interim relief, which is why the Order only granted a Short-Term Variance.

THE HEARING BOARD ORDERED:

The Applicant is granted a Variance from Regulation 2, Rule 1, Sections 302 and 307 and from PC #27410(8) of Authority to Construct Application #30009 and Permit to Operate No. A0208. The Variance shall cover the period from November 8, 2022 through December 31, 2022.

The Variance granted herein is subject to the following conditions:

The Applicant shall be allowed no more than six (6) additional ships during the period of the Variance (i.e., a maximum of 32 ships calls.)

The Applicant shall record all ship calls on a log and timely report all ship calls to the District, along with the excess ship emissions.

The Applicant shall pay all excess emission fees assessed by the District, pursuant to Regulation 3.

The Applicant's annual truck cap in PC #27410(8) of Authority to Construct Application #30009 and Permit to Operate No. A0208 shall be reduced by a total of 7,200 truck trips for Calendar Year 2022 only.

Note: In February 2023, the Applicant sent the Air District a check for the excess emissions fee, calculated by the Air District, during the granted variance period. That amount will be included in the Q12023 Hearing Board Quarterly Report.

Docket: 3738 – Chevron Products Company – Request for Emergency Variance

Location: Contra Costa County; City of Richmond

Regulation(s): Permit Condition #24136, Parts 14a and 16a.

Synopsis: Applicant is a Title V facility and a major producer of fuel. Processes include refining of crude oil and intermediates for gasoline and diesel fuel. Applicant requested a variance for its Hydrogen Train 2 SCR Blower ("Subject Equipment"). At the time that the application was submitted, the Subject Equipment had been experiencing high vibrations. In the past, the Applicant had transferred between blowers when needed, as the system has redundancy. When the Refinery attempted to shift from the Bravo Blower to the Alpha Blower, the Applicant discovered that the valve on the Alpha Blower was stuck in the closed position. This prevented the Applicant from shifting to the Alpha Blower. To maintain compliance, the Applicant planned to repair and restart the Bravo Blower. The repair duration was estimated to be three hours. The Applicant claimed that the incident was sudden and unforeseen, and that the Subject Equipment had been maintained properly. The cause for the malfunction was unknown. If not for the issue with the valve on the Alpha Blower, a variance would have been unnecessary. The Applicant maintained that the Hydrogen Train 2 SCR Blower is essential for the operations of the facility.

Applicant evaluated repair option with lowest environmental emissions impact by reducing amount of downtime on SCR blower. Applicant attempted to repair the valve on the run but the repair was unsuccessful. Refinery Operations engaged Environmental to discuss repair options for the system to meet environmental PC requirements under PC 24136.

The valve must to be repaired expeditiously in order to ensure that the SCR blower is operating with NH₃ injection for NO_x abatement. Applicant estimates that repairs will take three hours to complete. Operations will increase rates on Hydrogen Plant 1 in order to reduce firing rates and lower NO_x emissions to Hydrogen Train 2 during the variance period, and the Applicant will make efforts to expedite repairs to the valve.

Requested Period of Variance: November 2, 2022 (estimated three-hour duration.)

Estimated Excess Emissions: NO_x of 600 lbs/day.

Fees collected this quarter: \$2,009.00.

Status: Application for Emergency Variance filed by Applicant on November 2, 2022; Air District staff response filed on November 10, 2022; Hearing Board staff response filed on November 15, 2022; Order Granting Emergency Variance, granting relief on November 3, 2022, from 8:10 a.m. to 9:10 a.m., filed/issued on November 16, 2022.

Docket: 3739 – Tesla Inc. – Request for Regular Variance

Location: Alameda County; City of Fremont

Regulation(s): Regulation 2-6-307 (Permits, Non-Compliance, Major Facility Review); Regulation 2-1-307 (Permits, General Requirements, Failure to Meet Permit Conditions); PC #26027, Parts C.4, E.4, F.4, and G.4; and Authority to Construct Application #30204, PC #27161, Part 15.

Synopsis: Applicant is a factory that manufactures and assembles electric vehicles. Operations at the Fremont facility include several operations including but not limited to casting, painting, stamping of parts and general assembly of the car. Operations include casting with two stack melters, Stamping and Body in White Lines, plastics parts center, three paint shops/lines (North Paint Shop (NPS), South Paint Shop (SPS) Body line and Plastics Paint Line), three assembly lines to assemble the car models, and battery pack assembly.

The applicant maintains the following:

NPS and SPS are designed with an interlock between production and the air pollution control abatement systems for each of the two lines. To comply with Title V PC #26027 for NPS2 and Authority to Construct #30204, PC #27161 for SPS,3 any unplanned shutdown of an abatement device associated with one of the two lines (NPS or SPS) causes all operation for that line to stop (i.e., all active production is halted, “Production release” will not be achieved). All emissions during such a shutdown are strictly evaporative emissions from vehicles or parts that have already been coated, including those that remain in a booth and those that are being cured in the ovens at the time the shutdown occurs, and from purging ambient air in the booths and ovens.

During such unplanned shutdown events, emergency bypass dampers automatically open to allow the temporary residual evaporation from the drying process and ambient air from the booths and ovens to exit the system prior to the abatement device restarting. This is a necessary requirement to ensure worker and public safety and for equipment integrity (i.e., to prevent fires/explosive situations).

The quantity of Pollutants of Concern (POC) emissions from such unplanned shutdown events can be estimated conservatively; the format and estimation methodology of these emissions have been discussed and finalized with the Air District’s permitting division. Tesla has submitted permit applications to formalize these changes, which could be processed simultaneously with other pending permit applications for the NPS and SPS Body Line.

A variance from application of the certain current permit conditions during unplanned shutdowns is therefore necessary at this time.

Tesla cannot comply with the PC from which the variance is requested because continued operation of the control devices during these unplanned shutdowns presents concerns as to the integrity of the equipment. During such periods, it is necessary to investigate the cause of the fault/shutdown before allowing operation to resume. Because Tesla also shuts down coating

operations in such cases, the emissions are minimal. Tesla believes that allowing shutdown of both the coating line and the control device in these situations is consistent with the objectives of the applicable permit conditions for NPS (Title V PC # 26027, Parts C.4, E.4, F.4, and G.4) and SPS (Authority to Construct #30204, PC #27161, Part 15), which are to ensure the control device operated when possible and that emission limits in the permit are met.

Tesla's practice is to (1) minimize emissions when a control device shuts down; (2) immediately cease all emission-generating production activity (i.e., stop the progress of parts through the booth even if coating is not complete); and (3) do so consistent with safety and good air pollution control practices for minimizing emissions to the level of the standard. This means that the production line stops, the coating of any vehicles/parts then in a booth ceases, and the curing of any vehicles/parts in an oven is not completed. The only emissions during an unplanned shutdown like this result from the evaporation of volatile organic compounds in the coatings that have already been applied to the vehicles at the time a malfunction/breakdown occurs, the venting of recirculated air in the booths, and the release of ambient air from the ovens. As a result, emissions from an unplanned shutdown event are already the minimum achievable under such circumstances. Tesla is requesting that this foreseeable situation be addressed and allowed for by the variance. Note that Tesla is not requesting a variance from (or any change to) in its current numeric emission limits, but simply that these uncontrolled emissions be counted towards the emission limits, with no requirement to continue operating the control device during an unplanned shutdown of the Regenerative Thermal Oxidizer (RTO/TO) equipment due to a malfunction or breakdown of the RTO/TO equipment or other coating line equipment. As indicated, the existing permit conditions, as interpreted by the Air District, require operation of the control devices at all times that POCs are being emitted, regardless of whether such emissions are below the applicable limits in the permit.

Compliance with such a requirement cannot be achieved when the control device malfunctions or requires shutdown due to safety considerations, as described earlier. Tesla implements measures to minimize emissions, even during an unplanned shutdown event. Specifically, Tesla is (1) abating emissions when the RTOs/TOs are working, (2) not completing the coating of vehicles or parts that have already begun the coating process (which means they must be pulled out and reprocessed at a later date or scrapped), and (3) stopping the introduction of any new vehicles or parts into the coating process (and thus is not generating new emissions). Tesla does not benefit from and has every incentive to prevent equipment breakdowns and malfunctions and the resulting RTO/TO shutdowns, which are very costly and reduce the facility's production capacity.

Installing redundant control devices to serve as a backup for control of emissions during these unplanned events is not reasonable and would have adverse emission effects that outweigh the benefit of preventing the small amount of emissions that may occur during a shutdown. The backup RTO/TO equipment would need to be capable of becoming operational immediately upon an equipment breakdown or malfunction that leads to an RTO/TO shutdown. Tesla will not be able to predict when operation of a backup RTO/TO device would be necessary and there is not enough time when equipment breaks down or malfunctions to initiate a cold startup to ensure that there is an RTO/TO operating at all times that there are vehicles or parts in a booth or oven. Tesla would therefore need to operate the backup RTO/TOs at low levels 8760 hours per year,

generating additional combustion emissions (NOX, CO, and CO2). Because Tesla will count the emissions that occur during a malfunction/shutdown incident when determining whether it complies with the applicable numeric emissions limits and because the emissions are de minimis, there will be no discernable benefit in terms of a POC emission reduction.

Tesla seeks this variance to provide interim relief for a period of one year from this permit requirement. If the permit revision applications are processed to establish permit conditions that account for these emissions under existing permit limits and do not make unplanned shutdowns of the control device as described above an automatic violation before expiration of the variance, the variance can expire or be rescinded at that time.

Requested Period of Variance: December 14, 2022, to December 14, 2023.

Estimated Excess Emissions: (See below, provided by applicant)

Worst Case Emissions Per Event for South Pain Shop			
CAS#	Parameter	Emissions (lb/event or lb/hr)	Net Emissions After Mitigation
	Estimated POC released during an event	101.3	No mitigation available or feasible
50-00-0	Formaldehyde	0	
91-20-3	Naphthalene	0	

Worst Case Emissions Per Event for North Pain Shop			
CAS#	Parameter	Emissions (lb/event or lb/hr)	Net Emissions After Mitigation
	Estimated POC released during an event	94.90	No mitigation available or feasible

Fees collected this quarter: \$8,049.00.

Status: Application for Regular Variance filed by Applicant on December 15, 2022; the hearing is tentatively scheduled for February 28, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

/S/ Valerie J. Armento, Esq.

Valerie J. Armento, Esq.
Chairperson, Hearing Board

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

None

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Authorize the Commencement of Management Performance Audits in Two Business
Units

RECOMMENDED ACTION

Recommend that the Committee authorize commencement of the next two Management Performance Audits for the Engineering and My Air Online Business Units.

BACKGROUND

On June 16, 2021, the Board of Directors approved a workplan to initiate a management performance audit and authorized the creation of a vendor selection panel that included Board Members Carole Groom and Margaret Abe-Koga, one community member appointed by the Community Equity, Health, and Justice Committee, another appointed by the Stationary Source and Climate Impacts Committee, and a subject matter expert in management audits. The Air District issued Request for Qualifications (RFQ) No. 2021-011 which closed on July 21, 2021. The RFQ requested bids from auditors for ongoing management audit services that span the District's business functions, on an as-needed basis, in response to requests from the Air District's Board of Directors. During the open period, the District received six proposals. The panel ranked the proposals and interviewed the top two ranked vendors: Tap International and Sjoberg Evashenk. Sjoberg Evashenk received the highest average combined score.

On December 1, 2021 the Board of Directors approved the selection and execution of a three-year contract with Sjoberg Evashenk for management audit services, and funded the initial scope of services, which was estimated to be \$250,000. During the first year of engagement, Sjoberg Evashenk delivered reports on time and to expectation as scoped by the Board of Directors. Those reports included a recommendation on staffing levels and staffing allocation, a recommendation on Air District organizational structure, a management performance audit of the Human Resources functions, and an agency wide risk assessment which reported business /operational risk by functional division.

On February 15, 2023, the Board of Directors authorized an amendment of the Air District's agreement with Sjoberg Evashenk to include the performance audits of two additional divisions. The Board additionally directed that the selection of the additional Divisions would be conducted with oversight from the Finance and Administration Committee.

DISCUSSION

The Air District wide risk assessment report was presented by Sjoberg Evashenk to the Board of Directors in June 2022. Sjoberg Evashenk noted that the audit standards issued by the Institutes of Internal Auditors require that the audit establish a risk-based plan to determine the priorities of management audit activity, and that the plan be consistent with the organization's goals. The purpose of the risk assessment is to help ensure that limited audit resources are deployed in a manner that fulfills the goals of the District by identifying inherent risks to the successful execution of District operations, and to prioritize the assignment of audit resources based on the potential value that the audit may provide to the District.

The Risk Assessment provided risk profiles for each division/office within the Air District, which included general indicators of the size of the division, a description of the core functions of the division and included inherent risks and general concerns associated with the division's operations. These inherent risks are a representation of factors that may impede the ability of the division to achieve, in an effective or efficient manner, its core functions. The Air District divisions that were identified to have the highest relative risk include human resources, for which a performance audit has been completed, Administrative Services, Strategic Incentives, Compliance & Enforcement, My Air Online, and Engineering.

During the Committee meeting today, George Skiles, from Sjoberg Evashenk will present recommendations and seek authorization for the commencement of the next two Management Performance Audits for the Engineering and My Air Online Business Units.

BUDGET CONSIDERATION/FINANCIAL IMPACT

These two additional audits have been funded in the fiscal year ending 2023 budget and the contract amendment for these audits has been approved by the Board of Directors.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: George Skiles, Sjoberg Evashenk

ATTACHMENTS:

None

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Recommend Authorization of Position Classifications to Support Organizational
Restructuring

RECOMMENDED ACTION

The Committee will consider recommending the Board of Directors authorize position classifications, reclassifications, salary resolution and corresponding amendments to the Administrative Code that are shown in the attachments to support organizational restructuring.

BACKGROUND

On December 1, 2021, the Board of Directors approved the execution of a three-year contract with Sjoberg Evashenk for management performance audit services. On November 2, 2022, Sjoberg Evashenk delivered reports to the Board of Directors detailing recommendations on staffing allocations and on Air District organizational structure.

Air District staff have worked closely with the management auditors from Sjoberg Evashenk to refine the November 2, 2022 recommendations and to develop changes to both the Air District's staffing plan and the Air District's Administrative Code that are required to support the new organizational structure.

DISCUSSION

Organizational Structure

The proposed new organizational structure calls for the elimination of an executive management layer and results in a flattening of the organization aimed at increasing overall responsiveness. The new structure, shown in Attachment 1, illustrates a uniform executive team consisting of five at will Deputy Executive Officers over focused functional areas. The new structure also includes two at will Senior Assistant Council positions that report to District Counsel.

At Will Positions

To support the new organizational structure, four new at will Deputy Executive Officer and two new Senior Assistant Counsel positions would be established by converting existing civil servant executive management positions to at will positions. These Deputy Executive Officer, and Senior Assistant Counsel positions would serve at the pleasure of the Executive Officer and District Counsel respectively, and the employment agreement for each incumbent would be renewed within a three-year term of employment or the agreement would expire. Existing employees incumbent in a Deputy Executive Officer position would retain their civil servant status, and any current employees appointed to either a Deputy Executive Officer, or Senior Assistant Counsel position prior to January 1, 2024, would be granted rights to return to their prior positions. Proposed changes to the Administrative Code and a corresponding salary resolution that support converting these civil servant positions to at will positions are included in Attachment 2 and Attachment 3.

In addition to the changes in the positions described above, this action would create a new at will position classification for the Chief Operating Officer. The classification creates detailed job specifications and the proposed changes to the attached Administrative Code and salary resolution provide the necessary administrative controls for the classification. The current position is temporary and funded until December 31, 2023. Additional Board approval would be required to fund the position on an ongoing basis.

Staffing Changes

Position classification and title changes to support the executive team restructuring are listed below in Table 1 along with their associated cost impacts.

**Table 1
Recommended Executive Staffing Changes**

Old Position Title	New Position Title	Cost impact
DEO (Policy & Community)	DEO of Equity and Community	No impact same salary grade
DEO (Administration)	DEO Administration (at will)	No impact same salary grade
DEO (Operations)	DEO Engineering and Compliance (at will)	No impact same salary grade
DAPCO	DEO Science and Policy (at will)	\$46,455/year
DAPCO	DEO Public Affairs (at will)	\$46,455/year
DAPCO	Chief Technology Officer	No impact same salary grade
DAPCO (CFO)	Ombuds Officer	-\$65,436/year
Board Operations Officer	Board Operations Officer	No impact same salary grade
	Total	\$27,475/year

In addition to the staffing changes recommended for the restructuring of the executive team, other recommended changes are requested for various operational improvements. These changes are listed below by Division along with information summarizing the reason for the requested change.

Operations

- **Compliance and Enforcement Division**

- Reclassify five vacant Senior Air Quality Specialists into Air Quality Specialist I/II and reclassify one Radio Telephone Operator to a Supervising Air Quality Specialist. These changes optimize the span of control for junior and senior staff and eliminate legacy positions for which equipment no longer exists.

- **Engineering Division**

- Reclassify one vacant Senior Air Quality Engineer position into an Air Quality Specialist position to provide a junior support resource allowing senior staff to focus on more complex work.

Policy and Equity

- **Meteorology & Measurement:**

- Reclassify one (1) Supervising Air Quality Specialist into one Principal Air Quality Specialist who will lead projects involving instrument acquisition and acceptance testing; operation and maintenance of measurement platforms; data systems management; and development and maintenance of in-house developed software, hardware, and quality assurance plans, which are currently inadequately addressed and require Principal-level expertise.
- Reclassify one vacant Administrative Assistant I/II position into one Assistant Staff Specialist I/II to focus on higher level process improvement work aimed at creating efficiencies that would allow focus on critical gaps in the Air District's mandated and community-requested work.
- Reclassify one vacant Senior Air Quality Specialist position into one Air Quality Specialist I/II to balance the level of resources to the level of work required in source testing.
- Reclassify one vacant Assistant Air Quality Specialist I/II position into one Senior Air Quality Specialist to provide lead technical support for air monitoring operations and advanced troubleshooting of air monitoring equipment.
- Reclassify four Assistant Air Quality Specialist I/II into Air Quality Specialist I/II to align resources with the appropriate level of work that must be conducted.

- **Strategic Incentives**

- Reclassify one vacant Staff Specialist I/II into one Assistant Staff Specialist I/II that would provide resources to increase efficiency by re-assigning routine work currently performed by Staff Specialists.

- **Technology Implementation Office**

- Reclassify one vacant Staff Specialist I/II into one Senior Staff Specialist that would support growing caseload, increases in future funding for EV incentive programs.

- **Administration Services**

- Transfer one Staff Specialist from Information Services to Administration Services division.
- Reclassify one vacant Senior Advanced Projects Advisor into one Manager that would manage the administrative services programs.

The cost impacts for the reclassifications requested in each of the divisions are summarized in Table 2.

Table 2
Cost by Division

Department	Cost Impact (\$/Year)
Meteorology & Measurement	\$127,627
Compliance & Enforcement	-\$95,403
Engineering	-\$26,360
Strategic Incentives	-\$30,985
Technology Implementation Office	\$17,913
Finance	-
Administrative Services	-
Executive	\$27,475
TOTAL	\$20,266

Since fiscal year ending 2023, the Air District’s staffing roster has been published in Appendix H of the Annual Budget. The changes to Appendix H of the budget that would be required for this recommendation are included in Attachment 4. The new Chief Operating Officer position classification is shown in Attachment 5. Of note is that the recommended action requested by this item creates no new positions, but rather relies upon the reclassification of existing positions in alignment with the Management Auditor’s recommendations to improve utilization of existing resources. The reclassifications under this recommended action and their corresponding cost impacts are detailed in Attachment 6.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The reclassifications recommended by this action result in a net annual increase in personnel expenditures of approximately \$20,000.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Sharon Landers

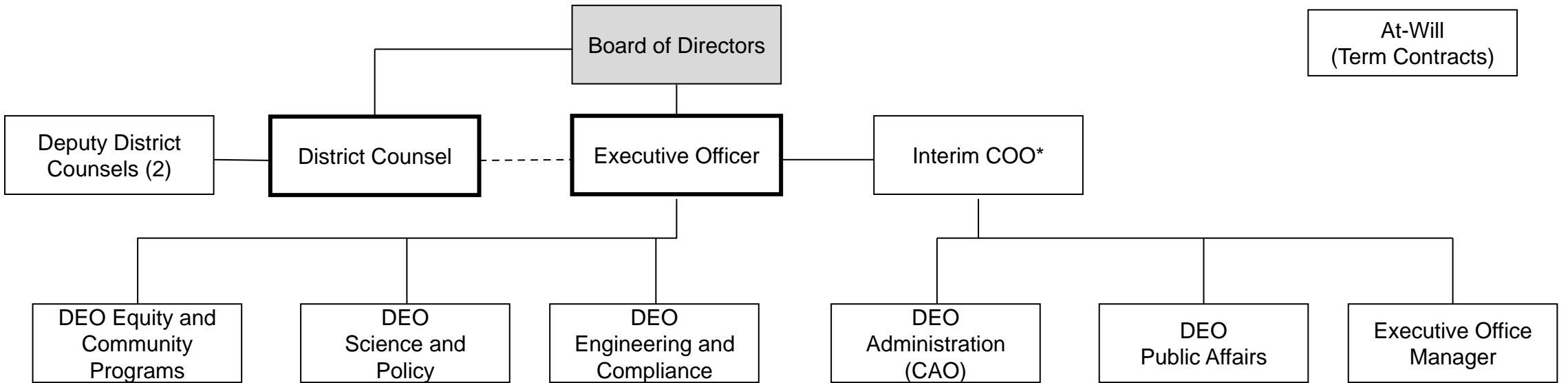
ATTACHMENTS:

1. Attachment 1 - Proposed Executive Org Chart
2. Attachment 2 - Proposed Admin Code Revisions
3. Attachment 3 - Draft Salary Resolution
4. Attachment 4 - Budget Appendix H: FYE 2023 Authorized Staff - Redlined Version
5. Attachment 5 - Proposed Chief Operating Officer Classification Specification
6. Attachment 6 - Committee Cost Impacts

Proposed Executive Structure

Board-appointed

At-Will
(Term Contracts)



- Diversity Equity and Inclusion
- Community Engagement
- Strategic Incentives
- Technology Implementation

- Meteorology and Measurement
- Assessment, Inventory, Modeling
- Air Quality Planning and Climate
- Rules and Strategic Policy
- Public Health

- Engineering/Permitting
- Compliance and Enforcement
- HRA/Risk Reduction

- Human Resources
- Finance
- Admin Services
- IT Governance
 - My Air Online
 - Information Services

- Communications
- Legislative and Government Affairs
- Outreach/Special Projects

- Executive Support
- Clerk of the Boards

Bay Area Air Quality Management District
Amendment to Administrative Code

The following amendments to the Bay Area Air Quality Management District’s Administrative Code are adopted to amend the Deputy Executive Officer (“DEO”) and Senior Assistant Counsel (“SAC”) classifications. The District is working on a complete restatement of the Administrative Code in Fiscal Year 2023-24 and this change will be incorporated into that restatement.

The Board adopts the following revision to the District’s Administrative Code to amend the DEO and SAC classifications. By this action, the Board intends that employees hired into the SAC and DEO classifications after the effective date of the amendment will be “at will” employees and excluded from any disciplinary appeal process provided by the Administrative Code or by District practice, except as explicitly provided herein. In addition, the Board intends that the Executive Officer/APCO and the District Counsel may hire employees into these classifications without the competitive recruitment process normally required by the Administrative Code.

Therefore, the Board makes the following amendments to the District’s Administrative Code.

Section 3.3 of Division III of the Administrative Code is amended as follows:

SECTION 3 RIGHTS AND OBLIGATIONS

3.3 DISCIPLINARY ACTION AND RIGHT OF APPEAL.

- (a) Except for individuals in classifications which serve at the pleasure of the Board of Directors or the District Counsel (see Section III-3.3(c), below), the APCO shall have the right, for due cause, to demote, dismiss, reduce in pay, or suspend without pay any employee. Notice of such action must be in writing and served on such employee by personal service ~~by~~, by e-mail at the address on file with the District, or by registered first class U.S. mail (or equivalent) on such employee. Except for individuals serving in the classifications listed in subsection (c), below, the notice will state the action to be taken and contain the reasons for such action.
- (b) Except as provided herein, Any employees, as defined in Section I, Definitions, shall have the right to appeal the disciplinary action, through the grievance procedure defined in Section III-4.
- (c) The following individuals shall serve at the will of the appointing authority and shall not have any right to appeal any disciplinary action through the grievance procedure defined in Section III-4, regardless of whether they held a prior position in the District. Individuals appointed to the classifications identified below may also be subject to a fixed term of employment and the incumbent will be separated at the expiration of that term (unless said term is extended by the identified appointing authority). Individuals appointed to the classifications identified below are not subject to a probationary period pursuant to Section III -7.3. Likewise,

individuals appointed to the classifications identified below are not subject to the Layoff and Recall provisions of Section III-9.3

- (1) Any individual appointed by the Board of Directors and employed under an employment contract, including the Executive Officer/APCO and District Counsel;
- (2) Any individual appointed by the Executive Officer to the classification of Chief Operating Officer, who shall serve at the pleasure of the Executive Officer/APCO
- (3) Any individual appointed by the Executive Officer to the classification of Deputy Executive Officer after January 1, 2023, shall serve at the pleasure of the Executive Officer/APCO;
- (4) Any individual appointed by the District Counsel to the classification of Senior Assistant Counsel, who shall serve at the pleasure of the District Counsel; and
- (5) Limited Term employees.

(d) Notwithstanding Section 3.3(c), any existing District employee who is appointed to the Deputy Executive Officer or Senior Assistant Counsel classification after January 1, 2023, but prior to January 1, 2024, shall be entitled to return to a vacant position in the last classification they held prior to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, and at the same salary step they held prior to their appointment to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification. Reinstatement to the vacant position shall occur upon the termination of their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, whether that occurs (1) at the end of a specified term, (2) due to their voluntary request to vacate the classification, or (3) at the discretion of the District Counsel or Executive Officer/APCO.

- (1) For a Deputy Executive Officer, if no vacant position exists in the employee's previously-held classification, the employee shall be offered alternate employment by the District. The form of alternate employment shall be at the discretion of the Executive Officer but may include a vacant position in any classification for which they meet the minimum qualifications as determined by the Executive Officer, reclassification of an existing position, or creation of a new position. Alternatively, the Executive Officer/APCO may reclassify a Deputy Executive Officer position to a lower classification. Employees under this provision will be placed at the salary step closest to the current pay for the salary prior to their appointment to the Deputy Executive

- Officer classification. If the top step of the salary range for the employee's new position is lower than the current pay for the salary the current pay for the prior to their appointment to the Deputy Executive Officer classification, the employee's salary will be Y-rated at the current pay for the salary step they held prior to their appointment to the Deputy Executive Officer classification, without the need for additional Board approval under Section III-6.5.
- (2) For a Senior Assistant Counsel, if no vacant Assistant Counsel position exists, the District Counsel shall reclassify the Senior Assistant Counsel position to Assistant Counsel, and reclassify an existing Assistant Counsel position to Senior Assistant Counsel. In the event of reclassification of a Senior Assistant Counsel under this paragraph, the reclassified Senior Assistant Counsel will be placed at the Assistant Counsel salary step they occupied prior to appointment to the Senior Assistant Counsel classification.
- (3) Employees who have not completed probation prior to being appointed to the Deputy Executive Officer or Senior Assistant Counsel classification will be required to complete probation in their reinstated position after reinstatement and will have only those rights accorded probationary employees by these rules.
- (4) Employees appointed pursuant to this Section III-3.3(d) are subject to discipline up to and including suspension while in the classification of Deputy Executive Officer or Senior Assistant Counsel without appeal. However, if the District seeks to terminate an individual who had already passed probation in a District classification with appeal rights, the individual will first be removed from the Deputy Executive Officer or Senior Assistant Counsel classification and reinstated to another classification as provided in Section III-3.3(d)(1) or III-3.3(d)(2), above. The District may then initiate disciplinary proceedings up to and including termination and the employee may appeal that termination pursuant to the grievance procedure defined in Section III-4. The discipline may be based in whole or in part on conduct which occurred in the Deputy Executive Officer or Senior Assistant Counsel classification. However, any reinstatement would be to the employee's current (civil service) classification. Discipline imposed on an employee in a Deputy Executive Officer or Senior Assistant Counsel classification may be used for purposes of progressive discipline.

Section 4.1 of Division III of the Administrative Code is amended as follows:

SECTION 4 GRIEVANCE PROCEDURE

4.1 DEFINITION.

A grievance is an employee claim of (a) an alleged violation, misunderstanding, or misinterpretation of a specific section of the Memorandum of Understanding,

or (b) any matter within the scope of the Meyers-Milias-Brown Act, or (c) any disciplinary action or demotion, ~~except for separations not covered by Section III-9.3 (Layoff and Recall) or discipline involving individuals appointed to the classifications identified in Section III-3.3(c).~~ The parties recognize that disputes should be resolved expeditiously at the lowest possible administrative level. Herein is a systematic procedure for obtaining consideration of grievances.

Section 9.2 of Division III of the Administrative Code is amended as follows:

SECTION 9 SEPARATIONS

9.2 DISMISSAL.

(a) The Appointing Authority (APCO or District Counsel) may, for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.

(b) A non-probationary employee whose employment is terminated because of unsatisfactory service, misconduct, or for other just causes shall be given written notice stating the reasons for dismissal, and may be given two (2) weeks' notice before the date on which the employee's services will be terminated. However, (1) Employees terminated for misconduct such as drinking or being intoxicated on the job, fighting, theft, creating a severe safety hazard, gross negligence, or other acts of serious misconduct, (2) Probationary Employees, and (3) "At Will" employees in the classifications identified in Section III-3.3(c) may be dismissed without prior notice.

~~The APCO, may for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.~~

(c) Individuals serving in at-will positions pursuant to Section III-3.3(c) serve at the will of the appointing authority and may be separated for any reason or for no reason, with or without prior notice, and with no right to appeal or grieve any disciplinary action. In addition, appointments to positions in the classifications identified in Section III-3.3(c) may be for a fixed term of employment and the incumbent will be separated at the expiration of that term (unless the employee has return rights to a prior position pursuant to Section III-3.3(d) or said term is extended by the identified appointing authority). Except as expressly provided in Section III-3.3(d), individuals separated from a position in the classifications identified in Section III-3.3(c) shall have no right to return to any other District position, regardless of seniority or tenure.

A New Section 13.3 is added to Division III of the Administrative Code:

SECTION 13 METHOD OF FILLING VACANCIES

13.3 EXEMPTIONS

- (a) Appointments to positions in the following classifications shall be exempt from the recruitment process in Sections 13.1 and 13.2:
- (1) Executive Officer/Air Pollution Control Officer;
 - (2) District Counsel;
 - (3) Chief Operating Officer;
 - (4) Deputy Executive Officer;
 - (5) Senior Assistant Counsel.
- (b) Appointments to the classifications listed in subsection (a), above, need not include a competitive recruitment process and may be appointed directly by the appointing authority listed in in Section III-3.3(c), subject to budgetary approval. Appointments to these classifications may be made at any salary step, notwithstanding any limitations in this Code, including Sections III-6.2 or III-6.4.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2023- XXX

A Resolution of the Board of Directors of the Bay Area Air Quality Management District Establishing Salary and Fringe Benefits for the Classifications of Deputy Executive Officer and Senior Assistant Counsel and the Classification Specification of the Chief Operating Officer

RECITALS

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (“Board”) has the authority and the responsibility to adopt and approve class specifications and compensation schedules for District employees, either through approval of collective bargaining agreements and/or through approval of a resolution(s) establishing or modifying compensation ranges for employees not covered by collective bargaining agreements;

WHEREAS, the Executive Officer/Air Pollution Control Officer is responsible for the preparation and recommendation to the Board of updates to the compensation schedule for management, confidential, and executive management employees;

WHEREAS, the Executive Officer/Air Pollution Control Officer is to recommend to the Board for adoption of such measures and resolutions as may be appropriate to support the duties and obligations of the Executive Officer;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended the establishment of three new “at will” classifications for Deputy Executive Officer, Senior Assistant Counsel, and Chief Operating Officer and corresponding changes to the District’s Administrative Code;

WHEREAS, employees appointed to the classification for Deputy Executive Officer and Senior Assistant Counsel after revision to the Administrative code will serve at the pleasure of either the Executive Officer/Air Pollution Control Officer or the District Counsel and shall not have any right to appeal any disciplinary action, except as explicitly provided in the Administrative Code;

WHEREAS, due to their “at will” status, these positions will have severance benefit which are not included in the benefits for unrepresented civil servant District employees;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended that employees appointed to the newly established Deputy Executive Officer and Senior Assistant Counsel classifications be entitled to receive all employee benefits provided to the District’s unrepresented Executive Management Staff pursuant to the Board’s December 21, 2022 Resolution authorizing Non-Represented Employee Benefits and as those benefits may be modified by the Board in the future;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended that employees appointed to the newly-established Deputy Executive Officer and Senior Assistant

Counsel classifications also be entitled to a severance benefit equal to the employee's monthly Base Salary, multiplied by the number of months left on the unexpired term of their appointment, up to a maximum of three (3) months for employees who have served less than two (2) years in the position and up to six (6) months for those who have served in the position for two (2) or more years, unless they are terminated for cause or as otherwise limited by this Resolution.

RESOLUTION

NOW THEREFORE, based on the above recitals and all the information presented at the public hearing, the Board of Directors of the Bay Area Air Quality Management District ("Board") hereby resolves as follows:

BE IT RESOLVED that the Board of Directors does hereby create a new Chief Operating Officer classification specification and amend the Deputy Executive Officer and Senior Assistant Counsel classification specifications to replace the existing civil service classifications with at-will classifications. The new at-will classifications will be compensated at the top step salary rate for the existing civil service classifications.

BE IT FURTHER RESOLVED that the Board of Directors does hereby extend to the newly-established Chief Operating Officer, Deputy Executive Officer and Senior Assistant Counsel classifications all employee benefits provided to the District's unrepresented Executive Management Staff pursuant to the Board's December 21, 2022 Resolution authorizing Non-Represented Employee Benefits and as those benefits may be modified by the Board in the future.

BE IT FURTHER RESOLVED that, if an employee appointed to the Deputy Executive Officer or Senior Assistant Counsel classification is terminated from District employment without cause (as defined in subparagraph 2 below), the employee shall be entitled to a severance payment as set for the below:

1. If the employee is terminated by the District without cause while the employee is still willing and able to perform the duties of their position, the District agrees to pay the employee a lump sum severance payment equal to the employee's monthly Base Salary, multiplied by the number of months left on the unexpired term of their appointment, up to the following maximums:
 - a. For employees who have served less than two (2) consecutive years in either the classification of Deputy Executive Officer or the classification of Senior Assistant Counsel at the time of termination: a maximum of three (3) months;
 - b. For employees who have served two (2) or more consecutive years in either the classification of Deputy Executive Officer or the classification of Senior Assistant Counsel at the time of termination: a maximum of six (6) months.
2. Any severance payment made by the District pursuant to this Resolution shall be contingent on Employee executing and delivering to the District a release in a form approved by the District Counsel's Office.
3. Notwithstanding subparagraph 1, above, the District shall not pay any severance amount to the employee if the employee is terminated because of:

- a. the conviction of felony or misdemeanor or plea of nolo contendere to a crime,
 - b. the conviction of any felony or misdemeanor involving moral turpitude,
 - c. the willful or persistent material breach of duties or inattention to duties,
 - d. a violation of statute or law constituting misconduct in office, or
 - e. willful misconduct.
4. The District shall not be obligated to pay an employee any severance amount under this Resolution if (a) the employee voluntarily retires or resigns in writing prior to termination, (b) the employee is terminated at the expiration of their limited term appointment, or (c) the employee is terminated after being reclassified, or (d) the employee is terminated after reinstating to a previously held classification pursuant to Section III-3.3(d) of the Administrative Code.

BE IT FURTHER RESOLVED that the record documents and other materials supporting this Resolution shall be maintained and made available for public review at the headquarters of the Bay Area Air Quality Management District at 375 Beale Street, Suite 600, San Francisco, CA 94105, and that the custodian for these documents and other materials shall be Marcy Hiratzka, Clerk of the Boards.

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 _____, 2023, by the following vote of the Board:

APPENDIX H

TABLE 1: The positions listed in Table 1, below, constitute the entirety of authorized permanent full-time positions and division assignments at the designated classifications for Fiscal Year Ending (FYE) 2023. Effective immediately, any changes to the information listed in Table 1 shall require approval by the District’s Board of Directors. If approved, the FYE 23 Budget contains twenty (20) additional positions which are not yet allocated to a job classification and division. These positions are listed in Table 1 as “Unassigned”. The Board of Directors will consider final allocation of these positions at a future Board meeting.

**Table 1
FYE 2023 Authorized Staff**

Division	Position Classification	Salary Range ID	FYE 22	FYE 23	Difference
Administrative Resources					
	Director/Officer	156	1	1	0
	Facilities Maintenance Worker	108	1	1	0
	Manager	148	1	<u>1</u> 2	<u>0</u> 1
	Senior Advanced Projects Advisor	148	0	<u>1</u> 0	<u>1</u> 0
	Senior Executive Assistant	134	1	1	0
	Senior Staff Specialist	138	1	0*	-1
	Staff Specialist I/II	130/134	6	<u>5</u> 6 *	<u>-1</u> 0
	Supervising Staff Specialist	142	1	3*	2
	**Principal Staff Specialist	142	0	0	0
Administrative Resources Total			12	<u>14</u>13	<u>2</u>1
Assessment, Inventory & Modeling					
	Advanced Projects Advisor	144	2	2	0
	Air Quality Engineer I/II	132/136	2	2	0
	Air Quality Meteorologist I/II	131/135	1	1	0
	Atmospheric Modeler	140	1	1	0
	Director/Officer	156	1	1	0
	Manager	148	2	2	0
	Principal Air Quality Engineer	144	3	3	0
	Research Analyst	130	1	1	0
	Senior Advanced Projects Advisor	148	2	2	0
	Senior Air Quality Engineer	140	1	1	0
	Senior Atmospheric Modeler	144	1	1	0
	Statistician	137	1	1	0
Assessment, Inventory & Modeling Total			18	18	0
Communications					
	Assistant Staff Specialist I/II	122/126	2	2	0
	Director/Officer	156	1	1	0

Manager	148	1	1	0
Public Information Officer I/II	130/134	5	5	0
Senior Public Information Officer	138	1	1	0
Communications Total		10	10	0
Community Engagement				
Administrative Assistant I/II	114/118	1	1	0
Assistant Manager	147	1	1	0
Assistant Staff Specialist I/II	122/126	1	1	0
Director/Officer	156	1	1	0
Manager	148	2	2	0
Public Information Officer I/II	130/134	1	1	0
Senior Air Quality Engineer	140	1	1	0
Senior Staff Specialist	138	5	5	0
Staff Specialist I/II	130/134	2	4	2
Community Engagement Total		15	17	2
Compliance & Enforcement				
Administrative Assistant I/II	114/118	2	2	0
Air Quality Engineer I/II	132/136	1	1	0
Air Quality Specialist I/II	130/134	48	39 *44	-9 -4
Air Quality Technician I/II	122/126	6	6	0
Assistant Air Quality Specialist I/II	122/126	0	2	2
Director/Officer	156	1	1	0
Manager	148	5	5	0
Principal Air Quality Specialist	142	2	1*	-1
Radio/Telephone Operator	113	4	4	0
Radio/Telephone Operator Supervisor	119	1	1 0	0 -1
Senior Advanced Projects Advisor	148	0	1*	1
Senior Air Quality Engineer	140	3	3	0
Senior Air Quality Specialist	138	5	16 *11	11 6
Senior Air Quality Technician	130	2	2	0
Supervising Air Quality Specialist	142	9	9 10	0 1
Compliance & Enforcement Total		89	93	4
Diversity, Equity & Inclusion				
Manager	148	1	1	0
Staff Specialist I/II	130/134	1	1	0
Diversity, Equity & Inclusion Total		2	2	0

Engineering

Administrative Assistant I/II	114/118	4	4	0
Air Quality Engineer I/II	132/136	18	21	3
Air Quality Permit Technician I/II	122/126	2	2	0
Air Quality Specialist I/II	130/134	2	2 3	0 1
Air Quality Technician I/II	122/126	5	5	0
Assistant Manager	147	1	1	0
Director/Officer	156	1	1	0
Manager	148	5	5	0
Principal Air Quality Engineer	144	4	4	0
Senior Advanced Projects Advisor	148	1	1	0
Senior Air Quality Engineer	140	10	10 9	0 -1
Senior Air Quality Technician	130	2	2	0
Supervising Air Quality Engineer	144	11	12	1
Supervising Air Quality Specialist	142	1	1	0
Supervising Systems Analyst	139	1	1	0
Toxicologist	144	1	1	0

Engineering Total**69 73 4****Executive**

Administrative Assistant I/II	114/118	1	1	0
Air Quality Technician I/II	122/126	1	1	0
Assistant Manager	147	1	1	0
Clerk of the Boards	132	1	1	0
Deputy Air Pollution Control Officer	160	3	5 2	2 -1
Deputy Executive Officer	169	3	35	02
Director/Officer	156	3	34	01
Executive Assistant I/II	128/132	2	2	0
Executive Officer/Air Pollution Control Officer	Contract	1	1	0
Manager	296	3	3	0
Principal Environmental Planner	142	1	1	0
Senior Advanced Projects Advisor	148	2	2	0
Senior Executive Assistant	134	3	3	0

Executive Total**25 27 2****Finance Office**

Accountant I/II	**130/134	5	4* 6	-1 1
Accounting Assistant I/II	**122/126	3	3	0
Assistant Manager	147	1	0*	-1
Director/Officer	156	1	1	0
**Fiscal Services Supervisor	142	1	1	0
Manager	148	1	3*	2

**Senior Accountant	**138	0	1	1
Senior Staff Specialist	138	1	1	0
Staff Specialist I/II	130/134	2	3 *1	1 -1
Supervising Staff Specialist	142	1	1	0
Systems Analyst	135	1	1	0
Finance Office Total		17	19	2
Human Resources Office				
Assistant Manager	147	1	0*	-1
Director/Officer	156	1	1	0
Human Resources Analyst I/II	130/134	1	1	0
Manager	148	1	2*	1
Principal Human Resources Analyst	142	1	1	0
Senior Human Resources Analyst	138	5	5	0
Human Resources Office Total		10	10	0
Information Services				
Air Quality Specialist I/II	130/134	1	1	0
Assistant Air Quality Specialist I/II	122/126	1	1	0
Assistant Manager	147	1	1	0
Director/Officer	156	1	1	0
Manager	148	2	3	1
Programmer Analyst I/II	127/131	1	1	0
Staff Specialist I/II	130/134	1	1 0	0 -1
Supervising Systems Analyst	139	2	2	0
Systems Analyst	135	2	3	1
Information Services Total		12	14 13	2 1
Legal Services				
Assistant Counsel I/II	149/153	8	8	0
Counsel	0	1	1	0
Legal Office Services Specialist	124	1	1	0
Senior Assistant Counsel	157	2	2	0
Staff Specialist I/II	130/134	4	4	0
Legal Services Total		16	16	0
Legislative				
Director/Officer	156	1	1	0
Staff Specialist I	130/134	1	1	0
Legislative Total		2	2	0
Meteorology & Measurement				
Administrative Assistant I/II	114/118	1	1 0	0 -1
Advanced Projects Advisor	144	1	1	0

Air Quality Engineer I/II	132/136	2	3	1
Air Quality Laboratory Technician I/II	122/126	1	1	0
Air Quality Meteorologist I/II	131/135	2	2	0
Air Quality Specialist I/II	130/134	16	10 * <u>15</u>	-6 <u>-1</u>
Air Quality Technical Assistant	118	1	0*	-1
Assistant Air Quality Specialist I/II	122/126	8	<u>9</u> * <u>4</u>	<u>1</u> <u>-4</u>
Assistant Manager	147	2	2	0
Assistant Staff Specialist I/II	122/126	2	2 <u>3</u>	0 <u>1</u>
Director/Officer	156	1	1	0
Manager	148	5	5	0
Principal Air and Meteorological Monitoring Specialist	143	1	1	0
Principal Air Quality Chemist	142	3	3	0
Principal Air Quality Engineer	144	1	1	0
Principal Air Quality Meteorologist	143	1	1	0
Principal Air Quality Specialist	142	4	<u>4</u> <u>5</u>	0 <u>1</u>
Senior Air Quality Chemist	138	2	2	0
Senior Air Quality Engineer	140	2	2	0
Senior Air Quality Specialist	138	2	10*	8
Staff Specialist I/II	130/134	1	1	0
Supervising Air Quality Engineer	144	1	1	0
Supervising Air Quality Specialist	142	5	<u>5</u> <u>4</u>	0 <u>-1</u>
Systems Analyst	135	2	2	0
Meteorology & Measurement Total		67	70	3
My Air Online				
Assistant Manager	147	4	4	0
Director/Officer	156	1	1	0
Supervising Systems Analyst	139	1	1	0
Systems Analyst	135	1	1	0
Web Master	135	1	1	0
My Air Online Total		8	8	0
Planning & Climate Protection				
Administrative Assistant I/II	114/118	1	0*	-1
Advanced Projects Advisor	144	1	1	0
Assistant Manager	147	2	2	0
Assistant Staff Specialist	126	0	1*	1
Director/Officer	156	1	1	0
Environmental Planner I/II	130/134	3	3	0
Manager	148	2	2	0

Principal Environmental Planner	142	2	2	0
Senior Advanced Projects Advisor	148	1	1	0
Senior Air Quality Engineer	140	1	1	0
Senior Air Quality Specialist	138	1	1	0
Senior Environmental Planner	138	4	4	0
Senior Policy Advisor	148	1	1	0
Planning & Climate Protection Total		20	20	0
Rules				
Assistant Manager	147	1	1	0
Director/Officer	156	1	1	0
Manager	148	1	1	0
Senior Air Quality Engineer	140	5	5	0
Senior Air Quality Specialist	138	3	3	0
Rules Total		11	11	0
Strategic Incentives				
Administrative Assistant I/II	114/118	1	1	0
Assistant Staff Specialist I/II	122/126	3	3 4	0 1
Director/Officer	156	1	1	0
Manager	148	4	4	0
Senior Staff Specialist	138	5	5	0
Staff Specialist I/II	130/134	13	13 12	0 -1
Supervising Staff Specialist	142	4	4	0
Strategic Incentives Total		31	31	0
Technology Implementation				
Assistant Staff Specialist I/II	122/126	3	2*	-1
Director/Officer	156	1	1	0
Manager	148	1	1	0
Senior Staff Specialist	138	1	1 2	0 1
Staff Specialist I/II	130/134	4	5 * 4	1 0
Supervising Staff Specialist	142	1	1	0
Technology Implementation Total		11	11	0
Grand Total				
		445	465	20

*A single asterisk in the FYE 23 Column identifies a request to change a previously board approved position to a different classification within the same division. A negative number in the Difference Column indicates the job classification being removed and a positive number in the same column indicates the position being added. These requests equal a net zero change in the headcount.

**A double asterisk in any column identifies an individual item that is pending Board approval



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Chief Operating Officer

FLSA – Exempt Job

Class Code:
1M102

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Established Date: 2/15/2023
Revision Date:

Benefit Class
Executive Management

SALARY RANGE

Established by Resolution or Contract

DISTINGUISHING CHARACTERISTICS:

DEFINITION

Under executive direction, serves as the immediate and highest level class below the Executive Officer / Air Pollution Control Officer, who plans, organizes, coordinates and directs divisions of the Bay Area Air Quality Management District; develops and provides policy guidance and strategies regarding air quality management; acts as the Air Pollution Control Officer as assigned; performs related work as assigned.

DISTINGUISHING CHARACTERISTICS

This single position class provides policy direction in the management of the District's programs and activities for multiple divisions. The incumbent is accountable for overseeing and directing the accomplishment of goals and objectives of assigned divisions and for furthering District goals and objectives in an effective manner.

The Chief Operating Officer is distinguished from the Air Pollution Control Officer in that the latter has overall management responsibility for the District. The class is further distinguished from the Deputy Air Pollution Control Officer in that the latter has managerial responsibility for specified divisions or functional areas of the District.

EXAMPLES OF DUTIES (Illustrative Only)

Supervises executive staff, including Division Directors and Deputy Air Pollution Control Officers.

Attends meetings of the Board and its committees either in conjunction with the Executive Officer or as the Executive Officer's designee.

Develops and directs the policies and procedures for program implementation of the goals and objectives of the District, as directed by the Executive Officer.

Recommends to the Executive Officer such measures and resolutions as may be appropriate to support the duties and obligations of the District.

Assists in the preparation of the proposed annual budget.

Supports the review of administrative activities and provides responsive recommendations to the Executive Officer.

Attend meetings of the board and its committees either in conjunction with the Executive Officer or as the Executive officer's designee.

Represents the District and/or the Executive Officer / Air Pollution Control Officer in varied situations with various groups and agencies both within and outside of the District.

Plans, organizes, coordinates and directs through deputies, division directors, section managers and support staff the work of assigned divisions.

Develop and direct the policies and procedures for the program implementation of the goals and objectives of the District, as directed by the Executive Officer.

Organizes and coordinates the development and implementation of projects and activities with other agencies.

Supports the Executive Officer / Air Pollution Control Officer in District management and interactions with the Board.

EDUCATION AND EXPERIENCE:

Education and Experience:

A typical way to obtain the knowledge and skills is:

Equivalent to a graduate level degree (MA/MS, PhD, JD) in engineering, physical or biological sciences, business, law or public administration or a closely related field and five years of experience managing environmental quality and related programs and activities at or equal to the District's Deputy Air Pollution Control Officer, preferably with a public agency.

SUPPLEMENTAL INFORMATION:

QUALIFICATIONS

Knowledge of:

Administrative principles and methods, including goal setting, program and budget development and implementation and employee supervision.

Principles, practices and program areas related to assigned divisions.

Social, political and environmental issues influencing air quality management programs.

Applicable District, state and federal laws, rules and regulations.

Principles and practices of effective public relations.

Current developments, literature and sources of information regarding air quality management activities.

Skill in:

Planning, organizing, coordinating and directing assigned programs and activities.

Selecting, motivating and evaluating staff and providing for their training and professional development.

Developing and implementing goals, objectives, policies, procedures, work standards and internal controls.

Analyzing complex technical and administrative problems, evaluating alternative solutions and adopting effective courses of action.

Interpreting, explaining and applying District rules and regulations and state and federal laws.

Representing the District effectively in contacts with the public, industry and other agencies.

Establishing and maintaining effective working relationships with those contacted in the course of the work.

Preparing clear and concise reports, correspondence and other written materials.

Exercising sound independent judgment within policy guidelines.

OTHER REQUIREMENTS:

Other Requirements:

Must possess a valid California's driver's license.

ATTACHMENT 6 Reclassification (add/delete) of positions COST IMPACT

Meteorology & Measurement:

Old Position Title	New Position Title	Cost impact
Supervising Air Quality Specialist	Principal Air Quality Specialist	No impact same salary grade
Admin Assistant	Assistant Staff Specialist	\$56,476.26
Senior Air Quality Specialist	Air Quality Specialist I/II	-\$34,160.86
Assistant Air Quality Specialist I/II	Senior Air Quality Specialist	\$48,898.03
(4) Assistant Air Quality Specialist II	(4) Air Quality Specialist I	\$14,103 each \$56,414 total

Total \$127,627.43

Engineering

Old Position Title	New Position Title	Cost impact
Senior Air Quality Engineer	Air Quality Specialist I/II	-\$26,360

Total: -\$26,350

Compliance & Enforcement

Old Position Title	New Position Title	Cost impact
(5) Senior Air Quality Specialist	(5) Air Quality Specialist I/II	-\$34,160.86 each -\$170,804.30 Total
Radio/Telephone Operator Supervisor	Supervising Air Quality Specialist	\$74,884.27

Total: -\$95,920.03

Strategic Incentives

Old Position Title	New Position Title	Cost impact
Staff Specialist I/II	Assistant Staff Specialist I/II	-\$30,985

Total: -\$30,985

Technology Information Operation

Old Position Title	New Position Title	Cost impact
Staff Specialist I/II	Senior Staff Specialist	\$17,913.13

Total: \$17,913.13

Executive

Old Position Title	New Position Title	Cost impact
DEO (Policy & Community)	DEO Equity and Community	No impact same salary grade
DEO (Administration)	DEO Administration (at will)	No impact same salary grade
DEO (Operations)	DEO Engineering and Compliance (at will)	No impact same salary grade
DAPCO	DEO Science and Policy (at will)	\$46,455.39
DAPCO	DEO Public Affairs (at will)	\$46,455.39
DAPCO	Chief Technology Officer	No impact same salary grade
DAPCO (CFO)	Ombuds Officer	-\$65,435.79
Board Operations Officer	Board Operations Officer	No impact same salary grade

Total: \$27,474.99

Old Position Title	New Position Title	Cost impact
(2) Staff Specialist II	(2) Accountant II	No impact same salary grade

Admin Services:

Old Position Title	New Position Title	Cost impact
Sr. Advanced Projects Adviser	Manager	No impact same salary grade

Department	Total
Meteorology & Measurement	\$127,627
Compliance & Enforcement	-\$95,920.03
Engineering	-\$26,360
Strategic Incentives	-\$30,985
Technology Implementation Office	\$17,913
Finance	-
Administrative Services	-
Executive	\$27,475
TOTAL	\$20,267

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: Proposed Amendments to Air District Regulation 3: Fees

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Staff develops recommended amendments to the Air District's fee regulation as part of the budget preparation process. On December 7, 2022, the Board of Directors adopted an updated Cost Recovery and Containment Policy for fee-based activity that established a goal of increasing fee revenue sufficient to achieve 100 percent recovery of regulatory program costs. Progress towards this target is reported to the Board annually by staff and is periodically reviewed by outside consultants.

DISCUSSION

Consistent with the Cost Recovery and Containment Policy, draft amendments to specific fee schedules were made in consideration of the 2021 Cost Recovery and Containment Study, the 2022 Cost Recovery Report and Board direction. This work, conducted at the fee schedule-level, recommends:

- Schedule M and schedules with a cost recovery rate of at least 100 percent but less than 110 percent be increased by the Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) for the most recent year, which is 6.3 percent.
- Schedules with a cost recovery rate less than 100 percent be increased by 15%.

Schedule	Description	Proposed Increase
Schedule A	Hearing Board Fees	15% increase
Schedule B	Combustion of Fuels	15% increase
Schedule E	Solvent Evaporating Sources	15% increase
Schedule F	Miscellaneous Sources	15% increase
Schedule G1	Miscellaneous Sources	15% increase
Schedule G2	Miscellaneous Sources	15% increase
Schedule G3	Miscellaneous Sources	15% increase
Schedule G4	Miscellaneous Sources	15% increase
Schedule G5	Miscellaneous Sources	15% increase
Schedule I	Dry Cleaners (not registered)	6.3% increase
Schedule H	Semiconductor and Related Operations	15% increase
Schedule K	Solid Waste Disposal Sites	15% increase
Schedule M	Major Stationary Source Fees	6.3% increase
Schedule N	Toxic Inventory Fees	6.3% increase
Schedule P	Major Facility Review Fees	6.3% increase
Schedule S	Naturally Occurring Asbestos (NOA) Operations	15% increase
Schedule T	Greenhouse Gas Fees	15% increase
Schedule V	Open Burning	15% increase
Schedule W	Petroleum Refining Emissions Tracking Fees	15% increase

Fees that are administrative in nature would be increased by the CPI-W.

In addition, the following key amendments are proposed:

- Clarify how the first toxic air contaminant source is defined for calculating the Risk Assessment Fee when more than one fee schedule is impacted.
- Add new fees for additional emission reduction credit transaction types in Section 3-311.
- Add a new fee for renewing an Authority to Construct.
- Add a new fee for evaluating petitions, plans, and reports with no current specified fee.
- Add metal shredding operations to Schedule G-2 and/or G-3 from Schedule F.
- Delete Schedule U - Indirect Source Review Fee.

Staff will provide the committee with additional details regarding the draft fee amendments, overall cost recovery and the proposed increases for the upcoming fiscal year. A summary of public comments received to date, including those received at a public workshop held on February 16, 2023, will be provided.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed fee amendments would increase fee schedule revenue in Fiscal Year Ending 2024 by an estimated \$5.3 million from fee schedule revenue that would otherwise result without the amendments.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Fred Tanaka
Reviewed by: Pamela J. Leong, and Veronica Eady

ATTACHMENTS:

None

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 5, 2023

Re: 2023 Financial Plan and Discussion on Proposed Budget for Fiscal Year Ending
(FYE) 2024

RECOMMENDED ACTION

The Committee will review and discuss the 2023 Financial Plan and the Proposed Budget for the Fiscal Year Ending (FYE) 2024 and provide, if necessary, direction to staff for further discussions at its May 3, 2023, committee meeting.

BACKGROUND

At the March 15, 2023, Board of Directors meeting, the FYE 2024 Proposed Budget document was referred to the Budget and Finance Committee for review at the Committee's April 5, 2023 meeting. In addition to the proposed budget, staff has also included the Air District's 2023 Financial Plan (the Plan). This year, the Plan accompanies the proposed budget and provides a summary of the current economic and financial outlook and the five-year financial forecast with key revenue and expenditure assumptions. The Plan also provides an overview of the Air District's financial policies and outstanding obligations.

DISCUSSION

Air District staff will present a summary of the 2023 Financial Plan and the Proposed Budget for FYE 2024 for discussion.

Air District staff will publish, prior to May 17, 2023, a notice to the general public that the first of two public hearings on the budget will be conducted on May 17, 2023, and that the second hearing will be conducted on June 7, 2023. Staff requests that the Finance and Administration Committee complete its review and take action on the Proposed Budget at the May 3, 2023, Finance and Administration Committee meeting. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing to be held on May 17, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2024 is a balanced budget.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Stephanie Osaze and Leonid Bak
Reviewed by: John Chiladakis

ATTACHMENTS:

1. BAAQMD 2023 Financial Plan
2. BAAQMD FYE 2023-24 Budget Book

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

2023 FINANCIAL PLAN

GENERAL FUND

FIVE YEAR FISCAL FORECAST: 2024-2028

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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INTRODUCTION

The Financial Plan (the Plan) serves as a *background* in the development of the Bay Area Air Quality Management District's (Air District's) annual budget.

The Plan *presents the current economic environment* and its short and long-term anticipated impacts to the Air District's fiscal condition. The Plan then *provides an overview of the financial outlook for the Air District and describes key assumptions* and policies. These inputs are used to develop a five-year financial forecast.

The five-year *forecast is not a budget, but rather, a framework projection* of the Air District's financial health based on key assumptions and factors. The forecast identifies future challenges and opportunities, allowing the Air District to be proactive in planning actions, as it develops and adopts a budget for the coming year.

Prudent management of fiscal resources enables adequate maintenance of service levels while achieving the Air District's priorities, goals and objectives.

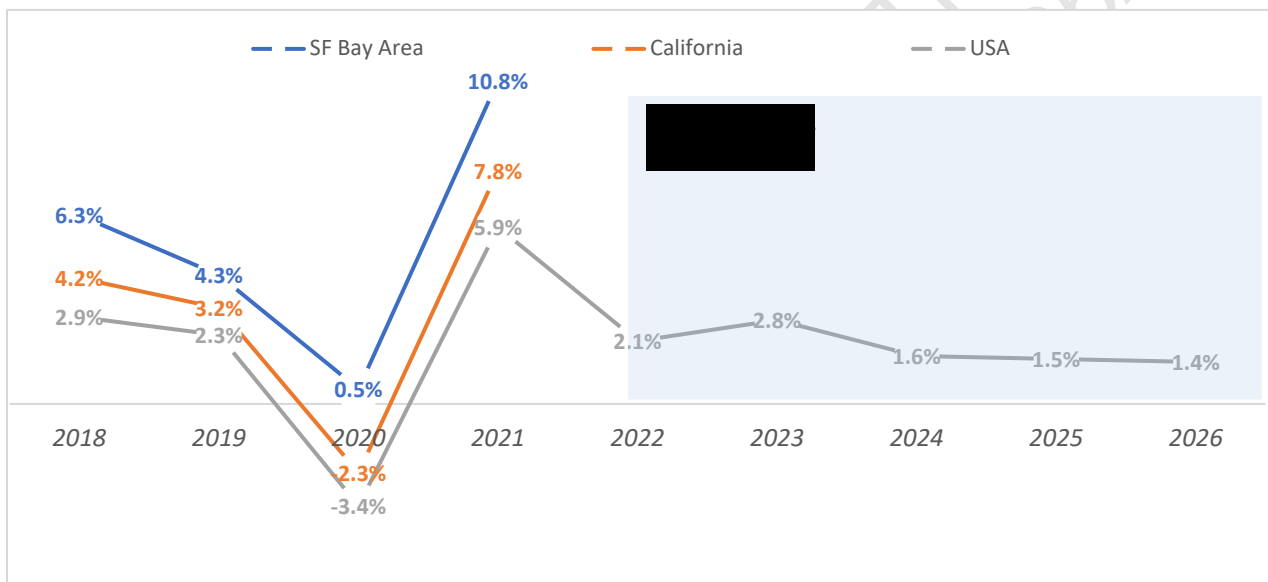
FINANCE AND ADMINISTRATIVE COMMITTEE MEETING OF 04/05/2023

SECTION I. ECONOMIC OUTLOOK

A. ECONOMIC OUTPUT (GDP)

Over the course of 2022, the US economy has shown resilience despite rapid interest rate increases by the US Federal Reserve. Overall, *US economy* has grown by 2.1 percent – real GDP (net of inflation), slowing down from the rapid 5.9 percent increase in 2021 (Figure 1). *California's economy* likely grew slower than the 7.8 percent rate recorded in 2021 – the final data on the performance of the California economy is not available, but early indicators show considerable slowdown. The *Bay Area's economy* also experienced a much slower growth in 2022.

Figure 1 Economic Output – Real GDP Change in US, California, Bay Area



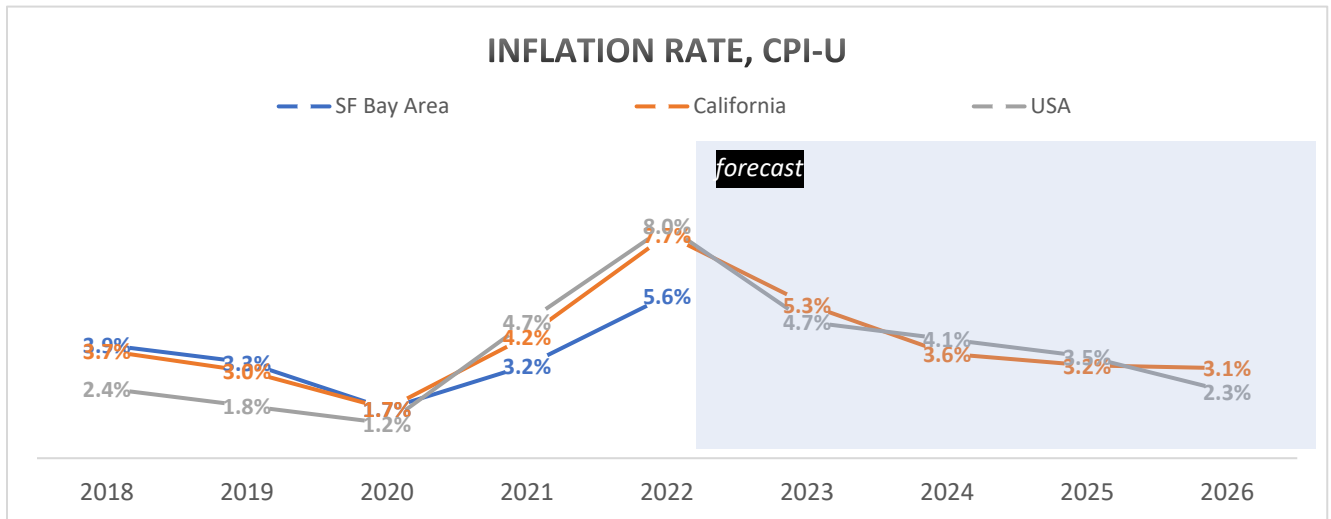
Source: US Bureau of Economic Analysis, California Department of Finance

Continued interest rate increases are expected to have a negative effect on the economy of the Bay Area because the Bay Area's economy is driven by the technology sector. Although there is a possibility of a mild recession in 2024, the expectation is that an economic recovery will follow in 2025-26.

B. INFLATION

Among all of the major economic indicators, none have been as significant in 2022 as inflation. Monthly inflation rate in the US reached 9.1 percent in June 2022, which is the highest rate in over 40 years. The high and very rapidly growing inflation rate prompted action from the US Federal Reserve, which started increasing interest rates in May 2022. During 2023, and especially in 2024, inflation rates in the US and California should get lower, closer to historical averages.

Figure 2 Inflation Rate, CPI-U, Average Annual Rates in US, California, Bay Area

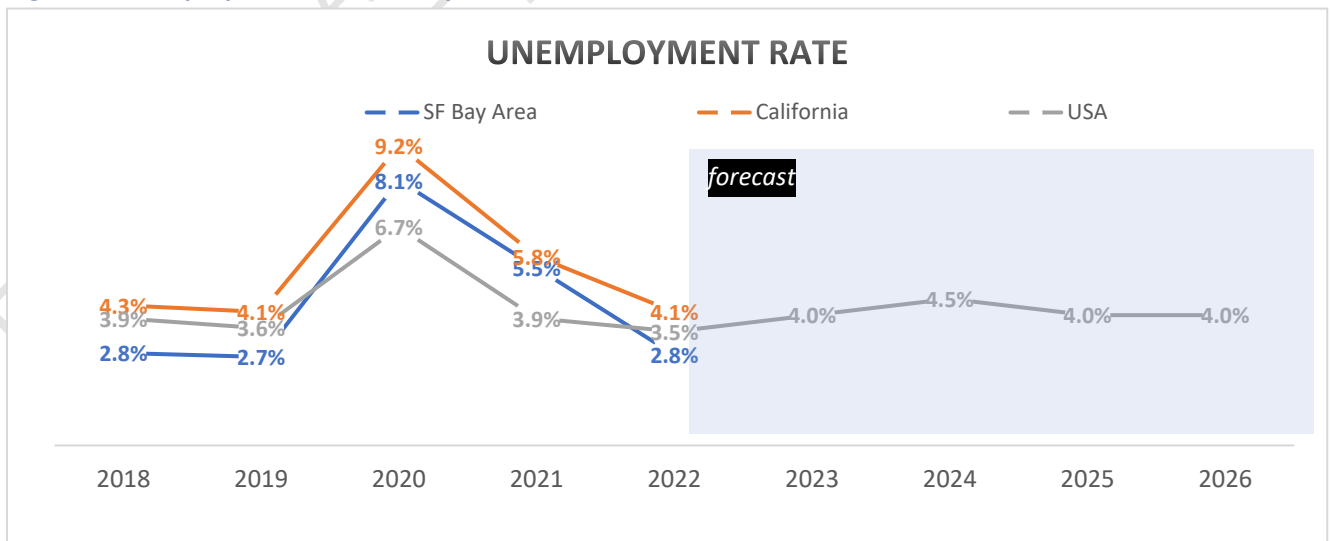


Source: US Bureau of Labor Statistics, California Department of Finance

C. LABOR MARKET

Both US and California have largely recovered jobs lost during the pandemic, reaching new historically low unemployment rates, see Figure 3. While the unemployment rate in the Bay Area is very low, declining to 2.8 percent in 2022, jobs recovery is still below the pre-pandemic level. In addition, many of the technology company layoffs will materialize over the course of 2023, adding pressure and increasing the unemployment rate in the Bay Area in 2023 and beyond.

Figure 3 Unemployment Rates in Bay Area, California, US

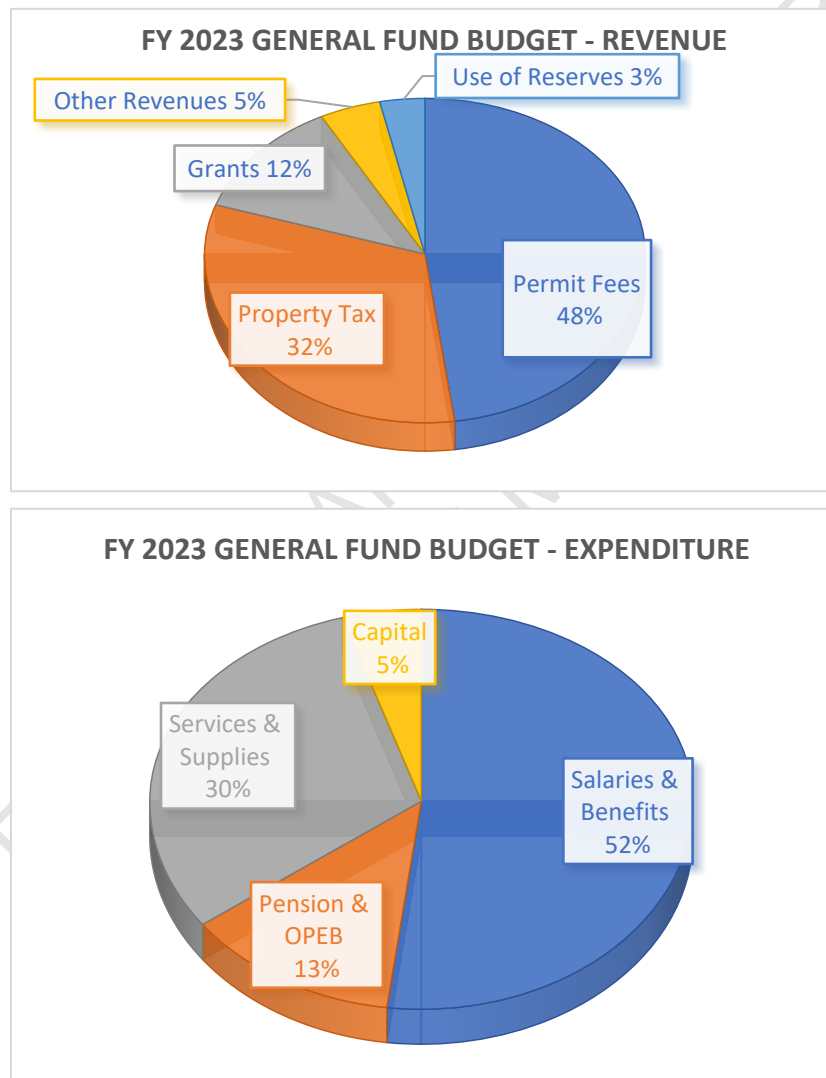


Source: US Bureau of Labor Statistics, California Employment Development Department

SECTION II. FINANCIAL OUTLOOK

The current financial outlook for the Air District is healthy. The Air District has been able to adopt balanced annual budgets over its recent history by being fiscally prudent, improving reserves, and by implementing sound financial policies. **Figure 4** provides a breakdown of the projected Revenues and Expenditures for the current fiscal year. The Fiscal Year 2023 General Fund Adopted Budget was \$132.0 million, which included a \$4.7 million transfer from reserves for continued capital improvements and to support James Cary Smith Grants. As a service-driven agency, salaries and benefits (including Pension and Medical) are the largest components of expenditure, representing about 65% of the total spending in the budget. The adopted Fiscal Year 2023 budget increased staffing level from 445 to 465 FTEs, an increase of 20 FTEs over the prior year.

Figure 4 FY2023 General Fund Budget Breakdown



Permit Fees and Property Tax account for 80% of the Air District’s *revenue* for the FY 2023 General Fund Budget.

Use of reserves supported both continued capital improvement needs of the Air District and some grant work.

Other revenue includes items such as income from penalties and settlements, interest income, and state subvention.

The two major *General Fund Expenditures* are Salaries/Benefits and Services/Supplies totaling 82% of the projected budget for 2023.

SECTION III. FINANCIAL FORECAST

The Air District prepares a Five-Year Financial Forecast for the General Fund to project its long-term financial health based on revenue and expenditure trends, policy decisions, assumptions and expectations. The Five-Year Forecast allows the Air District to assess the current environment and respond to changes.

Table 1 Five-Year General Fund Financial Forecast

Five Year General Fund Financial Forecast

	FYE 2024 Budget	FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected
REVENUE					
Property Tax	\$44,876,500	\$46,671,560	\$48,538,422	\$50,479,959	\$52,499,158
Permits/Fees	\$63,192,045	\$68,846,904	\$75,340,739	\$82,905,433	\$87,300,334
Grant Revenues	\$6,998,321	\$6,648,405	\$6,714,889	\$6,782,038	\$6,849,858
AB617 Funding	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Other Revenue	\$7,100,000	\$7,171,000	\$7,242,710	\$7,315,137	\$7,388,288
Transfer from Special Funds	\$1,302,772	\$1,328,827	\$1,355,404	\$1,382,512	\$1,410,162
TOTAL REVENUE	\$132,469,638	\$139,666,697	\$148,192,164	\$157,865,079	\$164,447,801
(Use of)/Transfer to Fund Balance	(\$5,274,900)	(\$608,925)	\$4,507,473	\$9,585,790	\$12,300,264
EXPENDITURES					
Personnel Expenditures	\$88,460,177	\$91,835,054	\$94,269,091	\$97,868,875	\$100,584,912
Services and Supplies	\$42,494,075	\$41,573,450	\$42,404,919	\$43,253,018	\$44,118,078
Capital Expenditures	\$6,789,377	\$6,863,342	\$7,000,609	\$7,140,621	\$7,283,434
TOTAL EXPENDITURE	\$137,744,538	\$140,271,847	\$143,674,619	\$148,262,514	\$151,986,424

Table 1 shows the projected forecast of revenues and expenditures for the next five years. Overall, projected expenditures exceed projected revenues for FYE 2024 and 2025. Starting in FYE 2026, the Air District is projected to have higher revenues than expenses.

However, critically, the current projection assumes spending on staffing fixed at 465 positions, which is likely the most impactful assumption, as personnel expenditures are the largest component of the Air District's budget. The confidence in the sustainability of this assumption over the five-year plan is in question, given the persistent backlogs and various changing program mandates. Moving forward, it will be important to evaluate the accuracy of this assumption as the Air District proceeds with its pending strategic planning initiative this year. A complete list of assumptions used in the forecast is shown in the next Section of this report.

KEY REVENUE ASSUMPTIONS

1. **Property Tax** is expected to grow at a slower rate given the current economic conditions, with high mortgage rates and shifts in the office environment at many of the area employers. The five-year forecast assumes continued growth of approximately 4% in property tax revenue for the Air District, which is a recent weighted average historical property tax growth rate for the Bay Area counties.
2. **Permit Fee** revenues will follow the Air District's Cost Recovery policy. In December 2022, the Executive Board of the Air District adopted a cost recovery policy, aimed at increasing the current level of cost recovery from about 85% at present to 100%. The average cost recovery level is expected to take several years to catch up to 100 % due to historically higher spending than revenue on fee-recoverable activities of the Air District.
3. **Grant Revenues** in the General Fund mainly consist of federal grants from the Environmental Protection Agency (EPA) and does not include grants in the Special Fund related to Carl Moyer, Good Movements, Clean Cars for All, and Transportation for Clean Air grants. These General Fund grant revenues are expected to remain stable through the forecast period. However, changes to this assumption may be possible.
4. **Assembly Bill 617** funding of \$9.0 million from the State is expected to continue for the next 5 years.
5. **Other Revenues** mainly account for penalties, state subvention, and interest income. These revenues are expected to remain stable.

KEY EXPENDITURE ASSUMPTIONS

1. **Personnel** costs do not assume any new staffing beyond the level identified in previous budget discussions. A 3% annual cost of living adjustment is also projected for the forecast period. The current projection assumes a 5% vacancy rate in FYE 2024-26, gradually decreasing to about 3% in 2027-28.
2. **Retirement Pension** costs are following the implementation of the Air District's policy to make discretionary payments to CalPERS to reduce the unfunded actuarial liability (UAL).
3. **Other Post-Employment Benefits (OPEB)** is at present fully funded. Additional discretionary payments previously authorized have now shifted to address unfunded pension liability, in line with the policy adopted by the Board of Director in December 2022.
4. **Services and Supplies** costs are projected to remain stable, assuming only an inflationary increase of approximately 2-3%.
5. **Capital Expenditures** are expected to remain level, with only an inflationary increase.
6. **General Fund Reserves** are used to fund one-time costs, and to cover temporary revenue shortfalls. Reserves are expected to stay above the minimum policy level ensuring continuation of the Air District's operations, should another economic downturn occur.

APPENDIX I: FINANCIAL POLICIES

Financial policies provide a shared understanding of how the Air District will develop its financial practices and manage its resources. These policies were established by prior Boards using best practices and industry standards to guide the Air District's decision-making process. Listed below are Board approved financial policies.

- 1. Reserve Policy.** 2016, the Air District amended its reserve policy, raising it from 15% to 20% of General Fund operating budget. The Air District's minimum reserve balance of 20% of the General Fund operating budget is intended to address financial emergencies, litigations and one-time non-recurring operating and capital needs.
- 2. Cost Recovery Policy.** In December 2022, the Air District's Board of Directors (the Board) approved a new cost recovery policy aimed at achieving 100% cost recovery on fee-recoverable activities. Reaching 100% cost recovery will take several years. Previous policy, adopted by the Board in 2012 was targeting 85% cost recovery. Before 2012, there was no formal cost recovery policy at the Air District. As a result, the Air District was recovering less than 50% of its spending on fee-recoverable activities.
- 3. OPEB and Pension Funding Policy.** In December 2022, the Board adopted a policy formalizing the Air District's current practice of prefunding its Other Post-Employment Benefit (OPEB) and Pension obligations setting a target funding level of 90%. The Air District invests discretionary contributions for OPEB through a 115 Trust with the California Employers Retirement Benefit Trust (CERBT) and for pension through a 115 Trust with California Employers Pension Prefunding Trust (CEPPT). To achieve the 90% target funding level, the Air District will continue to invest up to \$5 million in annual discretionary contributions that may be used to invest into the respective plan trust accounts based on the following criteria: invest up to \$4 million in discretionary contributions into the OPEB trust account and \$1 million in discretionary contribution into the pension trust account. If either plan reaches the 90% funding target, the excess discretionary contributions may be transferred to the other trust. On an annual basis, the Air District will determine the amount of discretionary contributions to invest into pursuant the policy.

APPENDIX II: OUTSTANDING LIABILITIES

The Air District currently provides a retirement pension benefit plan through the California Public Employee Retirement Systems (CalPERS), and contracts with California Employers' Retiree Benefit Trust (CERBT) to prefund its OPEB obligations and with the California Employers' Pension Prefunding Trust (CEPPT) to prefund its pensions obligations.

PENSION RETIREMENT BENEFITS

The Air District provides a defined benefit pension plan to eligible retirees and employees through the California Pension Employee Retirement System (CalPERS). There are two separate retirement formulas provided to employees:

1. Classic Employees. For its Classic employees, the Air District has a "2.5% at 55" plan; under which employees retiring at age 55 will receive 2.5% of their single highest year of "regular" pay for each year of service. Classic employees are those hired by a local agency before January 1, 2013 or were hired from another CalPERS agency with a break in service of six months or less.
2. PEPRA Employees. Effective January 1, 2013, the Public Employees' Pension Reform Act (PEPRA) created a new retirement tier benefit formula to reduce costs and liabilities for state and local agency members in the CalPERS system. Employees hired after January 1, 2013 and retiring at age 62 will receive 2.0% of the average of their three highest years of regular pay for each year of service.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to pension, the Air District provides continuation of medical, dental, vision, and life insurance coverage to its retired employees. These benefits vary based on retirees' date of hire, years of PERS service, and coverage level selected. Most recent actuarial report (June 2022) indicates that the Air District's OPEB obligations are fully funded, at 103%.

CERTIFICATION OF PARTICIPATION NOTES (COPS)

In 2013, the Air District issued \$30M in COPs to finance its new headquarters at 375 Beale Street in partnership with Metropolitan Transportation Commission (MTC) through a private purchase with Bay Area Headquarters Authority (BAHA). In May 2017, the Air District closed escrow and acquired approximately 75,000 square feet of office space. As a part of this acquisition, the Air District prepaid \$10.7M towards the purchase, leaving the remaining balance to be paid annually.



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

PROPOSED BUDGET
FOR
FISCAL YEAR ENDING 2024

April 5, 2023

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING (CA/QA/05/2023)

Bay Area Air Quality Management District

For Fiscal Year Ending June 30, 2024

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Bay Area Air Quality Management District

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Bay Area Air Quality Management District

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Bay Area Air Quality Management District

For Fiscal Year Ending June 30, 2024

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

BUDGET MESSAGE

Philip M. Fine, Executive Officer/APCO

EXECUTIVE SUMMARY

This document presents the proposed budget for the Bay Area Air Quality Management District (Air District) for Fiscal Year 2023 - 2024 (FY 2024). 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 creating a healthy breathing environment for every Bay Area resident, engaging and protecting overburdened communities, and improving public health, air quality, and the global climate.

The proposed budget for FY 2024 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 (AB 617)

The Air District will expand the AB 617 program by partnering with the Bayview Hunters Point community organizations, Marie Harrison Community Foundation and Bayview Hunters Point Community Advocates, in San Francisco to launch a new community Steering Committee and co-develop a community emissions reduction plan. The Air District will also finalize, adopt, and begin to implement a community emissions reduction plan with the Richmond-North Richmond-San Pablo Steering Committee; continue implementation of the West Oakland Community Action Plan in partnership with West Oakland Environmental Indicators Project and the Steering Committee; continue to co-develop the East Oakland Community Emissions Reduction Plan in partnership with Communities for a Better Environment; and continue to engage and provide support to other AB 617 communities. 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, including identifying impacted communities, engaging communities to co-develop action plans to analyze and reduce localized cumulative exposure to air pollution to improve health in the most disproportionately impacted communities. AB 617 implementation activities cut across all divisions and represent a major priority for the agency in FY 2024.

Environmental Justice Policy

The Air District will deepen the Agency's progress towards Environmental Justice goals. To operationalize these goals, the Deputy Executive Officer of Equity and Community Programs and the Environmental Justice & Community Engagement Officer will spearhead an Environmental Justice Policy in consultation with the Community Advisory Council to bring to the Board of Directors. The policy will jumpstart efforts between the Community Engagement Office and other divisions/ programs and create a plan by which every division develops environmental justice strategies that support more transparency and accountability, support communities to speak for themselves, support community-led and decision-making, build partnerships with environmental justice communities, and provide environmental justice training for staff and participatory budgeting and funding, among other equity-driven objectives. The elements of the Environmental Justice Policy will be integrated into the Air District's 5-year Strategic Plan

Agency Wide Strategic Planning

The Air District will be undertaking a comprehensive strategic planning effort this budget year aimed at guiding district priorities, improving effectiveness, and strengthening community engagement given limited resources. The Strategic Plan will be a five-year actionable plan used by staff and the Board together to

prioritize work taking into account current staffing and anticipated financial trends. The Strategic Plan is anticipated to guide the development of the Air District budgets and financial plans beginning in FY 2024. An ad hoc committee of the Board will guide the Development of the Strategic Plan.

Modernize the Administrative Code to Implement Best Governmental Practices

The Air District's current Administrative Code has not been comprehensively reviewed in many years, with some provisions dating back as far as the 1990s. This has led to many Administrative Code provisions being out of alignment with the Air District's current practices and with best practices for government agency management. To address this, the Air District is planning to engage a legal firm with experience developing government agency administrative procedures to overhaul and modernize the Administrative Code and put it on a sound footing to support the Air District's work.

Community Focused Policy Agenda

The policy agenda for FY 2024 is driven by the need to reduce disproportionate impacts of air pollution in low-income communities and communities of color. For example, in FY2023, the Board approved amendments regulation 9 Rule 4 and Rule 6 which phase out emissions of NOx from sources that disproportionately impact these communities. The Air District is currently focusing on an enhanced incident response program to protect impacted communities. FY2024 will continue this work to embed and prioritize environmental justice and community-focused considerations into the Air District's policy agenda.

James Cary Smith Community Grant Program

The Air District's community grant program seeks to uplift local efforts that address air quality disparities in environmental justice communities in the Bay Area. For the 2023 grant cycle, the program will support 24 local organizations in assessing community needs, mobilizing the community to action, leveraging community power, and authentically engaging community in air pollution reduction efforts and policy decisions.

Diversity, Equity, and Inclusion

The Air District's Office of Diversity, Equity & Inclusion (Office) is responsible for ensuring an equity lens is applied to all programs, policies, practices, and procedures across the agency. Examples of specific Office responsibilities include providing staff equity related trainings, creating and executing cultural awareness events and activities, guiding employee resource groups, developing and implementing equitable recruitment and retention strategies, and working on projects and initiatives as related to language access, procurement, contracting, grants, community engagement, communications, rule development, planning, climate and protection, and technology implementation, whereby ensuring equity is included in decision making, where applicable. In addition, the Office specifically supports the Community Equity, Health, and Justice Committee and the Community Advisory Council. The Office will continue to ensure the contributions of all employees and community members are valued and respected with a goal to achieve equitable outcomes.

Facility Risk Reductions

The Air District will continue to prioritize implementation of Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities (Rule 11-18). Under this rule, staff is updating toxic emission inventories and conducting health risk assessments (HRAs) for facilities that have a high potential for elevated health risks. Sites with elevated health risks will be required to implement risk reduction measures for stationary sources with significant impacts. The Air District is prioritizing HRAs for facilities impacting AB 617 communities and is taking steps to expedite the implementation of risk reductions for facilities of highest concern.

Spare the Air Program

The Air District's Spare the Air program alerts residents when air quality is forecast to be unhealthy and calls on the public to make clean air choices to reduce air pollution. The Spare the Air program is known region wide and is a trusted source of air quality information in the Bay Area. Spare the Air Alerts are issued when ozone or fine particle pollution is forecast to reach unhealthy levels. Bay Area residents are encouraged to reduce their driving, take public transit, and limit their outdoor activities during the afternoon hours. On days when a Spare the Air Alert is in effect due to high levels of fine particle pollution, it is illegal to burn wood, fire logs, pellets, or other solid fuels in fireplaces, wood stoves, outdoor fire pits, and other wood-burning devices.

Climate Tech Finance Loan Program

The Air District's first loan and loan guarantee program supports the development and adoption of climate technologies for small businesses in California. In FY 2024, the Air District will continue to leverage partnerships with the California Infrastructure and Economic Development Bank (IBank) 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 FY 2024, 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.

Other Grants to Incentivize Surplus Emissions Reductions

The Air District administers several funding sources that are used to accelerate voluntary emissions reductions by incentivizing the replacement of older dirtier equipment that primarily targets mobile sources. In FY 2024, the Air District will be awarding approximately \$105 million to owners of eligible projects to scrap and replace trucks, buses, and off-road equipment including marine vessels, locomotives, cargo-handling equipment, agricultural, and construction equipment, with newer and cleaner alternatives, including zero-and near-zero emissions technologies. Funding from these sources is also used to incentivize the installation of alternative fuel charging infrastructure and to support the Air District's Vehicle Buy-Back Program that pays Bay Area residents to turn in their 1998 and older cars and light-duty trucks for early-retirement. As funding allows, other types of eligible programs may also be implemented.

Funding is prioritized for projects that provide benefits to the region's most disproportionately impacted communities and that result in permanent reductions in emissions reductions through the adoption of zero-and new-zero emissions technologies.

Funding may be awarded to both public and private businesses through a combination of the following funding sources: Carl Moyer Program, Community Air Protection – Incentive Program, Transportation Fund for Clean Air Regional Fund, Mobile Source Incentive Fund, Funding Agricultural Replacement Measures for Emission Reductions (FARMER), Environmental Protection Agency Targeted Airshed Program (EPA TAG), settlement funds, Air District General Funds, and monies that are received from the Bay Area Clean Air Foundation.

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. There is no sunset date for this funding. These funds accrue monthly, and the Air District allocates 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. Eligible projects and programs include the replacement of on-road passenger vehicles, trucks, and buses with zero-emissions, and implementation of single-occupancy vehicle trip reduction strategies, such as the creation of new bicycle paths and lanes and the installation of secure bike parking (i.e., lockers and racks).

Up to 60% of TFCA funds received are awarded directly by the Air District to a program referred to as the TFCA Regional Fund and to eligible District sponsored 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 locally through the designated transportation agency through the County Program Manager Fund. Funding for administrative costs is provided by this funding source and revenue is separate from the General Fund budget for accounting purposes.

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 by an additional \$2 per vehicle. The revenue from the additional surcharge accrues monthly and is deposited in the Air District's Mobile Source Incentive Fund (MSIF). The Health & Safety Code stipulates that air districts may use these monies for projects that are eligible under the Carl Moyer Program Guidelines, including the scrap and replacement of eligible on-road, off-road, marine, locomotive, infrastructure, and light duty early retirement projects (Vehicle Buy-Back Program). Funding for administrative costs is provided by this funding source and the sunset date for this fund was extended (by the State legislature in 2022) through December 31, 2033. 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 charging and refueling infrastructure that supports zero-emissions vehicles. The Carl Moyer Program includes funding from the regular Moyer program and a companion program referred to as the Carl Moyer State Reserve Program. Funding for administrative costs is provided by this funding source and the sunset date for this fund was extended (by the State legislature in 2022) through December 31, 2033. 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 Air District is currently administering the final round of CGMB funding, totaling approximately \$20 million. Revenue from this funding source is separate from the General Fund budget for accounting purposes.

Community Air Protection (CAP) – CAP Incentive Program (AB 617)

In 2017, AB 617 directed the California Air Resources Board, in conjunction with local air districts, to establish the Community Air Protection Program (CAP). To date, the Air District has been awarded five cycles of CAP incentive funding totaling over \$190 million. Revenue primarily comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air

contaminants, and greenhouse gases, and more recently a small portion of the annual funding allocation has come for the State's General Fund. This funding is designed to primarily target hyperlocal reductions in emissions from and exposure to diesel particulate and toxic air contaminants.

These funds may be used to fund projects that are eligible under the Carl Moyer Program Guidelines and on-road truck replacement projects following the Goods Movement Bond Program Guidelines. Staff has also begun working with the California Air Resources Board to explore opportunities for expanding 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. Revenue from this funding source is separate from the General Fund budget for accounting purposes.

Volkswagen Environmental Mitigation Trust (VW Trust)

The VW Trust was established after 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 selected by the California Air Resources Board to administer VW Trust funding on a statewide-basis for the zero-emission freight and marine category totaling \$70 million and the light-duty zero emission vehicle infrastructure category totaling \$10 million. To date, all \$10 million from the light-duty zero emission vehicle infrastructure category and approximately \$13.5 million from the zero-emission freight and marine category has been awarded to eligible projects. The remaining VW Trust funds will be awarded and managed by the Air District throughout the contract term, ending in 2028. Revenue from this funding source is separate from the General Fund budget for accounting purposes.

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 used in agricultural operations, such as harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment. Since the program's inception in 2018, the State has allocated approximately \$2.2 million annually to the Bay Area Air District for its participation in the FARMER program. Revenue from this funding source is separate from the General Fund budget for accounting purposes.

Clean Cars for All Program (CCFA)

The Air District has participated in the Clean Cars for All Program since 2018. The program is a partnership between the California Air Resources Board and local air districts that provides incentives for low-income households to retire older, high-polluting vehicles and replace them with a newer, cleaner vehicle or with mobility options. The CCFA 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. State funding for this program has come from the California Climate Investments (CCI) initiative that puts Cap-and-Trade dollars to work reducing greenhouse gas emissions, the Volkswagen settlement fund, and the Air Quality Improvement Program.

Environmental Protection Agency -- Targeted Airshed Grant (TAG)

In 2021, the EPA awarded the Bay Area Air District \$2.2 million in TAG funding to expedite reductions emissions of particulate matter through projects that will replace approximately 300 wood-burning stoves and wood inserts with electric heat pumps. This new program, which is scheduled to launch in 2023, will prioritize emissions reductions in the Bay Area's most disproportionately impacted communities. Funding is matched by the Air District's General Fund and EPA revenue is maintained separate from the General Fund budget for accounting purposes.

FINANCIAL SUMMARY

The Proposed Consolidated Budget Expenditure for FY 2024 is \$266.8 million; an increase of \$19.8, or 8% over the current year. Of the \$266.8 million, \$129 million is classified as Special Revenue Funds for various grant related incentive programs and \$137.8 million for General Fund programs.

General Fund Summary

Total FY 2024 Proposed General Fund Budget is expected to increase by \$5.6 million or 4.2% over the current year. The following actions were taken to develop the FY 2024 Proposed Budget:

- Continuation of fee increases to the District's Existing Fee Schedules pursuant to the cost recovery policy.
- Funding 465 Full Time Equivalent (FTE) current authorized positions; approximately 425 are funded from the General Fund and remaining 40 from the Special Revenue Fund using various grant sources. No new positions being requested.
- Assumes an average 6.9% vacancy savings to account for recruitment timeline to fill vacant positions and attrition due to retirements.
- \$5 million towards pre-funding pension and other post-employment benefits liabilities pursuant to the funding policy approved by the Board in December 2022.
- An estimated 3.5% cost of living increase for air district employees
- \$5.3 million transfer from the General Fund's undesignated reserves for capital project/equipment and one-time contracts.

The proposed budget includes an economic contingency reserve policy of 20% of the operating budget. This policy allows for a sound financial footing and provides the Air 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 General Fund reserves including proposed designations.

GENERAL FUND REVENUES AND EXPENDITURES

Details of the FY 2024 General Fund Revenues and Expenditures by major categories are displayed in Appendix D, Figure I and Figure 2, including 3 years of prior year actuals and the approved budget for FY 2023.

Fee Revenue

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 2022. An independent review of the Air District's cost recovery and containment process was completed in April 2022. This study addressed options for 100% cost recovery target and identified options for shortening this timeline. The proposed fee increases are consistent with the new cost recovery policy adopted by the Board in December 2022. Although the proposed fee increases are included in this budget, total projected fee revenue remains approximately constant at \$63.2 million primarily due to decreases in emissions-based permitting fees. If proposed fee increases are approved, the proposed fee schedule will become effective on July 1, 2023.

County Revenue

The County revenue budget is based on property values in the nine Bay Area counties. The FY 2024 Proposed Budget projects a \$2.7 million or 6.3% increase in property tax receipts over the FY 2023 Approved Budget primarily due to Bay Area's annual growth in assessed values attributed to multiple factors such as the annual statutory increases limited to 2 percent, changes in ownership and new constructions.

Other Sources of General Fund Revenue

Federal grants from the Environmental Protection Agency (EPA) and other state/federal agencies are estimated to decrease by \$1.3 million or 10.4% below the current year budget. We anticipate continued funding from the State of \$9.0 million for AB 617 implementation efforts. This funding source is not guaranteed and may be in jeopardy for future years. The State Subvention grant for FY 2024 is budgeted at \$1.7 million based on actual collections in prior years. Penalties and Settlements fluctuate from time to time; and the FY 2024 projection is \$3.0 million. Transfer from various grant sources of \$1.3 million will support indirect costs and other eligible activities supporting these grant programs.

Services and Supplies Expenditures

The FY 2024 General Fund proposed services and supplies Budget (net personnel & capital) of \$41 million increased by \$2.8 million over the FY 2023 Approved Budget primarily due to necessary increase in one-time contract services to improve administrative policies and procedures of the Air District. A summary of the General Fund Expenditures by Division from FY 2022 (actual expenditures) through FY 2024 (projected expenditures) is displayed in Table XI. In addition, the General Fund Expenditures by major categories from FY 2020 (actuals) through FY 2024 (projected expenditures) are displayed in Appendix E, Figure 2.

Personnel Expenditures

The authorized staffing level remains at 465 FTE for the FYE 2024 proposed budget. No new positions are being proposed in the budget. The proposed budget also assumes a 6.9% vacancy savings of \$7.2 million to account for recruitment timeline to fill vacant positions and attrition due to retirements. The 6.9% vacancy saving is consistent with the Air District's historical actual vacancy rate. Appendix G provides details of all positions.

Capital Expenditures

The Proposed Budget for FY 2024 funds capital expenditures of \$6.8 million. The capital budget is distributed across various General Fund programs. The capital budget consists of capital and network equipment for the Air District's billing system, monitoring equipment, and Richmond facility improvements. 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 projections. 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 Air 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 slowdown.

The Air District's annual obligation, premiums in employee health benefits, pension costs and Other Post-Employment Benefits (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, 2022, actuarial valuation study for OPEB, the Air District's plan is approximately 103% funded: having no outstanding unfunded liabilities. The actuarial valuation is performed every 2 years and the plan's funded level is subject to change based on various actuarial assumptions. In December 2022, the Board adopted a minimum OPEB funding target policy of 90%, requiring no additional contribution for the FY 2024 fiscal year.

The Air District's pension obligation has been growing over the past several years, except for FY 2021; where California Public Employers' Retirement System (CalPERS) investment returns were 21.3%. The Air District anticipates the pension obligation will increase as CalPERS experiences negative investment returns in FY 2022 of -6.1% and possibly similar results for FY 2023 from current economic conditions. As a result, CalPERS anticipates increased employer rates over the next few years. Based on the June 30, 2021, CalPERS actuarial valuation study, the Air District is funded at approximately 82%, leaving an unfunded liability of 18% or approximately \$68.0 million.

In May 2022, the Board authorized the Air District to participate in the California Employers' Pension Prefunding Trust (CEPPT) Program administered by the CalPERS to pre-fund pension obligations. In December 2022, the Board approved a total of \$10 Million to be invested into the CEPPT program to be sent to the trust in two tranches; \$5 million from the designated pension funds in the General Fund reserves to be sent in following approval and another \$5 million at the end of the FY 2023 fiscal year. All funds placed into the irrevocable trust fund can only be used to pay for retirement obligation. In December 2022, the Board adopted a minimum Pension funding target policy of 90%, requiring continuation of \$5.0 million in discretionary contributions to the trust for the FY 2024 fiscal year.

FINANCE AND ADMINISTRATIVE COMMITTEE MEETING OF 04/05/2023

District-Wide Revenue and Expenditure Budgets

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

TABLE I: Consolidated Expenditures and Revenues by Major Categories

	ACTUALS FYE 2022			APPROVED BUDGET FYE 2023			PROPOSED BUDGET FYE 2024		
	GENERAL FUND	SPECIAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	SPECIAL FUNDS	TOTAL FUNDS	GENERAL FUND	SPECIAL FUNDS	TOTAL FUNDS
REVENUES									
County Revenues	41,502,971		41,502,971	42,197,180		42,197,180	44,876,500		44,876,500
Permits / Fees	57,138,039		57,138,039	63,259,929		63,259,929	63,192,045		63,192,045
Grant Revenues	11,360,892	55,145,018	66,505,910	12,189,755	114,766,988	126,956,743	13,459,045	129,037,057	142,496,102
Other Revenues	8,448,791		8,448,791	6,273,876		6,273,876	7,100,000		7,100,000
Revenues Before Reimb & Tsfr	118,450,693	55,145,018	173,595,711	123,920,740	114,766,988	238,687,728	128,627,590	129,037,057	257,664,647
Reimbursements Programs	2,231,369		2,231,369	2,516,418		2,516,418	2,539,276		2,539,276
Transfer In	934,033		934,033	1,066,545		1,066,545	1,302,772		1,302,772
Transfer from / (to) Reserves	(12,665,036)		(12,665,036)	4,670,000		4,670,000	5,274,900		5,274,900
Total REVENUES	108,951,059	55,145,018	164,096,077	132,173,703	114,766,988	246,940,691	137,744,538	129,037,057	266,781,595
EXPENDITURES									
Personnel & Benefits	77,771,705	6,185,953	83,957,658	86,419,733	7,987,249	94,406,982	88,460,177	8,146,194	96,606,371
Services & Supplies	25,990,305	3,984,731	29,975,036	38,191,792	10,720,089	48,911,881	41,006,096	10,814,978	51,821,074
Capital Expenditures	3,367,282		3,367,282	6,562,177		6,562,177	6,789,376		6,789,376
Other Financing Uses	400,000		400,000						
Expenditures Before Dist & Tsfr	107,529,292	10,170,684	117,699,976	131,173,702	18,707,338	149,881,040	136,255,649	18,961,172	155,216,821
Program Distributions	1,421,767	44,040,300	45,462,067	1,000,000	94,993,105	95,993,105	1,300,000	108,962,000	110,262,000
Transfer Out		934,034	934,034		1,066,545	1,066,545	188,889	1,113,885	1,302,774
Total EXPENDITURES	108,951,059	55,145,018	164,096,077	132,173,702	114,766,988	246,940,690	137,744,538	129,037,057	266,781,595

TABLE II: Consolidated Revenues

	Approved Program Budget		Proposed Program Budget	FTE/Dollar	Percent
	Program Actuals	Budget		Change	Change
	2022	2023	2024	\$	%
County Revenues					
Alameda	7,579,745	7,452,947	8,099,800	646,853	8.7%
Contra Costa	4,526,457	4,693,206	4,985,700	292,494	6.2%
Marin	1,832,245	1,845,270	1,992,900	147,630	8.0%
Napa	1,303,205	1,306,277	1,397,700	91,423	7.0%
San Francisco	6,412,802	6,775,407	7,046,400	270,993	4.0%
San Mateo	5,651,662	5,730,760	6,053,300	322,540	5.6%
Santa Clara	11,431,986	11,624,285	12,263,600	639,315	5.5%
Solano	951,500	1,009,361	1,088,300	78,939	7.8%
Sonoma	1,813,369	1,759,667	1,948,800	189,133	10.7%
Total County Revenues	41,502,971	42,197,180	44,876,500	2,679,320	6.3%
Permits / Fees					
Permit Renewal & Application Fees	38,269,455	43,531,573	44,068,250	536,677	1.2%
Community Health Impact	1,241,041	1,108,600	1,093,388	(15,212)	(1.4)%
Criteria Pollutant and Toxics Emissions	1,288,653	1,219,460	1,527,575	308,115	25.3%
Title V Fees	7,239,898	8,065,278	6,997,590	(1,067,688)	(13.2)%
Asbestos Fees	4,318,637	4,000,000	4,000,000		
Toxics Inventory Fees	1,512,441	1,659,680	1,421,513	(238,167)	(14.4)%
Registration Fees	220,247	318,870	300,570	(18,300)	(5.7)%
Hearing Board Fees	353	25,000	25,000		
Greenhouse Gas Fees	3,047,314	3,331,468	3,758,159	426,691	12.8%
Total Permit Fees	57,138,039	63,259,929	63,192,045	(67,884)	(0.1)%
Grant Revenues					
Federal Grant	2,594,273	3,189,755	4,459,045	1,269,290	39.8%
Other Grants	8,766,619	9,000,000	9,000,000		
Total Grant Revenue	11,360,892	12,189,755	13,459,045	1,269,290	10.4%
Other Revenues					
Penalties & Settlements	4,828,032	2,750,000	3,000,000	250,000	9.1%
State Subvention	1,747,288	1,748,876	1,750,000	1,124	0.1%
PERP (Portable Equip Prog)	734,466	475,000	700,000	225,000	47.4%
Interest Income	838,360	1,000,000	1,350,000	350,000	35.0%
Miscellaneous Income	300,645	300,000	300,000		
Total Other Revenues	8,448,791	6,273,876	7,100,000	826,124	13.2%
Reimbursement Programs					
CMAQ Funding	977,853	1,000,000	1,000,000		
DHS Biowatch Funding	1,253,516	1,516,418	1,539,276	22,858	1.5%
Total Reimbursement Programs	2,231,369	2,516,418	2,539,276	22,858	0.9%
Transfer from / (to) Reserves	(12,665,036)	4,670,000	5,274,900	604,900	13.0%
Transfer In	934,033	1,066,545	1,302,772	236,227	22.1%
Total General Fund Revenues	108,951,059	132,173,703	137,744,538	5,570,835	4.2%
Special Revenue Funds					
Grant Programs					
Carl Moyer Fund	20,341,785	55,058,440	38,612,576	(16,445,864)	(29.9)%
Mobile Source Incentive Fund (MSIF)	3,116,034	12,350,000	11,052,723	(1,297,277)	(10.5)%
Transportation Fund for Clean Air (TFCA)	21,010,081	20,400,000	29,241,640	8,841,640	43.3%
Clean Cars for All (CCFA)	8,428,715	7,190,000	33,135,752	25,945,752	360.9%
California Goods Movement Bond (CGMB)	342,978	5,100,000	2,186,517	(2,913,483)	(57.1)%
Vehicle Mitigation (VM)	1,650,528	13,668,548	13,863,377	194,829	1.4%
Other Grants Revenues	254,897	1,000,000	944,472	(55,528)	(5.6)%
Total Special Revenue Funds	55,145,018	114,766,988	129,037,057	14,270,069	12.4%
Total Revenues District Wide	164,096,077	246,940,691	266,781,595	19,840,904	8.0%

TABLE III: Consolidated Expenditures

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	388.00	465.00	465.00		
Personnel Expenditures					
Permanent Salaries	54,445,750	64,780,041	67,705,383	2,925,342	4.5%
Overtime Salaries	392,370	370,830	391,865	21,035	5.7%
Temporary Salaries	448,858	273,006	607,243	334,237	122.4%
Payroll Taxes	1,092,517	930,175	969,831	39,656	4.3%
Pension Benefits	11,786,249	13,744,838	13,795,119	50,281	0.4%
FICA Replacement Benefits	794,100	901,513	948,930	47,417	5.3%
Group Insurance Benefits	10,088,663	12,539,198	12,633,390	94,192	0.8%
Employee Transportation Subsidy	460,970	685,237	666,751	(18,486)	(2.7)%
Workers' Compensation	335,555	230,000	230,000		
Discretionary Contribution (Pension/OPEB)	3,999,996	5,000,000	5,000,000		
Board Stipends	112,630	118,000	241,800	123,800	104.9%
Vacancy Savings		(5,165,856)	(6,583,940)	(1,418,084)	27.5%
Total Personnel Expenditures	83,957,658	94,406,982	96,606,372	2,199,390	2.3%
Services & Supplies Expenditures					
Travel In-State	58,057	311,043	335,902	24,859	8.0%
Travel Out-of-State	55,278	234,700	290,025	55,325	23.6%
Training & Education	372,030	1,085,923	1,093,110	7,187	0.7%
Repair & Maintenance (Equipment)	888,667	1,243,491	2,041,538	798,047	64.2%
Communications	728,275	868,072	901,427	33,355	3.8%
Building Maintenance	163,819	828,794	824,920	(3,874)	(0.5)%
Utilities	226,982	272,416	271,765	(651)	(0.2)%
Postage	59,157	127,260	123,490	(3,770)	(3.0)%
Printing & Reproduction	75,995	484,138	424,700	(59,438)	(12.3)%
Equipment Rental	63,225	107,000	107,000		
Rents & Leases	2,541,675	3,428,751	3,317,749	(111,002)	(3.2)%
Professional Services & Contracts	22,814,770	36,324,960	38,396,349	2,071,389	5.7%
General Insurance	580,237	847,500	839,740	(7,760)	(0.9)%
Shop & Field Supplies	217,853	600,256	606,281	6,025	1.0%
Laboratory Supplies	101,805	198,215	209,920	11,705	5.9%
Gasoline & Variable Fuel	180,979	350,000	376,579	26,579	7.6%
Computer Hardware & Software	615,139	1,391,546	1,476,953	85,407	6.1%
Stationery & Office Supplies	21,656	98,000	64,950	(33,050)	(33.7)%
Books & Journals	50,211	58,813	87,223	28,410	48.3%
Minor Office Equipment	8,069	50,003	30,453	(19,550)	(39.1)%
Non-Capital Assets	151,157	1,000	1,000		
Total Services & Supplies Expenditures	29,975,036	48,911,881	51,821,074	2,909,193	5.9%
Capital Expenditures					
Building & Grounds	108,562	500,000	500,000		
Office Equipment	26,471		100,000	100,000	
Computer & Network Equipment	3,055,172	3,947,660	4,518,613	570,953	14.5%
Motorized Equipment		150,000	100,000	(50,000)	(33.3)%
Lab & Monitoring Equipment	156,606	1,764,517	1,420,763	(343,754)	(19.5)%
Communications Equipment		200,000	150,000	(50,000)	(25.0)%
PM 2.5 Equipment	20,471				
Total Capital Expenditures	3,367,282	6,562,177	6,789,376	227,199	3.5%
Total Expenditures	117,299,976	149,881,040	155,216,822	5,335,782	3.6%
Transfer In/Out	934,034	1,066,545	1,302,774	236,229	22.1%
Program Distribution	45,462,067	95,993,105	110,262,000	14,268,895	14.9%
"Total Expenditures - District Wide"	163,696,077	246,940,690	266,781,595	19,840,906	8.0%

TABLE IV: General Fund

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	353.39	423.86	424.84	0.98	0.2%
Revenues					
Revenues	120,682,062	126,437,158	131,166,866	4,729,708	3.7%
Transfer from / (to) Reserves	(12,665,036)	4,670,000	5,274,900	604,900	13.0%
Transfer In	934,033	1,066,545	1,302,772	236,227	22.1%
Total Revenues - General Fund	108,951,059	132,173,703	137,744,538	5,570,835	4.2%
Personnel Expenditures					
Permanent Salaries	50,174,269	59,379,416	62,288,842	2,909,426	4.9%
Overtime Salaries	356,755	365,830	351,865	(13,965)	(3.8)%
Temporary Salaries	443,529	258,006	407,243	149,237	57.8%
Payroll Taxes	1,029,442	853,700	892,809	39,109	4.6%
Pension Benefits	10,911,672	12,580,533	12,701,686	121,153	1.0%
FICA Replacement Benefits	749,521	821,109	866,959	45,850	5.6%
Group Insurance Benefits	9,534,972	11,808,044	11,899,000	90,956	0.8%
Employee Transportation Subsidy	425,678	624,123	609,155	(14,968)	(2.4)%
Workers' Compensation	322,028	208,737	210,131	1,394	0.7%
Discretionary Contribution (Pension/OPEB)	3,711,209	4,568,091	4,574,627	6,536	0.1%
Board Stipends	112,630	118,000	241,800	123,800	104.9%
Vacancy Savings		(5,165,856)	(6,583,940)	(1,418,084)	27.5%
Total Personnel Expenditures	77,771,705	86,419,733	88,460,177	2,040,444	2.4%
Services & Supplies Expenditures					
Travel In-State	55,847	247,743	269,102	21,359	8.6%
Travel Out-of-State	55,278	212,200	267,525	55,325	26.1%
Training & Education	372,030	1,019,923	1,041,110	21,187	2.1%
Repair & Maintenance (Equipment)	888,667	1,243,491	2,041,538	798,047	64.2%
Communications	721,273	852,572	886,427	33,855	4.0%
Building Maintenance	163,819	828,794	824,920	(3,874)	(0.5)%
Utilities	226,844	272,416	271,765	(651)	(0.2)%
Postage	57,442	113,260	114,490	1,230	1.1%
Printing & Reproduction	68,300	453,138	408,200	(44,938)	(9.9)%
Equipment Rental	63,225	107,000	107,000		
Rents & Leases	2,541,675	3,428,751	3,317,749	(111,002)	(3.2)%
Professional Services & Contracts	18,850,473	25,915,611	27,821,621	1,906,010	7.4%
General Insurance	580,237	847,500	839,740	(7,760)	(0.9)%
Shop & Field Supplies	217,647	595,756	602,781	7,025	1.2%
Laboratory Supplies	101,805	198,215	209,920	11,705	5.9%
Gasoline & Variable Fuel	180,979	350,000	376,579	26,579	7.6%
Computer Hardware & Software	614,414	1,316,546	1,437,953	121,407	9.2%
Stationery & Office Supplies	20,913	95,200	62,650	(32,550)	(34.2)%
Books & Journals	50,211	57,673	86,073	28,400	49.2%
Minor Office Equipment	8,069	35,003	17,953	(17,050)	(48.7)%
Non-Capital Assets	151,157	1,000	1,000		
Total Services & Supplies Expenditures	25,990,305	38,191,792	41,006,096	2,814,304	7.4%
Capital Expenditures					
Leasehold Improvements					
Building & Grounds	108,562	500,000	500,000		
Office Equipment	26,471		100,000	100,000	
Computer & Network Equipment	3,055,172	3,947,660	4,518,613	570,953	14.5%
Motorized Equipment		150,000	100,000	(50,000)	(33.3)%
Lab & Monitoring Equipment	156,606	1,764,517	1,420,763	(343,754)	(19.5)%
Communications Equipment		200,000	150,000	(50,000)	(25.0)%
PM 2.5 Equipment	20,471				
Total Capital Expenditures	3,367,282	6,562,177	6,789,376	227,199	3.5%
Transfer In/Out			188,889	188,889	
Total Expenditures	107,129,292	131,173,702	136,444,538	5,270,836	4.0%
Program Distribution	1,421,767	1,000,000	1,300,000	300,000	30.0%
Total Expenditures - General Fund	108,551,059	132,173,702	137,744,538	5,570,836	4.2%

TABLE V: Carl Moyer Fund

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	14.81	16.62	16.21	(0.41)	(2.5)%
Revenues					
Admin Revenue	2,662,629	3,681,826	3,612,576	(69,250)	(1.9)%
Program Income	17,679,156	51,376,614	35,000,000	(16,376,614)	(31.9)%
Total Revenue - Carl Moyer	20,341,785	55,058,440	38,612,576	(16,445,864)	(29.9)%
Personnel Expenditures					
Permanent Salaries	1,830,738	2,172,379	2,176,518	4,139	0.2%
Overtime Salaries	103				
Temporary Salaries					
Payroll Taxes	26,942	30,677	30,845	168	0.5%
Pension Benefits	330,086	492,245	437,689	(54,556)	(11.1)%
FICA Replacement Benefits	19,001	32,486	33,065	579	1.8%
Group Insurance Benefits	235,945	290,841	299,753	8,912	3.1%
Employee Transportation Subsidy	15,063	24,692	23,233	(1,459)	(5.9)%
Workers' Compensation	5,769	8,591	8,014	(577)	(6.7)%
Discretionary Contribution (Pension/OPEB)	100,155	149,415	171,459	22,044	14.8%
Board Stipends					
Total Personnel Expenditures	2,563,802	3,201,326	3,180,576	(20,750)	(0.6)%
Services & Supplies Expenditures					
Travel In-State		12,500	12,500		
Travel Out-of-State		7,500	7,500		
Training & Education		22,000	17,000	(5,000)	(22.7)%
Repair & Maintenance (Equipment)					
Communications		5,000	5,000		
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction		3,000	3,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	98,621	400,000	365,500	(34,500)	(8.6)%
General Insurance					
Shop & Field Supplies	206	2,000	2,000		
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software		22,000	13,000	(9,000)	(40.9)%
Stationery & Office Supplies		1,000	1,000		
Books & Journals		500	500		
Minor Office Equipment		5,000	5,000		
Total Services & Supplies Expenditures	98,827	480,500	432,000	(48,500)	(10.1)%
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					
Total Expenditures	2,662,629	3,681,826	3,612,576	(69,250)	(1.9)%
Program Distribution	17,679,156	51,376,614	35,000,000	(16,376,614)	(31.9)%
Total Expenditures - Carl Moyer	20,341,785	55,058,440	38,612,576	(16,445,864)	(29.9)%

TABLE VI: Mobile Source Incentive Fund (MSIF)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	1.45	3.72	2.37	(1.35)	(36.3)%
Revenues					
Admin Revenue	2,460,441	1,235,821	8,052,723	6,816,902	551.6%
Program Income	655,593	11,114,179	3,000,000	(8,114,179)	(73.0)%
Total Revenues - MSIF	3,116,034	12,350,000	11,052,723	(1,297,277)	(10.5)%
Personnel Expenditures					
Permanent Salaries	182,188	474,241	309,443	(164,798)	(34.7)%
Overtime Salaries	18				
Temporary Salaries					
Payroll Taxes	2,611	6,700	4,385	(2,315)	(34.6)%
Pension Benefits	66,736	107,666	61,876	(45,790)	(42.5)%
FICA Replacement Benefits	1,856	7,268	4,843	(2,425)	(33.4)%
Group Insurance Benefits	23,202	67,711	42,661	(25,050)	(37.0)%
Employee Transportation Subsidy	1,439	5,524	3,403	(2,121)	(38.4)%
Workers' Compensation	572	1,921	1,174	(747)	(38.9)%
Discretionary Contribution (Pension/OPEB)	28,154	33,425	24,971	(8,454)	(25.3)%
Board Stipends					
Total Personnel Expenditures	306,776	704,456	452,756	(251,700)	(35.7)%
Services & Supplies Expenditures					
Travel In-State	230	8,000	8,000		
Travel Out-of-State		2,500	2,500		
Training & Education		23,500	18,500	(5,000)	(21.3)%
Repair & Maintenance (Equipment)					
Communications	902	2,000	2,000		
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction		3,000	3,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	1,994,117	7,350,000	7,460,000	110,000	1.5%
General Insurance					
Shop & Field Supplies					
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software	150	30,000	17,000	(13,000)	(43.3)%
Stationery & Office Supplies		800	800		
Books & Journals		200	200		
Minor Office Equipment		5,000	5,000		
Total Services & Supplies Expenditures	1,995,399	7,425,000	7,517,000	92,000	1.2%
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	158,266	306,365	82,967	(223,398)	(72.9)%
Total Expenditures	2,460,441	8,435,821	8,052,723	(383,098)	(4.5)%
Program Distribution	655,593	3,914,179	3,000,000	(914,179)	(23.4)%
Total Expenditures - MSIF	3,116,034	12,350,000	11,052,723	(1,297,277)	(10.5)%

TABLE VII: Transportation Fund for Clean Air (TFCA)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	5.73	8.34	8.62	0.28	3.4%
Revenues					
Admin Revenue	2,900,976	3,936,342	4,241,640	305,298	7.8%
Program Income	18,109,105	16,463,658	25,000,000	8,536,342	51.8%
Total Revenues - TFCA	21,010,081	20,400,000	29,241,640	8,841,640	43.3%
Personnel Expenditures					
Permanent Salaries	777,329	1,128,978	1,155,122	26,144	2.3%
Overtime Salaries	31,624		30,000	30,000	
Temporary Salaries	5,329				
Payroll Taxes	11,645	16,000	16,419	419	2.6%
Pension Benefits	182,281	258,106	234,536	(23,570)	(9.1)%
FICA Replacement Benefits	8,184	16,294	17,595	1,301	8.0%
Group Insurance Benefits	101,525	156,912	159,653	2,741	1.7%
Employee Transportation Subsidy	6,491	12,385	12,362	(23)	(0.2)%
Workers' Compensation	2,460	4,309	4,265	(44)	(1.0)%
Discretionary Contribution (Pension/OPEB)	64,367	74,941	91,189	16,248	21.7%
Board Stipends					
Total Personnel Expenditures	1,191,235	1,667,925	1,721,141	53,216	3.2%
Services & Supplies Expenditures					
Travel In-State	1,928	14,000	14,500	500	3.6%
Travel Out-of-State		8,000	6,500	(1,500)	(18.8)%
Training & Education		11,000	7,000	(4,000)	(36.4)%
Repair & Maintenance (Equipment)					
Communications	3,879	6,000	5,500	(500)	(8.3)%
Building Maintenance					
Utilities					
Postage	1,715	14,000	9,000	(5,000)	(35.7)%
Printing & Reproduction	7,695	24,000	9,500	(14,500)	(60.4)%
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	1,079,537	1,714,349	1,736,999	22,650	1.3%
General Insurance					
Shop & Field Supplies		1,500	500	(1,000)	(66.7)%
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software	150	20,000	6,000	(14,000)	(70.0)%
Stationery & Office Supplies	743	1,000	500	(500)	(50.0)%
Books & Journals		440	450	10	2.3%
Minor Office Equipment		5,000	2,500	(2,500)	(50.0)%
Total Services & Supplies Expenditures	1,095,647	1,819,289	1,798,949	(20,340)	(1.1)%
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	614,094	449,128	721,550	272,422	60.7%
Total Expenditures	2,900,976	3,936,342	4,241,640	305,298	7.8%
Program Distribution	18,109,105	16,463,658	25,000,000	8,536,342	51.8%
Total Expenditures - TFCA	21,010,081	20,400,000	29,241,640	8,841,640	43.3%

TABLE VIII: Clean Cars for All (CCFA)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	7.52	7.85	7.99	0.14	1.8%
Revenues					
Admin Revenue	2,379,261	2,323,404	2,935,752	612,348	26.4%
Program Income	6,049,454	4,866,596	30,200,000	25,333,404	520.6%
Total Revenues - CCFA	8,428,715	7,190,000	33,135,752	25,945,752	360.9%
Personnel Expenditures					
Permanent Salaries	882,189	1,001,684	1,068,282	66,598	6.6%
Overtime Salaries	3,741	5,000	10,000	5,000	100.0%
Temporary Salaries		15,000	200,000	185,000	1,233.3%
Payroll Taxes	12,926	14,282	15,341	1,059	7.4%
Pension Benefits	171,978	227,454	214,562	(12,892)	(5.7)%
FICA Replacement Benefits	9,197	15,347	16,313	966	6.3%
Group Insurance Benefits	114,336	134,829	143,185	8,356	6.2%
Employee Transportation Subsidy	7,262	11,665	11,463	(202)	(1.7)%
Workers' Compensation	2,795	4,059	3,954	(105)	(2.6)%
Discretionary Contribution (Pension/OPEB)	55,082	70,584	84,510	13,926	19.7%
Board Stipends					
Total Personnel Expenditures	1,259,506	1,499,904	1,767,610	267,706	17.8%
Services & Supplies Expenditures					
Travel In-State	52	7,500	10,500	3,000	40.0%
Travel Out-of-State		4,500	6,000	1,500	33.3%
Training & Education		6,000	6,000		
Repair & Maintenance (Equipment)					
Communications	2,221	2,500	2,500		
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction					
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	489,877	800,000	875,000	75,000	9.4%
General Insurance					
Shop & Field Supplies					
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software	425	3,000	3,000		
Stationery & Office Supplies					
Books & Journals					
Minor Office Equipment					
Total Services & Supplies Expenditures	492,575	823,500	903,000	79,500	9.7%
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	372,283		265,142	265,142	
Total Expenditures	2,124,364	2,323,404	2,935,752	612,348	26.4%
Program Distribution	6,304,351	4,866,596	30,200,000	25,333,404	520.6%
Total Expenditures - CCFA	8,428,715	7,190,000	33,135,752	25,945,752	360.9%

TABLE IX California Goods Movement Bond (CGMB)

	Program Actuals 2022	Approved Program Budget 2023	Proposed Program Budget 2024	FTE/Dollar Change \$	Percent Change %
Number of Positions (FTE)	1.26	1.11	1.63	0.52	46.85%
Revenues					
Admin Revenue	12,978	272,911	186,517	86,394	31.66%
Program Income	330,000	4,827,089	2,000,000	2,827,089	58.57%
Total Revenues - CGMB	342,978	5,100,000	2,186,517	2,913,483	57.13%
Personnel Expenditures					
Permanent Salaries	160,876	153,527	228,014	74,487	48.52%
Overtime Salaries					
Temporary Salaries					
Payroll Taxes	2,373	2,171	3,228	1,057	48.69%
Pension Benefits	29,021	34,970	47,124	12,154	34.76%
FICA Replacement Benefits	1,674	2,169	3,332	1,163	53.62%
Group Insurance Benefits	20,833	17,373	27,650	10,277	59.16%
Employee Transportation Subsidy	1,321	1,649	2,341	692	41.96%
Workers' Compensation	543	574	808	234	40.77%
Discretionary Contribution (Pension/OPEB)	8,759	9,978	17,409	7,431	74.47%
Board Stipends					
Total Personnel Expenditures	225,400	222,411	329,906	107,495	48.33%
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	138				
Postage					
Printing & Reproduction		1,000	1,000		
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	10,730	45,000	40,000	(5,000)	(11.11)%
General Insurance					
Shop & Field Supplies		1,000	1,000		
Laboratory Supplies					
Gasoline & Variable Fuel					
Computer Hardware & Software					
Stationery & Office Supplies					
Books & Journals					
Minor Office Equipment					
Non-Capital Assets					
Total Services & Supplies Expenditures	10,868	50,500	45,500	(5,000)	(9.90)%
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	(223,290)		(188,889)	(188,889)	
Total Expenditures	12,978	272,911	186,517	(86,394)	(31.66)%
Program Distribution	330,000	4,827,089	2,000,000	(2,827,089)	(58.57)%
Total Expenditures - CGMB	342,978	5,100,000	2,186,517	(2,913,483)	(57.13)%

TABLE X: Vehicle Mitigation (VM)

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	3.31	3.50	2.47	(1.03)	(29.4)%
Revenues					
Admin Revenue	688,433	1,117,279	863,377	(253,902)	(22.7)%
Program Income	962,095	12,551,269	13,000,000	448,731	3.6%
Total Revenues - VM	1,650,528	13,668,548	13,863,377	194,829	1.4%
Personnel Expenditures					
Permanent Salaries	417,716	469,816	357,170	(112,646)	(24.0)%
Overtime Salaries	129				
Temporary Salaries					
Payroll Taxes	6,260	6,645	5,064	(1,581)	(23.8)%
Pension Benefits	86,337	105,969	73,058	(32,911)	(31.1)%
FICA Replacement Benefits	4,446	6,840	5,048	(1,792)	(26.2)%
Group Insurance Benefits	55,110	63,488	46,372	(17,116)	(27.0)%
Employee Transportation Subsidy	3,543	5,199	3,547	(1,652)	(31.8)%
Workers' Compensation	1,323	1,809	1,223	(586)	(32.4)%
Discretionary Contribution (Pension/OPEB)	28,774	31,461	26,551	(4,910)	(15.6)%
Board Stipends					
Total Personnel Expenditures	603,638	691,227	518,033	(173,194)	(25.1)%
Services & Supplies Expenditures					
Travel In-State		13,000	13,000		
Travel Out-of-State					
Training & Education		2,000	2,000		
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction					
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	36,518	100,000	97,229	(2,771)	(2.8)%
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	36,518	115,000	112,229	(2,771)	(2.4)%
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	48,277	311,052	233,115	(77,937)	(25.1)%
Total Expenditures	688,433	1,117,279	863,377	(253,902)	(22.7)%
Program Distribution	962,095	12,551,269	13,000,000	448,731	3.6%
Total Expenditures - VM	1,650,528	13,668,548	13,863,377	194,829	1.4%

TABLE XI: Other Grants Revenues

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)	0.18		0.87	0.87	
Revenues					
Admin Revenue		6,300	182,472	176,172	2,796.4%
Program Income	254,897	993,700	762,000	(231,700)	(23.3)%
Total Revenues - Other Grants	254,897	1,000,000	944,472	(55,528)	(5.6)%
Personnel Expenditures					
Permanent Salaries	20,445		121,992	121,992	
Overtime Salaries					
Temporary Salaries					
Payroll Taxes	318		1,740	1,740	
Pension Benefits	8,138		24,588	24,588	
FICA Replacement Benefits	221		1,775	1,775	
Group Insurance Benefits	2,740		15,116	15,116	
Employee Transportation Subsidy	173		1,247	1,247	
Workers' Compensation	65		430	430	
Discretionary Contribution (Pension/OPEB)	3,496		9,284	9,284	
Board Stipends					
Total Personnel Expenditures	35,596		176,172	176,172	
Services & Supplies Expenditures					
Travel In-State		6,300	6,300		
Travel Out-of-State					
Training & Education					
Repair & Maintenance (Equipment)					
Communications					
Building Maintenance					
Utilities					
Postage					
Printing & Reproduction					
Equipment Rental					
Rents & Leases					
Professional Services & Contracts	254,897				
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	254,897	6,300	6,300		
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	(35,596)				
Total Expenditures	254,897	6,300	182,472	176,172	2,796.4%
Program Distribution		993,700	762,000	(231,700)	(23.3)%
Total Expenditures - Other Grants	254,897	1,000,000	944,472	(55,528)	(5.6)%

TABLE XII: General Fund Expenditures by Division

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Executive Office					
Executive Office	7,753,047	8,867,174	8,966,878	99,704	1.1%
Bay Area Regional Collaborative (BARC)	312,608				
Board of Directors	452,910	469,186	516,793	47,607	10.1%
Hearing Board	30,533	56,974	95,350	38,376	67.4%
Advisory Council & Community Advisory Council	26,110	448,792	557,111	108,319	24.1%
External Affairs	167,584	672,859	1,145,095	472,236	70.2%
Total Executive Office	8,742,792	10,514,985	11,281,227	766,242	7.3%
Diversity, Equity and Inclusion Division					
Office of Diversity Equity & Inclusion	596,072	972,885	904,413	(68,472)	(7.0)%
Total Diversity, Equity and Inclusion Division	596,072	972,885	904,413	(68,472)	(7.0)%
Finance Office					
Accounting and Budgeting	3,000,168	3,744,665	4,418,389	673,724	18.0%
Payroll	824,173	660,525	675,575	15,050	2.3%
Total Finance Office	3,824,341	4,405,190	5,093,964	688,774	20.3%
Human Resources Office					
Benefits Administration	4,027,901	3,887,680	3,879,897	(7,783)	(0.2)%
Organizational Development	575,196	666,644	1,296,057	629,413	94.4%
Employment Relations	883,664	1,109,416	1,331,537	222,121	20.0%
Recruitment & Testing	806,077	817,309	978,028	160,719	19.7%
Total Human Resources Office	6,292,838	6,481,049	7,485,519	1,004,470	133.9%
Administrative Resources Division					
Facilities	1,388,775	1,990,716	1,873,890	(116,826)	(5.9)%
Mail and Reproduction	904,107	1,153,373	999,178	(154,195)	(13.4)%
Headquarters East (Richmond)	133,655	813,000	813,000		
Purchasing	916,670	1,314,829	1,937,224	622,395	47.3%
Headquarters West (Beale Street)	3,119,760	4,210,000	5,075,792	865,792	20.6%
Fleet Services	1,300,212	1,952,518	1,930,207	(22,311)	(1.1)%
Total Administrative Resources Division	7,763,179	11,434,436	12,629,291	1,194,855	47.5%
Legislative Office					
Legislative Program	482,469	623,159	657,164	34,005	5.5%
Total Legislative Office	482,469	623,159	657,164	34,005	5.5%
Legal Services Division					
Legal Counsel	3,049,644	2,910,984	2,914,726	3,742	0.1%
Hearing Board Proceedings	11,312	34,434	194,487	160,053	464.8%
Penalties Enforcement & Settlement	766,289	1,174,823	1,731,640	556,817	47.4%
Litigation	352,950	374,227	334,132	(40,095)	(10.7)%
Total Legal Services Division	4,180,195	4,494,468	5,174,985	680,517	501.6%
Communications Office					
Media Relations	1,782,045	1,919,880	1,797,245	(122,635)	(6.4)%
Intermittent Control	1,164,067	1,275,457	1,416,607	141,150	11.1%
Spare The Air (CMAQ)	967,343	1,000,000	1,000,000		
Total Communications Office	3,913,455	4,195,337	4,213,852	18,515	0.4%
Technology Implementation Office					
Greenhouse Gas Technologies	1,747,092	1,018,977	1,063,166	44,189	4.3%
Total Technology Implementation Office	1,747,092	1,018,977	1,063,166	44,189	4.3%
Strategic Incentives					
Non-Mobile Source Grant Programs	72,539	138,492	379,017	240,525	173.7%
Grant Program Development	90,495	260,372	155,217	(105,155)	(40.4)%
Total Strategic Incentives	163,034	398,864	534,234	135,370	33.9%
Compliance & Enforcement					
Enforcement	5,431,810	6,944,654	7,987,846	1,043,192	15.0%
Compliance Assistance & Operations	3,150,929	3,714,328	3,472,773	(241,555)	(6.5)%
Compliance Assurance	5,499,422	7,113,062	6,235,227	(877,835)	(12.3)%

TABLE XI: General Fund Expenditures by Division

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Total Compliance & Enforcement	14,082,161	17,772,044	17,695,846	(76,198)	(0.4)%
Engineering					
Permit Evaluation	7,554,549	8,741,400	8,543,400	(198,000)	(2.3)%
Air Toxics	1,492,469	1,811,164	2,080,600	269,436	14.9%
Permit Operations	885,175	1,018,692	1,570,623	551,931	54.2%
Title V	351,299	1,001,787	1,094,099	92,312	9.2%
Engineering Special Projects	1,278,399	1,681,586	2,003,778	322,192	19.2%
Total Engineering	11,561,891	14,254,629	15,292,500	1,037,871	7.3%
Assessment, Inventory & Model					
Source Inventories	1,612,176	1,736,608	1,633,465	(103,143)	(5.9)%
Air Quality Modeling Support	1,324,225	1,183,162	900,007	(283,155)	(23.9)%
Air Quality Modeling & Research	727,214	841,676	520,441	(321,235)	(38.2)%
Community Air Risk Evaluation	1,000,792	1,301,746	753,152	(548,594)	(42.1)%
Total Assessment, Inventory & Model	4,664,407	5,063,192	3,807,065	(1,256,127)	(24.8)%
Planning & Climate Protection					
Air Quality Plans	1,779,117	2,183,721	1,306,277	(877,444)	(40.2)%
Implement Plans, Policies and Measures	1,205,850	1,363,472	1,109,950	(253,522)	(18.6)%
Climate Protection	1,817,086	1,852,820	2,051,475	198,655	10.7%
Total Planning & Climate Protection	4,802,053	5,400,013	4,467,702	(932,311)	(17.3)%
Rules Division					
Rule Development	2,686,951	2,957,742	2,507,760	(449,982)	(15.2)%
Total Rules Division	2,686,951	2,957,742	2,507,760	(449,982)	(15.2)%
Community Engagement					
Environmental Justice & Community Engagement AB617	5,236,872	8,732,937	5,705,218	(3,027,719)	(34.7)%
			9,251,090	9,251,090	
Total Community Engagement	5,236,872	8,732,937	14,956,308	6,223,371	(34.7)%
Information Services					
Information Management Records & Content	480,128	1,134,316	776,316	(358,000)	(31.6)%
IT Engineering & Operations	3,016,545	4,923,201	5,429,991	506,790	10.3%
User Support Desk		460,181	1,351,433	891,252	193.7%
Total Information Services	3,496,673	6,517,698	7,557,740	1,040,042	172.4%
My Air Online					
Online Permit Billing System	4,514,198	4,792,733	4,921,179	128,446	2.7%
Online Services	1,646,863	1,606,838	1,637,827	30,989	1.9%
Legacy Systems Support	1,136,094	1,311,775	1,482,843	171,068	13.0%
Total My Air Online	7,297,155	7,711,346	8,041,849	330,503	17.6%
Meteorology, Measurement & Rules					
Air Monitoring – Operations	4,240,015	6,794,452	6,403,127	(391,325)	(5.8)%
Laboratory	1,630,293	2,082,770	2,212,486	129,716	6.2%
Source Test	3,207,654	3,534,372	4,056,103	521,731	14.8%
Meteorology	957,218	948,802	923,854	(24,948)	(2.6)%
Air Monitoring Instrument Performance Evaluation	649,190	863,942	717,072	(146,870)	(17.0)%
BioWatch Monitoring	1,253,501	1,516,419	1,538,805	22,386	1.5%
Air Monitoring - Projects & Technology	1,490,275	2,622,879	1,873,341	(749,538)	(28.6)%
Ambient Air Quality Analysis	989,825	1,736,586	1,750,215	13,629	0.8%
Total Meteorology, Measurement & Rules	14,417,971	20,100,222	19,475,003	(625,219)	(3.1)%
Others					
Vacancy Savings		(5,165,856)	(6,583,940)	(1,418,084)	27.5%
Program Distribution	1,421,767	1,000,000	1,300,000	300,000	30.0%
Transfer In/Out	934,033		188,889	188,889	
Total Expenditures - General Fund Divisions	108,307,401	128,883,317	137,744,537	8,861,220	(835.0)%

TABLE XIII: Special Revenue Funds Expenditures by Division

	Program Actuals 2022	Approved Program Budget 2023	Proposed Program Budget 2024	FTE/Dollar Change \$	Percent Change %
Communication Office					
Intermittent Control (TFCA)	1,597,855	2,260,343	2,509,695	249,352	11.0%
Total Communication Office	1,597,855	2,260,343	2,509,695	249,352	11.0%
Strategic Incentives Division					
Carl Moyer Program Administration (CMP)	20,341,785	55,058,440	38,612,576	(16,445,864)	(29.9)%
Transportation Fund for Clean Air Administration (TFCA)	19,401,671	18,113,657	26,705,445	8,591,788	47.4%
Mobile Source Incentive Fund (MSIF)	1,076,499	5,013,501	3,588,170	(1,425,331)	(28.4)%
Vehicle Buy Back (MSIF)	2,039,535	7,336,499	7,464,553	128,054	1.7%
Miscellaneous Incentive Program (Other Grant)		1,000,000	944,472	(55,528)	(5.6)%
CA GMB - Grants Administration (CGMB)	342,978	5,100,000	2,186,517	(2,913,483)	(57.1)%
Volkswagen NOx Mitigation (VW Trust)	1,650,528	13,668,548	13,863,377	194,829	1.4%
Total Strategic Incentives Division	44,852,996	105,290,645	93,365,110	(11,925,535)	(11.3)%
Technology Implementation Office					
Light Duty Electric Vehicle Program (Other Grant)	8,428,715	7,190,000	33,135,752	25,945,752	360.9%
Total Technology Implementation Office	8,428,715	7,190,000	33,135,752	25,945,752	360.9%
Compliance and Enforcement Division					
Enhanced Mobile Source Inspections (TFCA)	8,841	15,000	15,500	500	3.3%
Commuter Benefits Program (TFCA)	1,714	11,000	11,000		
Total Compliance and Enforcement Division	10,555	26,000	26,500	500	1.9%
Communication Engagement					
Community Engagement - Special Project (Other Grant)	254,897				
Total Communication Engagement	254,897				
Others					
Total Expenditures - Special Revenue Fund Divisions	55,145,018	114,766,988	129,037,057	14,270,069	12.4%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Capital Expenditure

FINANCE AND ADMINISTRATION
COMMITTEE MEETING CE 04/05/2023

**TABLE XIV
CAPITAL EXPENDITURE SUMMARY**

The list below includes all capital expenditures budgeted for FYE 2024

	<u>Description</u>	<u>PGM</u>	<u>Capital Type</u>	<u>Amount</u>	<u>Program Total</u>	<u>Division Total</u>
1	One (1) Replacement and upgrades for aging air monitoring equipment	802	Lab & Monitoring	182,427		
2	One (1) New equipment purchase for Schedule X equipment only	802	Lab & Monitoring	757,837	940,263	
3	One (1) OC/EC with autosampler	803	Lab & Monitoring	115,000		
4	One (1) Ion Chromatograph with autosampler	803	Lab & Monitoring	165,000	280,000	
5	Three (3) Source Test Analyzers	804	Lab & Monitoring	55,500		
6	One (1) Multy Program Van Custom Equipment and Build Out	804	Motorized Equipment	100,000	155,500	
7	One (1) Model T703U UV PHOTOMETRIC 03 CALIBRATOR	807	Lab & Monitoring	45,000	45,000	<u>1,420,763</u>
8	One (1) Termo TVA 2020s or other similar equipment	403	Lab & Monitoring	100,000	100,000	<u>100,000</u>
9	Phase 2 HQE build out for Meterology & Measurement staff	707	Building and Grounds	500,000	500,000	
10	375 Beale Street network upgrade	709	Network Equipments	500,000	500,000	<u>1,000,000</u>
11	Pilot Program and Prototyping for IT Infrastructure Datacenter Refres	726	Computer & Network Equipment	400,000		
12	Replacement of End-of-Life Network Components	726	Computer & Network Equipment	500,000		
13	Communication Equipment	726	Communications Equipment	150,000	1,050,000	
14	Proposed records management room HQE	712	Information Management Recorc	100,000		
15	Scanning station for Records Management Section	712	Information Management Recorc	10,000	110,000	<u>1,160,000</u>
16	Online Permit Billing Systems	125	Computer & Network Equipment	3,108,613	3,108,613	<u>3,108,613</u>
Total Capital Expenditures						6,789,377

**TABLE XV
CAPITAL EXPENDITURE DETAILS**

The list below includes all capital expenditures budgeted for FYE 2024		
Item Description	Cost	Program/ Capital Type
1 <u>One (1) Upgrades for aging air monitoring equipment</u> Replacements / upgrades for aging air monitoring equipment.	\$182,427	802/Lab & Monitoring
2 <u>One (1) New equipment purchase for Schedule X equipment only</u> New equipment purchases and maintenance costs for Schedule X	\$757,837	802/Lab & Monitoring
3 <u>One (1) OC/EC with autosampler</u> This instrument is used to analyze some of the speciation data collected as part of mandated programs. The data produced by this instrument is part of the suite of data frequently requested via public records requests. The current instrument used for this analysis was an early generation and is frequently under repair, and resulting in a significant backlog.	\$115,000	803/Lab & Monitoring
4 <u>One (1) Ion Chromatograph with autosampler</u> This instrument is used to analyze some of the speciation data collected as part of mandated programs. The data produced by this instrument is part of the suite of data frequently requested via public records requests. The current instrument used for this analysis was an early generation and is frequently under repair, and resulting in a significant backlog.	\$165,000	803/Lab & Monitoring
5 <u>Three (3) Source Test Analyzers</u> Replacements for current equipment that reached the end of its useful life. The current equipment will be installed in field testing vans to reduce calibration gas inventory.	\$55,500	804/Lab & Monitoring
6 <u>One (1) Multy Program Van Custom Equipment and Build Out</u> Field testing new multi program van custom equipment and build out to include instrument racks, plumbing, cylinder storage, and work areas.	\$100,000	804/Motorized Equipment
7 <u>One (1) Model T703U UV PHOTOMETRIC O3 CALIBRATOR</u> To replace 2 older Teledyne API 703U Ozone. Photometers/Calibrators that are used in conducting EPA-mandated gas analyzer performance evaluations (audits) of the Air District's network of ozone analyzers. The photometers/calibrators have been repaired too many times and need to be replaced to ensure accurate ozone data	\$45,000	807/Lab & Monitoring
8 <u>One (1) Termo TVA 2020s or other similar equipment</u> To perform routine monitoring at regulated facilities to determine compliance with applicable regulations	\$100,000	403/Lab & Monitoring
9 <u>Phase 2 HQE build out for Meterology & Measurement staff</u> Continue with Phase 2 HQE build out for Measure and Meteorology staff.	\$500,000	707/Building and Grounds
10 <u>375 Beale Street network upgrade</u> Network upgrade pertaining to pertaining to the Shared Services Organization, via BAHA	\$500,000	709/Building and Grounds
11 <u>Pilot Program and Prototyping for IT Infrastructure Datacenter Refres</u> The District modernizes its information technology infrastructure every 6 - 8 years. Design of a new IT data center infrastructure began in FYE2023. This project encompasses the proof of concept, pilot deployment, and prototyping	\$400,000	726/Computer & Network Equipment
12 <u>Replacement of End-of-Life Network Components</u> Replace key end of life computer networking components. Several of the District's key computer networking components will reach end of life and will not be supported in FYE24. This project is to replace key components with newer like components before they are no longer supported by their	\$500,000	726/Computer & Network Equipment
13 <u>Communication Equipment</u> The District's phone systems and associated equipment telecommunications equipment is approaching fifteen years old, and is reaching the end of its useful life. Additionally, key functionality required to support distributed/remote work is either not supported or supported insufficiently in the current system.	\$150,000	726/Communications Equipment
14 <u>Records management room HQE</u> Equip the record's management room at Head Quarter East	\$100,000	712/Information Management
15 <u>Scanning Station for Records Management Section</u> Purchase one scanning station for Record Management	\$10,000	712/Information Management
16 <u>Online Permit Billing Systems</u> Development and implementation of permitting and enforcement software functionality for medium and complex facilities, including data cleanup and consolidation activities.	\$3,108,613	125/Computer & Network Equipment
Total Capital Expenditures	\$6,789,377	

General Fund Program Narratives and Expenditure Details

Note: Definitions are provided on pages 238-240
And are an integral part of this budget document.

Executive Division

Despite the continuing challenges of the pandemic, the Air District furthered our vision of providing a healthy breathing environment for all Bay Area residents. We continued to address disparities in air quality and health protections by expanding partnerships in historically disadvantaged communities. At the same time, our climate protection work progressed to accelerate electrification and incentivize greenhouse gas reductions by funding cutting-edge technologies.

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 2024, 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 2023, these key partnerships will also address regional coordination of climate protection activities, and implementation of State initiatives 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.	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 2024.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		19.55	22.41	22.79	0.38	1.7%
Personnel Expenditures						
Permanent Salaries	51100	4,127,888	4,290,537	4,571,429	280,892	6.5%
Overtime Salaries	51150	11,113	10,000	12,000	2,000	20.0%
Temporary Salaries	51200	56,755				
Payroll Taxes	51300	61,426	65,737	70,892	5,155	7.8%
Pension Benefits	51400	922,877	993,880	932,874	(61,006)	(6.1)%
FICA Replacement Benefits	51500	43,385	43,803	46,530	2,727	6.2%
Group Insurance Benefits	51600	539,253	422,067	437,921	15,854	3.8%
Employee Transportation Subsidy	51700	34,469	33,295	32,693	(602)	(1.8)%
Workers' Compensation	51800	13,072	11,585	11,278	(307)	(2.6)%
Discretionary Contribution (Pension/OPEB)	51850	296,539	201,470	264,110	62,640	31.1%
Board Stipends	51900					
Total Personnel Expenditures		6,106,777	6,072,374	6,379,727	307,353	5.1%
Services & Supplies Expenditures						
Travel In-State	52200	5,240	18,000	19,000	1,000	5.6%
Travel Out-of-State	52220	41,782	45,000	69,500	24,500	54.4%
Training & Education	52300	22,825	36,000	34,500	(1,500)	(4.2)%
Repair & Maintenance (Equipment)	52400					
Communications	52500	15,033	5,000	5,000		
Building Maintenance	52600	82				
Utilities	52700					
Postage	52800	35	200	200		
Printing & Reproduction	52900	3,323	4,000	5,000	1,000	25.0%
Equipment Rental	53100					
Rents & Leases	53200	33,624	50,000		(50,000)	(100.0)%
Professional Services & Contracts	53300	1,674,303	2,630,000	2,438,251	(191,749)	(7.3)%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	4,979	4,000	6,200	2,200	55.0%
Stationery & Office Supplies	53900	2,392	1,100	3,500	2,400	218.2%
Books & Journals	54100	5,070	1,500	6,000	4,500	300.0%
Minor Office Equipment	54200	1,865				
Total Services & Supplies Expenditures		1,810,553	2,794,800	2,587,151	(207,649)	(7.4)%
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		(164,283)				
Total Expenditures		7,753,047	8,867,174	8,966,878	99,704	1.1%

Managing Division:	
Executive Division	
Contact Person:	
Vanessa Johnson	
Program Purpose:	
Not Applicable	
Description of Program:	
Not Applicable	
Justification of Change Request:	
Program 105 now merged with program 104	
Activities	
Major Objectives	Delivery Date

FINANCE AND ADMINISTRATION COMMITTEE MEETING OF 04/05/2023

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
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			
Discretionary Contribution (Pension/OPEB)		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			
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		312,608			
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		312,608			

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 25 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

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	1.77	1.78	1.70	(0.08)	(4.5)%
Personnel Expenditures					
Permanent Salaries 51100	209,380	204,192	207,694	3,502	1.7%
Overtime Salaries 51150	4,929				
Temporary Salaries 51200					
Payroll Taxes 51300	3,080	2,866	2,973	107	3.7%
Pension Benefits 51400	58,989	45,447	41,343	(4,104)	(9.0)%
FICA Replacement Benefits 51500	2,170	3,480	3,470	(10)	(0.3)%
Group Insurance Benefits 51600	27,036	31,132	31,354	222	0.7%
Employee Transportation Subsidy 51700	1,934	2,645	2,438	(207)	(7.8)%
Workers' Compensation 51800	663	920	841	(79)	(8.6)%
Discretionary Contribution (Pension/OPEB) 51850	22,757	16,004	17,680	1,676	10.5%
Board Stipends 51900	107,280	78,000	115,000	37,000	47.4%
Total Personnel Expenditures	438,218	384,686	422,793	38,107	9.9%
Services & Supplies Expenditures					
Travel In-State 52200	3,319	19,500	19,500		
Travel Out-of-State 52220	5,040	13,500	22,000	8,500	63.0%
Training & Education 52300	240	28,000	30,000	2,000	7.1%
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	6,093	23,500	22,000	(1,500)	(6.4)%
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	14,692	84,500	94,000	9,500	11.2%
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					
Biotech Equipment 60145					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	452,910	469,186	516,793	47,607	10.1%

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

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	0.13	0.04	0.24	0.20	500.0%
Personnel Expenditures					
Permanent Salaries 51100	15,860	4,957	30,077	25,120	506.8%
Overtime Salaries 51150	1,038				
Temporary Salaries 51200					
Payroll Taxes 51300	222	70	424	354	505.7%
Pension Benefits 51400	3,848	1,097	5,784	4,687	427.3%
FICA Replacement Benefits 51500	152	78	493	415	532.1%
Group Insurance Benefits 51600	1,912	612	3,687	3,075	502.5%
Employee Transportation Subsidy 51700	158	59	346	287	486.4%
Workers' Compensation 51800	50	21	119	98	466.7%
Discretionary Contribution (Pension/OPEB) 51850	1,383	360	2,520	2,160	600.0%
Board Stipends 51900	5,350	40,000	35,000	(5,000)	(12.5)%
Total Personnel Expenditures	29,973	47,254	78,450	31,196	66.0%
Services & Supplies Expenditures					
Travel In-State 52200	10		7,100	7,100	
Travel Out-of-State 52220		1,000	1,500	500	50.0%
Training & Education 52300		1,000	2,000	1,000	100.0%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800	217	120	350	230	191.7%
Printing & Reproduction 52900		1,500	1,000	(500)	(33.3)%
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	333	5,000	4,000	(1,000)	(20.0)%
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		600	500	(100)	(16.7)%
Minor Office Equipment 54200		250	200	(50)	(20.0)%
Total Services & Supplies Expenditures	560	9,720	16,900	7,180	73.9%
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	30,533	56,974	95,350	38,376	67.4%

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. The Community Advisory Council will advise the Board of Directors and the Executive Officer on technical, community, health, and policy matters.	
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 Community Advisory Council was created at the request of community advocates in the Bay Area. The CAC is a Brown Act Committee and consists of 17 community members. The Councilmembers reflect the diversity of the communities in the Bay Area, the lived experiences in communities heavily impacted by air pollution and are individuals with diverse skill sets and a range of relevant knowledge and technical experience.	
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.	
The Community Advisory Council, which is a Brown Act advisory committee of the Board, will choose its own areas of focus, and provide input on key Air District policies and programs. Potential activities include: Disbursing the Community Benefits Fund; EJ Policy and Community Engagement Guidelines; Racial Equity Framework.	
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 presentations, materials and recommendations received meetings, and prepare and present a report to the Board of Directors.	Ongoing
The CAC advises the Board of Directors and the Executive Officer on technical, community, health, and policy matters.	Ongoing
The Council also exercises its own initiative to select areas for exploration or develop air quality projects or programs that emerge from impacted communities.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		0.09	0.11	0.12	0.01	9.1%
Personnel Expenditures						
Permanent Salaries	51100	11,155	13,549	16,982	3,433	25.3%
Overtime Salaries	51150	1		10,000	10,000	
Temporary Salaries	51200					
Payroll Taxes	51300	165	191	257	66	34.6%
Pension Benefits	51400	1,917	3,010	3,477	467	15.5%
FICA Replacement Benefits	51500	115	213	236	23	10.8%
Group Insurance Benefits	51600	1,420	1,631	1,895	264	16.2%
Employee Transportation Subsidy	51700	100	162	165	3	1.9%
Workers' Compensation	51800	35	56	57	1	1.8%
Discretionary Contribution (Pension/OPEB)	51850	587	980	1,242	262	26.7%
Board Stipends	51900			91,800	91,800	
Total Personnel Expenditures		15,495	19,792	126,111	106,319	537.2%
Services & Supplies Expenditures						
Travel In-State	52200	2,192	22,000	23,000	1,000	4.5%
Travel Out-of-State	52220		20,500	22,500	2,000	9.8%
Training & Education	52300		10,500	10,500		
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	8,274	375,000	373,500	(1,500)	(0.4)%
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	149		500	500	
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		10,615	429,000	431,000	2,000	0.5%
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		26,110	448,792	557,111	108,319	24.1%

Managing Division:	
Executive Division	
Contact Person:	
Lisa Fasano	
Program Purpose:	
The External Affairs Office manages the Commuter Benefits Program, advances partnerships, and messaging programs to further solutions to reduce air pollution from commuting. The program works at building partnerships between employers, municipalities, and transit agencies. Manage Air District sponsorship program.	
Description of Program:	
<p>Directs the programming of initiatives to help reduce drive-alone commuting through the employer program, Flex Your Commute, and the Commuter Benefits Program. Flex Your Commute is targeted to employers and employees which will encourage commuting partnerships. Survey and focus group data will be used to develop messaging campaigns and partnership strategies. Flex Your Commute will optimize the experiences employees and employers have learned during the pandemic to help Bay Area companies develop strong commuter partnerships and messaging programs to reduce daily solo commuting.</p> <p>To facilitate and grow Air District partnerships, External Affairs manages and allocates funding for Air District-sponsored activities, conferences, and events. Sponsorships help the Air District reach new and diverse audiences to convey our messages and position the Air District as an air quality leader. Event partnerships help shape, engage and drive action toward air pollution and greenhouse gas reduction goals.</p> <p>Air District liaison to local, statewide and national organizations. Directs event planning and coordination for Air District events and conferences as well as track and optimize the agency's presence at sponsored events. Messaging and programs will be tailored by county based on several factors including availability and access to transit, vanpool and carpool options, multi-county commutes and established localized commute requirements. Video production of Air District initiatives and new programming as well as internal training and messaging campaigns.</p>	
Justification of Change Request:	
N/A	
Activities	
Major Objectives	Delivery Date
Increase awareness and adoption of the benefits of commuting options.	Ongoing

External Affairs

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		0.68	1.00	2.77	1.77	177.00%
Personnel Expenditures						
Permanent Salaries	51100	117,386	224,663	486,101	261,438	116.37%
Overtime Salaries	51150					
Temporary Salaries	51200	14,022		94,237	94,237	
Payroll Taxes	51300	1,608	3,394	7,163	3,769	111.0%
Pension Benefits	51400	10,670	53,971	100,893	46,922	86.9%
FICA Replacement Benefits	51500	1,174	1,954	5,643	3,689	188.8%
Group Insurance Benefits	51600	14,822	27,886	64,726	36,840	132.1%
Employee Transportation Subsidy	51700	875	1,485	3,965	2,480	167.0%
Workers' Compensation	51800	372	517	1,368	851	164.6%
Discretionary Contribution (Pension/OPEB)	51850		8,989	30,999	22,010	244.9%
Board Stipends	51900					
Total Personnel Expenditures		160,929	322,859	795,095	472,236	146.3%
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	6,655	350,000	350,000		
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		6,655	350,000	350,000		
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		167,584	672,859	1,145,095	472,236	70.18%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Diversity, Equity and Inclusion Division

The Air District's Office of Diversity, Equity & Inclusion (Office) is responsible for ensuring an equity lens is applied to all programs, policies, practices, and procedures across the agency. Examples of specific Office responsibilities include supporting the Community Equity, Health, and Justice Committee and the Community Advisory Council, providing staff equity related trainings, creating and executing cultural awareness events and activities, guiding employee resource groups, developing and implementing equitable recruitment and retention strategies, and working on projects and initiatives as related to language access, procurement, contracting, grants, community engagement, communications, rule development, planning, climate and protection, and technology implementation, whereby ensuring equity is included into decision making and accountability, where applicable. The Office will continue to ensure the contributions of all employees and community members are valued and respected with a goal to achieve equitable outcomes.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2025

Managing Division:	
Diversity Equity & Inclusion Office	
Contact Person:	
Tim Williams	
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 recognizes the contributions of all employees and community members and works to sustain an environment where everyone is valued, respected, and included.	
Description of Program:	
The Office of Diversity, Equity & Inclusion (Office) is taking meaningful steps to build an 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, Community Advisory Council 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)	
Further development of an Equity Toolkit used to assist incorporate an equity lens into decision making across the agency, where applicable.	
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
Further development of an Equity Toolkit to assist the Agency utilize an equity lens in all decision making, where applicable.	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	Program Budget	Program Budget		
	2022	2023	2024	\$	%
Number of Positions (FTE)	2.14	2.38	2.00	(0.38)	(16.0)%
Personnel Expenditures					
Permanent Salaries 51100	300,971	345,131	300,572	(44,559)	(12.9)%
Overtime Salaries 51150	1,338	4,000	4,000		
Temporary Salaries 51200					
Payroll Taxes 51300	4,543	4,878	4,257	(621)	(12.7)%
Pension Benefits 51400	77,185	80,402	62,871	(17,531)	(21.8)%
FICA Replacement Benefits 51500	3,224	4,652	4,081	(571)	(12.3)%
Group Insurance Benefits 51600	40,031	38,260	29,228	(9,032)	(23.6)%
Employee Transportation Subsidy 51700	2,557	3,536	2,868	(668)	(18.9)%
Workers' Compensation 51800	953	1,230	989	(241)	(19.6)%
Discretionary Contribution (Pension/OPEB) 51850	28,417	21,396	21,647	251	1.2%
Board Stipends 51900					
Total Personnel Expenditures	459,219	503,485	430,513	(72,972)	(14.5)%
Services & Supplies Expenditures					
Travel In-State 52200		3,100	3,100		
Travel Out-of-State 52220		6,600	6,600		
Training & Education 52300		48,000	51,500	3,500	7.3%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	384	6,000	6,500	500	8.3%
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	156,681	405,000	405,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	100		500	500	
Stationery & Office Supplies 53900	639	700	700		
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	157,804	469,400	473,900	4,500	1.0%
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	(20,951)				
Total Expenditures	596,072	972,885	904,413	(68,472)	(7.0)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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, payroll, and asset management.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
Finance Office	
Contact Person:	
Stephanie Osaze	
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, deductions, 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, and increase in professional service fees.	
Activities	
Process biweekly payroll.	
Maintain payroll and time keeping system.	
Monitor leave accruals.	
Audit payroll records.	
Customize payroll system to improve process and workflow.	
Submit required 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. Expand and implement self service features.	Ongoing
Implement document management module in payroll system.	Ongoing

Payroll

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		2.44	1.62	1.55	(0.07)	(4.32)%
Personnel Expenditures						
Permanent Salaries	51100	409,602	242,961	224,426	(18,535)	(7.63)%
Overtime Salaries	51150	6,109				
Temporary Salaries	51200		40,000	40,000		
Payroll Taxes	51300	6,062	3,564	3,175	(389)	(10.91)%
Pension Benefits	51400	77,882	56,402	46,321	(10,081)	(17.87)%
FICA Replacement Benefits	51500	4,340	3,165	3,164	(1)	(0.03)%
Group Insurance Benefits	51600	53,819	31,850	31,451	(399)	(1.25)%
Employee Transportation Subsidy	51700	3,538	2,406	2,223	(183)	(7.61)%
Workers' Compensation	51800	1,297	834	767	(67)	(8.03)%
Discretionary Contribution (Pension/OPEB)	51850	24,488	14,543	16,648	2,105	14.47%
Board Stipends	51900					
Total Personnel Expenditures		587,137	395,725	368,175	(27,550)	(6.96)%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220	920	2,800	4,400	1,600	57.14%
Training & Education	52300	2,265	2,000	3,000	1,000	50.00%
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	260,637	260,000	300,000	40,000	15.38%
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		263,822	264,800	307,400	42,600	16.09%
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		(26,786)				
Total Expenditures		824,173	660,525	675,575	15,050	2.28%

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:	
The Finance Office is responsible for maintaining the fiscal stewardship and financial accountability of the District. These responsibilities include accounting activities, financial audits, and reporting, vendor payments, receipt of permit fees, asset management, and maintenance of the District's financial system. The office is also responsible for the development of the District's annual budget and annual cost recovery analysis, the fiscal maintenance, and financial reporting of all federal and state grants.	
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 Finance and Administration Committee presentation.	
Prepare for the annual audit of the District's financial records.	
Analyze and Prepare the annual cost recovery analysis	
Process receipts (checks/credit card payments) on a daily basis.	
Prepare annual proposed budget book.	
Process vendor invoices on a daily basis	
Major Objectives	Delivery Date
Implement Concur State Travel Program	December 2023
Implement Government Accounting Statement Standards	Ongoing
Provide timely financial reports to Division Directors/Officer	Ongoing
Complete Annual Financial Report.	Annually
Ensure timely payment of accounts payable.	Daily
Record timely processing of check and credit card receipts.	Daily
Update and maintain Finance Procedures and Desk Manuals for Finance Office Staff	Ongoing
Update the Air District's Annual Financial Plan	Annually

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	12.18	16.92	18.96	2.04	12.1%
Personnel Expenditures					
Permanent Salaries 51100	1,467,719	2,079,226	2,420,897	341,671	16.4%
Overtime Salaries 51150	3,286	2,000	5,000	3,000	150.0%
Temporary Salaries 51200	1,718	20,000	50,000	30,000	150.0%
Payroll Taxes 51300	21,660	34,299	34,269	(30)	(0.1)%
Pension Benefits 51400	293,738	472,651	489,243	16,592	3.5%
FICA Replacement Benefits 51500	15,342	33,074	38,693	5,619	17.0%
Group Insurance Benefits 51600	190,708	360,093	418,376	58,283	16.2%
Employee Transportation Subsidy 51700	13,693	25,139	27,186	2,047	8.1%
Workers' Compensation 51800	4,647	8,747	9,378	631	7.2%
Discretionary Contribution (Pension/OPEB) 51850	95,612	152,120	198,727	46,607	30.6%
Board Stipends 51900					
Total Personnel Expenditures	2,108,123	3,187,349	3,691,769	504,420	15.8%
Services & Supplies Expenditures					
Travel In-State 52200	743	5,700	9,500	3,800	66.7%
Travel Out-of-State 52220	2,269	1,500	6,100	4,600	306.7%
Training & Education 52300	16,670	9,800	20,500	10,700	109.2%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800	101		1,000	1,000	
Printing & Reproduction 52900	4,760	7,000	6,500	(500)	(7.1)%
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	946,707	527,316	677,020	149,704	28.4%
General Insurance 53400					
Shop & Field Supplies 53500	27				
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	3,232	3,000	3,000		
Stationery & Office Supplies 53900	923	1,000	1,200	200	20.0%
Books & Journals 54100		1,000	800	(200)	(20.0)%
Minor Office Equipment 54200		1,000	1,000		
Total Services & Supplies Expenditures	975,432	557,316	726,620	169,304	30.4%
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					
Transfer In/Out	(83,387)				
Total Expenditures	3,000,168	3,744,665	4,418,389	673,724	18.0%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
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 current Dayforce human resources information system.	
Justification of Change Request: None	
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 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
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
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.68	1.40	1.35	(0.05)	(3.6)%
Personnel Expenditures						
Permanent Salaries	51100	230,155	186,950	187,916	966	0.5%
Overtime Salaries	51150	12,093				
Temporary Salaries	51200	84,037	40,000	40,000		
Payroll Taxes	51300	285,289	2,636	2,656	20	0.8%
Pension Benefits	51400	70,683	42,235	37,148	(5,087)	(12.0)%
FICA Replacement Benefits	51500	222,258	2,736	2,755	19	0.7%
Group Insurance Benefits	51600	2,981,153	3,362,535	3,353,633	(8,902)	(0.3)%
Employee Transportation Subsidy	51700	2,964	2,080	1,936	(144)	(6.9)%
Workers' Compensation	51800	163,858	724	668	(56)	(7.7)%
Discretionary Contribution (Pension/OPEB)	51850	17,928	12,584	14,385	1,801	14.3%
Board Stipends	51900					
Total Personnel Expenditures		4,070,418	3,652,480	3,641,097	(11,383)	(0.3)%
Services & Supplies Expenditures						
Travel In-State	52200		2,800	4,400	1,600	57.1%
Travel Out-of-State	52220		1,400	4,400	3,000	214.3%
Training & Education	52300	47,920	56,000	55,000	(1,000)	(1.8)%
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	83,561	140,000	140,000		
General Insurance	53400					
Shop & Field Supplies	53500	10,552	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		142,033	235,200	238,800	3,600	1.5%
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		(184,550)				
Total Expenditures		4,027,901	3,887,680	3,879,897	(7,783)	(0.2)%

Managing Division:	
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: Increase in professional service fees and implementation of the HR Audit Corrective Action Plan.	
Activities	
Provide District-wide and Division-specific trainings.	
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 and loan 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
Administer Learning Management System and E-learning.	Ongoing
Coordinate the employee engagement program	Ongoing
Develop and administer the wellness program.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.93	1.40	1.44	0.04	2.9%
Personnel Expenditures						
Permanent Salaries	51100	263,309	205,052	223,661	18,609	9.1%
Overtime Salaries	51150	2,728				
Temporary Salaries	51200					
Payroll Taxes	51300	3,876	2,909	3,202	293	10.1%
Pension Benefits	51400	56,399	46,898	46,164	(734)	(1.6)%
FICA Replacement Benefits	51500	2,755	2,727	2,935	208	7.6%
Group Insurance Benefits	51600	34,183	30,920	32,239	1,319	4.3%
Employee Transportation Subsidy	51700	2,199	2,073	2,063	(10)	(0.5)%
Workers' Compensation	51800	834	721	711	(10)	(1.4)%
Discretionary Contribution (Pension/OPEB)	51850	19,236	12,544	15,682	3,138	25.0%
Board Stipends	51900					
Total Personnel Expenditures		385,519	303,844	326,657	22,813	7.5%
Services & Supplies Expenditures						
Travel In-State	52200		1,400	2,200	800	57.1%
Travel Out-of-State	52220		1,400	2,200	800	57.1%
Training & Education	52300	206,125	360,000	365,000	5,000	1.4%
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	908		600,000	600,000	
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		207,033	362,800	969,400	606,600	167.2%
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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out		(17,356)				
Total Expenditures		575,196	666,644	1,296,057	629,413	94.4%

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, regulatory compliance, research and recordkeeping.	
Justification of Change Request:	
Increase in professional service fees and labor activities.	
Activities	
Administer, interpret, and implement the Memorandum of Understanding (MOU) and Personnel Policies and Procedures of the Administrative Code.	
Provide management and staff consultation.	
Meet with Employee Association on appropriate subjects.	
Administer EEO Policy.	
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
Negotiate successor contract and 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

Employment Relations

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		2.44	3.15	3.43	0.28	8.89%
Personnel Expenditures						
Permanent Salaries	51100	383,010	515,841	570,160	54,319	10.53%
Overtime Salaries	51150	2,498				
Temporary Salaries	51200					
Payroll Taxes	51300	5,650	7,342	8,219	877	11.9%
Pension Benefits	51400	76,013	119,573	118,474	(1,099)	(0.9)%
FICA Replacement Benefits	51500	4,003	6,160	6,993	833	13.5%
Group Insurance Benefits	51600	49,808	55,857	60,657	4,800	8.6%
Employee Transportation Subsidy	51700	3,177	4,682	4,914	232	5.0%
Workers' Compensation	51800	1,213	1,629	1,695	66	4.1%
Discretionary Contribution (Pension/OPEB)	51850	24,477	28,332	37,925	9,593	33.9%
Board Stipends	51900					
Total Personnel Expenditures		549,849	739,416	809,037	69,621	9.4%
Services & Supplies Expenditures						
Travel In-State	52200		6,000	8,000	2,000	33.3%
Travel Out-of-State	52220					
Training & Education	52300	11,152	11,000	12,500	1,500	13.6%
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,131				
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	346,469	352,000	502,000	150,000	42.6%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900		500		(500)	(100.0)%
Books & Journals	54100		500		(500)	(100.0)%
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		358,752	370,000	522,500	152,500	41.2%
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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out		(24,937)				
Total Expenditures		883,664	1,109,416	1,331,537	222,121	20.02%

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:	
Increase in outreach activities including career fairs and job postings	
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 and diversity of candidates.	Ongoing
Maintain Air District's Equal Opportunity Policy for recruitment and testing.	Ongoing
Update classification specifications.	Ongoing

Recruitment & Testing

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		2.52	3.10	3.45	0.35	11.29%
Personnel Expenditures						
Permanent Salaries	51100	381,228	428,786	531,424	102,638	23.94%
Overtime Salaries	51150	3,863				
Temporary Salaries	51200	66,081	40,000	40,000		
Payroll Taxes	51300	6,612	6,063	7,563	1,500	24.7%
Pension Benefits	51400	90,410	100,105	113,290	13,185	13.2%
FICA Replacement Benefits	51500	4,677	6,058	7,040	982	16.2%
Group Insurance Benefits	51600	58,084	53,625	62,721	9,096	17.0%
Employee Transportation Subsidy	51700	3,697	4,605	4,947	342	7.4%
Workers' Compensation	51800	1,207	1,602	1,706	104	6.5%
Discretionary Contribution (Pension/OPEB)	51850	29,661	27,865	37,537	9,672	34.7%
Board Stipends	51900					
Total Personnel Expenditures		645,520	668,709	806,228	137,519	20.6%
Services & Supplies Expenditures						
Travel In-State	52200	3,866	2,800	4,400	1,600	57.1%
Travel Out-of-State	52220	2,852	2,800	4,400	1,600	57.1%
Training & Education	52300	1,943	3,000	3,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	86,257	50,000	60,000	10,000	20.0%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	95,024	90,000	100,000	10,000	11.1%
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		189,942	148,600	171,800	23,200	15.6%
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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out		(29,385)				
Total Expenditures		806,077	817,309	978,028	160,719	19.66%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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, mailroom services, and office support services.

The Fleet Office is responsible for the acquisition and maintenance of Air District pool vehicles and fleet, management of vehicle accidents and procurement of new vehicles. The facilities office is responsible for the planning, maintenance, construction oversight and operations of all Air District facilities, and manage security and safety measures.

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.

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, which include 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 and non-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
		2022	2023	2024	\$	%
Number of Positions (FTE)		3.98	4.00	3.49	(0.51)	(12.75)%
Personnel Expenditures						
Permanent Salaries	51100	466,019	464,145	400,165	(63,980)	(13.78)%
Overtime Salaries	51150	27,053				
Temporary Salaries	51200					
Payroll Taxes	51300	6,908	6,518	5,625	(893)	(13.7)%
Pension Benefits	51400	98,283	109,773	86,939	(22,834)	(20.8)%
FICA Replacement Benefits	51500	4,914	7,817	7,110	(707)	(9.0)%
Group Insurance Benefits	51600	60,983	84,149	73,789	(10,360)	(12.3)%
Employee Transportation Subsidy	51700	3,900	5,942	4,996	(946)	(15.9)%
Workers' Compensation	51800	1,476	2,067	1,723	(344)	(16.6)%
Discretionary Contribution (Pension/OPEB)	51850	33,127	35,955	35,843	(112)	(0.3)%
Board Stipends	51900					
Total Personnel Expenditures		702,663	716,366	616,190	(100,176)	(14.0)%
Services & Supplies Expenditures						
Travel In-State	52200	4,392				
Travel Out-of-State	52220					
Training & Education	52300	118	2,000	1,000	(1,000)	(50.0)%
Repair & Maintenance (Equipment)	52400					
Communications	52500	60,098				
Building Maintenance	52600	160,572	575,000	575,000		
Utilities	52700	718	50,250	50,250		
Postage	52800					
Printing & Reproduction	52900		200	200		
Equipment Rental	53100		2,000	2,000		
Rents & Leases	53200	95,772	65,000	65,000		
Professional Services & Contracts	53300	286,344	550,250	550,250		
General Insurance	53400					
Shop & Field Supplies	53500	1,449	3,650	3,000	(650)	(17.8)%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900		1,000	1,000		
Books & Journals	54100					
Minor Office Equipment	54200	5,438	25,000	10,000	(15,000)	(60.0)%
Total Services & Supplies Expenditures		614,901	1,274,350	1,257,700	(16,650)	(1.3)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105	103,268				
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		103,268				
Transfer In/Out		(32,057)				
Total Expenditures		1,388,775	1,990,716	1,873,890	(116,826)	(5.87)%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Satnam Hundel	
Program Purpose:	
Maintenance and administration of the day to day incoming/outgoing mail 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 requests.	
Justification of Change Request:	
Not Applicable	
Activities	
Process incoming and outgoing mail.	
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

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	1.07	1.08	0.91	(0.17)	(15.74)%
Personnel Expenditures					
Permanent Salaries 51100	266,758	197,612	173,299	(24,313)	(12.30)%
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	3,959	2,808	2,467	(341)	(12.1)%
Pension Benefits 51400	53,698	47,297	38,123	(9,174)	(19.4)%
FICA Replacement Benefits 51500	2,799	2,104	1,852	(252)	(12.0)%
Group Insurance Benefits 51600	34,747	23,751	21,305	(2,446)	(10.3)%
Employee Transportation Subsidy 51700	2,216	1,599	1,301	(298)	(18.6)%
Workers' Compensation 51800	845	556	449	(107)	(19.2)%
Discretionary Contribution (Pension/OPEB) 51850	17,601	9,676	10,382	706	7.3%
Board Stipends 51900					
Total Personnel Expenditures	382,623	285,403	249,178	(36,225)	(12.7)%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300		2,500		(2,500)	(100.0)%
Repair & Maintenance (Equipment) 52400					
Communications 52500	252,639	295,470	280,000	(15,470)	(5.2)%
Building Maintenance 52600					
Utilities 52700					
Postage 52800	57,039	65,000	65,000		
Printing & Reproduction 52900					
Equipment Rental 53100	63,225	105,000	105,000		
Rents & Leases 53200					
Professional Services & Contracts 53300	139,566	400,000	300,000	(100,000)	(25.0)%
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	512,469	867,970	750,000	(117,970)	(13.6)%
Capital Expenditures					
Leasehold Improvements 60100					
Building & Grounds 60105					
Office Equipment 60110	26,471				
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	26,471				
Transfer In/Out	(17,456)				
Total Expenditures	904,107	1,153,373	999,178	(154,195)	(13.37)%

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 of the Headquarters East (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

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2022	2023	2024	\$	%
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			
Discretionary Contribution (Pension/OPEB)		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	6,000	6,000	
Utilities	93,981	56,000	56,000	56,000	
Postage		52800			
Printing & Reproduction		52900			
Equipment Rental		53100			
Rents & Leases		53200			
Professional Services & Contracts	34,905	250,000	250,000		
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			
Non-Capital Assets	(673)	1,000	1,000		
Total Services & Supplies Expenditures					
	128,361	313,000	313,000		
Capital Expenditures					
Leasehold Improvements		60100			
Building & Grounds	5,294	500,000	500,000		
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					
	5,294	500,000	500,000		
Transfer In/Out					
Total Expenditures					
	133,655	813,000	813,000		

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	2023	2024	\$	%
	2022				
Number of Positions (FTE)	1.84	2.00	4.13	2.13	106.50%
Personnel Expenditures					
Permanent Salaries 51100	224,769	258,340	569,229	310,889	120.34%
Overtime Salaries 51150	10,961				
Temporary Salaries 51200					
Payroll Taxes 51300	3,312	3,640	8,044	4,404	121.0%
Pension Benefits 51400	49,552	59,490	113,520	54,030	90.8%
FICA Replacement Benefits 51500	2,369	3,909	8,433	4,524	115.7%
Group Insurance Benefits 51600	29,359	35,567	73,446	37,879	106.5%
Employee Transportation Subsidy 51700	1,890	2,971	5,925	2,954	99.4%
Workers' Compensation 51800	712	1,034	2,044	1,010	97.7%
Discretionary Contribution (Pension/OPEB) 51850	17,193	17,978	43,943	25,965	144.4%
Board Stipends 51900					
Total Personnel Expenditures	340,117	382,929	824,584	441,655	115.3%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300		1,500		(1,500)	(100.0)%
Repair & Maintenance (Equipment) 52400					
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	402	75,400	25,400	(50,000)	(66.3)%
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300			250,000	250,000	
General Insurance 53400	580,237	790,000	807,240	17,240	2.2%
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900	11,431	65,000	30,000	(35,000)	(53.8)%
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	592,070	931,900	1,112,640	180,740	19.4%
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	(15,517)				
Total Expenditures	916,670	1,314,829	1,937,224	622,395	47.34%

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 2022	Approved Program Budget 2023	Proposed Program Budget 2024	FTE/Dollar Change \$	Percent Change %
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				
Discretionary Contribution (Pension/OPEB)	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	3,728	5,000	5,000	
Postage	52800				
Printing & Reproduction	52900				
Equipment Rental	53100				
Rents & Leases	53200	658,479	1,200,000	1,200,000	
Professional Services & Contracts	53300	2,457,553	3,005,000	3,370,792	365,792 12.2%
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	3,119,760	4,210,000	4,575,792	365,792	8.7%
Capital Expenditures					
Leasehold Improvements	60100				
Building & Grounds	60105				
Office Equipment	60110				
Computer & Network Equipment	60115		500,000	500,000	
Motorized Equipment	60120				
Lab & Monitoring Equipment	60125				
Communications Equipment	60130				
General Equipment	60135				
PM 2.5 Equipment	60140				
Biotech Equipment	60145				
Total Capital Expenditures			500,000	500,000	
Transfer In/Out					
Total Expenditures	3,119,760	4,210,000	5,075,792	865,792	20.57%

Managing Division:	
Administrative Resources Division	
Contact Person:	
Maricela Martinez	
Program Purpose:	
Fleet leases/acquisition, maintenance and safety inspections.	
Description of Program:	
The vehicle maintenance section includes the maintenance of the District's 121-vehicle fleet, vehicle financing, tracking and diagnostics fuel records of District vehicles. All vehicle maintenance is outsourced for service. As of FY 2022/23, 110 vehicles are leased from Enterprise Fleet Services on a Full Maintenance Program and 11 are owned by the District which are included in the Enterprise Maintenance Management Program to assist the District with all scheduled and non-scheduled repairs. One (1) diesel vehicle is owned by the District.	
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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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		2.41	2.76	2.54	(0.22)	(7.97)%
Personnel Expenditures						
Permanent Salaries	51100	271,549	349,875	339,910	(9,965)	(2.85)%
Overtime Salaries	51150	1,611				
Temporary Salaries	51200					
Payroll Taxes	51300	4,039	4,927	4,799	(128)	(2.6)%
Pension Benefits	51400	63,070	79,580	71,027	(8,553)	(10.7)%
FICA Replacement Benefits	51500	2,852	5,387	5,192	(195)	(3.6)%
Group Insurance Benefits	51600	35,393	45,754	51,198	5,444	11.9%
Employee Transportation Subsidy	51700	2,265	4,094	3,648	(446)	(10.9)%
Workers' Compensation	51800	860	1,425	1,258	(167)	(11.7)%
Discretionary Contribution (Pension/OPEB)	51850	22,428	24,776	26,896	2,120	8.6%
Board Stipends	51900					
Total Personnel Expenditures		404,067	515,818	503,928	(11,890)	(2.3)%
Services & Supplies Expenditures						
Travel In-State	52200	3,305				
Travel Out-of-State	52220					
Training & Education	52300		3,000	1,000	(2,000)	(66.7)%
Repair & Maintenance (Equipment)	52400	3,652	25,000	15,000	(10,000)	(40.0)%
Communications	52500	1,266	1,000	1,000		
Building Maintenance	52600	545				
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	671,969	900,000	950,000	50,000	5.6%
Professional Services & Contracts	53300	52,926	50,000	50,000		
General Insurance	53400		57,500	32,500	(25,000)	(43.5)%
Shop & Field Supplies	53500		200	200		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700	180,852	350,000	376,579	26,579	7.6%
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		914,515	1,386,700	1,426,279	39,579	2.9%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120		50,000		(50,000)	(100.0)%
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures			50,000		(50,000)	(100.0)%
Transfer In/Out		(18,370)				
Total Expenditures		1,300,212	1,952,518	1,930,207	(22,311)	(1.14)%

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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:	
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
Track and develop positions on state and federal budget proposals.	Ongoing
Attend legislative hearings.	Ongoing
Staff Air District Legislative Committee meetings.	Monthly
Represent Air District at meetings with stakeholder groups.	Monthly
Staff other Air District Board and Committee meetings, as necessary.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.95	2.00	2.00		
Personnel Expenditures						
Permanent Salaries	51100	310,804	334,811	354,279	19,468	5.81%
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	4,557	4,938	5,294	356	7.2%
Pension Benefits	51400	24,516	74,671	71,417	(3,254)	(4.4)%
FICA Replacement Benefits	51500	3,225	3,909	4,081	172	4.4%
Group Insurance Benefits	51600	40,068	49,297	52,526	3,229	6.6%
Employee Transportation Subsidy	51700	2,551	2,971	2,868	(103)	(3.5)%
Workers' Compensation	51800	984	1,034	989	(45)	(4.4)%
Discretionary Contribution (Pension/OPEB)	51850	21,081	17,978	22,460	4,482	24.9%
Board Stipends	51900					
Total Personnel Expenditures		407,786	489,609	513,914	24,305	5.0%
Services & Supplies Expenditures						
Travel In-State	52200	1,624	3,250	4,000	750	23.1%
Travel Out-of-State	52220	875	3,750	4,500	750	20.0%
Training & Education	52300	425	2,500	4,000	1,500	60.0%
Repair & Maintenance (Equipment)	52400					
Communications	52500		2,000	1,000	(1,000)	(50.0)%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	90,120	121,200	128,900	7,700	6.4%
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	243	600	600		
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		93,287	133,550	143,250	9,700	7.3%
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		(18,604)				
Total Expenditures		482,469	623,159	657,164	34,005	5.46%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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 and Community Advisory Council in the execution of their respective statutory mandates and responsibilities. The District Counsel also represents the District, 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.

This fiscal year, the District Counsel will continue to prosecute enforcement cases referred to it by the Compliance and Enforcement Division. These enforcement cases will include civil penalty prosecutions, which most often result in a settlement where the violator agrees to pay an appropriate civil penalty but can also proceed to litigation if a violator will not agree to an appropriate penalty. They will also include abatement order cases before the Air District's Hearing Board in situations where there is ongoing non-compliance that needs to be addressed, and may include court cases as well to the extent that Hearing Board action is insufficient or otherwise inappropriate. These enforcement efforts to be undertaken this fiscal year are once again designed to provide an appropriate enforcement response to violations of District regulations to ensure compliance, deter future violations, impose civil penalties commensurate with the nature of the air quality violation involved, remove the economic benefit of violations, promote equity, and encourage proactive measures to maintain compliance by the regulated community. This fiscal year, the District Counsel will also continue to implement the Mutual Settlement Program, which prosecutes violations by small businesses and similar entities through small claims court, which is a more efficient and effective way to address violations for which a large penalty would not be appropriate. 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.

The District Counsel's attorneys will continue to advise District staff on rulemaking, permitting and air quality planning activities. In this regard, the District Counsel's office will continue its efforts to coordinate closely with the District's staff on these issues to minimize challenges to District decision-making. The 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. The 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. 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. This work will include several major items of litigation that are currently pending in Superior Court, as well as any additional litigation that may arise.

The District Counsel will also continue to advise the Community Advisory Council and Air District staff regarding the District's enhanced focus on environmental justice, equitable outcomes, and addressing disparate air pollution and public health impacts in overburdened communities. This work will include an assigned attorney to support the Community Advisory Council, as well as support for the AB 617 program and the Community Steering Committees developing Community Emission Reduction Plans under that program. It will also include supporting Community Engagement staff and other staff within the agency as they develop these programs.

Finally, in FYE 2024 the District Counsel will embark on a capacity building and development effort after a period of transition in the Legal Division. The District Counsel will develop new, more robust and formal policies and procedures to govern the Division's work and, with the help of an outside consultant, will develop and implement new, more formal management practices. The District Counsel will also oversee the training and development of new attorneys in all aspects of the Air District's work. The District Counsel will also formalize its relationships with outside counsel, including retaining outside counsel to provide additional litigation firepower where needed and to provide specialized expertise in niche subject areas.

Managing Division:	
Legal Services Division	
Contact Person:	
Alexander Crockett	
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 District Counsel provides a wide variety of legal services to the Board of Directors, the Executive Officer/APCO, the Advisory Council and Community 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 and provide legal opinions and advice on rule development and governmental and general law issues, including 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.	
Staff all meetings of the Community Advisory Council and meetings of AB 617 Community Emission Reduction Plan steering committees as necessary.	
Provide all legal opinions, reports and correspondence requested by the Board of Directors, the Advisory Council, the Community 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 analyses.	
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 and enforcement.	
Provide legal advice, direction and contract drafting for administration of grants and incentive funds.	
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
Develop policies and procedures for the management of Legal Division staff and work functions.	June 2024
Incorporate equity and Environmental Justice principles into Legal Division policies and decision-making.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	7.00	10.00	8.00	(2.00)	(20.0)%
Personnel Expenditures					
Permanent Salaries 51100	2,179,591	1,964,311	1,583,480	(380,831)	(19.4)%
Overtime Salaries 51150	125		500	500	
Temporary Salaries 51200					
Payroll Taxes 51300	32,445	29,557	24,229	(5,328)	(18.0)%
Pension Benefits 51400	411,379	460,191	324,908	(135,283)	(29.4)%
FICA Replacement Benefits 51500	23,047	19,178	15,921	(3,257)	(17.0)%
Group Insurance Benefits 51600	284,839	207,390	163,982	(43,408)	(20.9)%
Employee Transportation Subsidy 51700	18,466	14,577	11,186	(3,391)	(23.3)%
Workers' Compensation 51800	6,903	5,072	3,859	(1,213)	(23.9)%
Discretionary Contribution (Pension/OPEB) 51850	129,412	88,208	90,661	2,453	2.8%
Board Stipends 51900					
Total Personnel Expenditures	3,086,207	2,788,484	2,218,726	(569,758)	(20.4)%
Services & Supplies Expenditures					
Travel In-State 52200	188	3,000	1,500	(1,500)	(50.0)%
Travel Out-of-State 52220		4,000	2,000	(2,000)	(50.0)%
Training & Education 52300	6,100	6,500	10,500	4,000	61.5%
Repair & Maintenance (Equipment) 52400					
Communications 52500	2,976	5,000	5,000		
Building Maintenance 52600					
Utilities 52700					
Postage 52800	15				
Printing & Reproduction 52900		4,000	3,000	(1,000)	(25.0)%
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	42,966	54,000	608,000	554,000	1,025.9%
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800					
Stationery & Office Supplies 53900	438	1,000	1,000		
Books & Journals 54100	38,853	45,000	65,000	20,000	44.4%
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	91,536	122,500	696,000	573,500	468.2%
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	(128,099)				
Total Expenditures	3,049,644	2,910,984	2,914,726	3,742	0.1%

Managing Division:	
Legal Services Division	
Contact Person:	
Alexander Crockett	
Program Purpose:	
To represent the APCO in all proceedings involving variances, orders of abatement, permit appeals and permit revocations before the Air District's Hearing Board.	
Description of Program:	
The District Counsel provides all necessary legal representation and counsel for the APCO in variance, abatement order, 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 APCO may seek orders of abatement against facilities for on-going violations, or seek to revoke those facilities' permits. The District Counsel also represents the APCO in appeals by applicants or third parties to permit, emission reduction credit, and interchangeable emission reduction credit decisions made by the APCO. In addition, the 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 APCO in all Hearing Board matters, including preparing all written submissions for these cases.	
Prepare District witnesses for hearings.	
Provide staff support functions associated with the above activities.	
Major Objectives	Delivery Date
Under direction from the Hearing Board Chair and members, rework the Hearing Board rules of procedure	December 2024
Work with the Clerk of the Boards to provide additional accessibility to Hearing Board documents on the Air District's website.	December 2024

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2023	2024	\$	%	
	2022					
Number of Positions (FTE)	0.02	0.15	0.70	0.55	366.7%	
Personnel Expenditures						
Permanent Salaries	51100	3,843	24,059	140,632	116,573	484.5%
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	44	341	2,030	1,689	495.3%
Pension Benefits	51400	4,627	5,361	27,597	22,236	414.8%
FICA Replacement Benefits	51500	31	293	1,428	1,135	387.4%
Group Insurance Benefits	51600	391	2,731	13,337	10,606	388.4%
Employee Transportation Subsidy	51700	25	223	1,004	781	350.2%
Workers' Compensation	51800	12	78	346	268	343.6%
Discretionary Contribution (Pension/OPEB)	51850	2,339	1,348	8,113	6,765	501.9%
Board Stipends	51900					
Total Personnel Expenditures		11,312	34,434	194,487	160,053	464.8%
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					
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		11,312	34,434	194,487	160,053	464.8%

Managing Division:	
Legal Services Division	
Contact Person:	
Alexander Crockett	
Program Purpose:	
To remove the economic benefit from, and provide an effective deterrence to, violations of Air District rules by assessing monetary penalties as provided for in the California Health and Safety Code and by pursuing injunctive relief to address any ongoing non-compliance with air pollution regulations.	
Description of Program:	
The District Counsel enforces the Air District's rules by assessing penalties against violators, either through settlement or in court if violators refuse to pay an appropriate penalty voluntarily; by pursuing administrative enforcement actions (orders of abatement and revocation of permits) before the Air District's Hearing Board; and by referring cases to other agencies for consideration of civil or criminal enforcement actions within those agencies' jurisdiction. The District Counsel also oversees the Mutual Settlement program, which resolves more minor violations through a small claims court process, which is more efficient and cost-effective than resolution by an attorney where a large penalty would not appropriate (e.g., for administrative violations by small businesses with a limited ability to pay).	
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.	
Pursue enforcement actions on all Notices of Violation (NOVs).	
Major Objectives	Delivery Date
Increase penalty amounts obtained through settlements.	Ongoing
Develop penalty policies to formalize the assessment of penalties and ensure consistency and transparency in how penalty amounts are calculated.	June 2024
Reduce the amount of time it takes to resolve NOVs referred from the Enforcement Division.	Ongoing
Work with the Engineering and Enforcement Divisions to develop a policy on how the Air District prioritizes enforcement in cases where a facility is operating equipment without a permit.	December 2024
Retain outside litigation counsel for assistance and representation on major penalty cases that may require litigation resources beyond the capacity of the District Counsel's office.	Ongoing

Penalties Enforcement & Settlement

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	3.44	5.18	7.05	1.87	36.1%
Personnel Expenditures					
Permanent Salaries 51100	501,793	814,158	1,212,924	398,766	49.0%
Overtime Salaries 51150	19		100	100	
Temporary Salaries 51200					
Payroll Taxes 51300	7,393	11,562	17,424	5,862	50.7%
Pension Benefits 51400	131,371	186,992	247,689	60,697	32.5%
FICA Replacement Benefits 51500	5,251	10,114	14,384	4,270	42.2%
Group Insurance Benefits 51600	65,268	89,315	141,111	51,796	58.0%
Employee Transportation Subsidy 51700	4,160	7,688	10,107	2,419	31.5%
Workers' Compensation 51800	1,590	2,675	3,486	811	30.3%
Discretionary Contribution (Pension/OPEB) 51850	49,444	46,519	78,615	32,096	69.0%
Board Stipends 51900					
Total Personnel Expenditures	766,289	1,169,023	1,725,840	556,817	47.6%
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	766,289	1,174,823	1,731,640	556,817	47.4%

Managing Division:	
Legal Services Division	
Contact Person:	
Alexander Crockett	
Program Purpose:	
To represent and oversee Air District representation in litigation in State and Federal courts.	
Description of Program:	
The District Counsel represents the Air District in all litigation matters in State and Federal court and in administrative proceedings. In some cases, the attorneys in the District Counsel's office handle such litigation in-house. In other cases, the District Counsel manages and oversees outside counsel handling such litigation. Such cases include situations where the size or complexity requires additional litigation resources beyond the capacity of the District Counsel's office, and litigation involving specialized legal areas such as labor law, employment law and tort actions. The District Counsel keeps the Board of Directors informed about the status of all litigation through periodic written updates and closed-session updates and written briefings.	
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
Formalize the Air District's relationships with outside counsel by conducting competitive procurement processes to identify qualified counsel at the lowest cost and retaining such outside counsel to provide specialized legal services as needed. Such services may include litigation (both defensive in defending agency decisions and offensive in pursuing enforcement action) and in specialized areas of law such as labor and employment, civil rights, taxation, or land use law.	October 2023

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		0.45	0.46	0.30	(0.16)	(34.8)%
Personnel Expenditures						
Permanent Salaries	51100	91,259	88,490	61,536	(26,954)	(30.5)%
Overtime Salaries	51150	207		500	500	
Temporary Salaries	51200					
Payroll Taxes	51300	1,341	1,278	891	(387)	(30.3)%
Pension Benefits	51400	20,687	20,760	11,861	(8,899)	(42.9)%
FICA Replacement Benefits	51500	957	905	613	(292)	(32.3)%
Group Insurance Benefits	51600	11,891	10,704	6,557	(4,147)	(38.7)%
Employee Transportation Subsidy	51700	743	688	430	(258)	(37.5)%
Workers' Compensation	51800	289	239	148	(91)	(38.1)%
Discretionary Contribution (Pension/OPEB)	51850	7,340	4,163	3,496	(667)	(16.0)%
Board Stipends	51900					
Total Personnel Expenditures		134,714	127,227	86,032	(41,195)	(32.4)%
Services & Supplies Expenditures						
Travel In-State	52200	66		100	100	
Travel Out-of-State	52220					
Training & Education	52300		3,000	3,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800		2,000	2,000		
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	212,324	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	5,846	4,000	7,000	3,000	75.0%
Minor Office Equipment	54200		3,000	1,000	(2,000)	(66.7)%
Total Services & Supplies Expenditures		218,236	247,000	248,100	1,100	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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		352,950	374,227	334,132	(40,095)	(10.7)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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.

FINANCE AND ADMINISTRATIVE COMMITTEE MEETING OF 04/05/2024

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:	
Budget increase due to ongoing AB617 support, increased videography and website accessibility needs.	
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 for AB617 efforts.	
Major Objectives	Delivery Date
Develop media response / operating procedures, Air District media policy, and social media policy.	Ongoing
Produce Air District Annual Report.	June 2023
Publish quarterly Air Currents newsletter.	Quarterly
Conduct media training for public information officers and other Air District staff.	Ongoing
Develop videos, 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
Develop and maintain media relations.	Ongoing
Host media events to promote Air District programs and initiatives.	Ongoing

Media Relations

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		6.96	6.48	5.29	(1.19)	(18.4)%
Personnel Expenditures						
Permanent Salaries	51100	944,462	863,334	789,359	(73,975)	(8.6)%
Overtime Salaries	51150	5,581	7,000	7,000		
Temporary Salaries	51200	12,988				
Payroll Taxes	51300	14,574	12,210	11,361	(849)	(7.0)%
Pension Benefits	51400	207,310	200,888	166,788	(34,100)	(17.0)%
FICA Replacement Benefits	51500	10,340	12,668	10,804	(1,864)	(14.7)%
Group Insurance Benefits	51600	128,337	118,290	103,265	(15,025)	(12.7)%
Employee Transportation Subsidy	51700	8,201	9,628	7,591	(2,037)	(21.2)%
Workers' Compensation	51800	2,991	3,350	2,619	(731)	(21.8)%
Discretionary Contribution (Pension/OPEB)	51850	69,851	58,262	57,208	(1,054)	(1.8)%
Board Stipends	51900					
Total Personnel Expenditures		1,404,635	1,285,630	1,155,995	(129,635)	(10.1)%
Services & Supplies Expenditures						
Travel In-State	52200	1,179	14,000	14,000		
Travel Out-of-State	52220		6,000	6,000		
Training & Education	52300	2,778	21,500	21,500		
Repair & Maintenance (Equipment)	52400					
Communications	52500	10,525	47,000	47,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800		4,000	4,000		
Printing & Reproduction	52900	17,353	42,500	42,500		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	387,236	482,750	500,750	18,000	3.7%
General Insurance	53400					
Shop & Field Supplies	53500	293	500	500		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	325	11,000		(11,000)	(100.0)%
Stationery & Office Supplies	53900	59	4,000	4,000		
Books & Journals	54100					
Minor Office Equipment	54200		1,000	1,000		
Total Services & Supplies Expenditures		419,748	634,250	641,250	7,000	1.1%
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		(42,338)				
Total Expenditures		1,782,045	1,919,880	1,797,245	(122,635)	(6.4)%

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 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
Media outreach for Spare the Air winter.	Ongoing
Launch Spare the Air winter season.	November 2022
Execute and evaluate Spare the Air winter season public outreach campaign.	June 2023
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 2023
Develop Spare the Air winter season summary.	April 2023
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

Intermittent Control

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	1.08	0.80	1.38	0.58	72.5%
Personnel Expenditures					
Permanent Salaries 51100	124,266	100,716	198,103	97,387	96.7%
Overtime Salaries 51150	2,717		2,000	2,000	
Temporary Salaries 51200					
Payroll Taxes 51300	1,834	1,418	2,820	1,402	98.9%
Pension Benefits 51400	22,044	23,415	41,591	18,176	77.6%
FICA Replacement Benefits 51500	1,398	1,569	2,831	1,262	80.4%
Group Insurance Benefits 51600	17,406	14,513	26,728	12,215	84.2%
Employee Transportation Subsidy 51700	1,098	1,193	1,989	796	66.7%
Workers' Compensation 51800	394	415	686	271	65.3%
Discretionary Contribution (Pension/OPEB) 51850	6,651	7,218	14,859	7,641	105.9%
Board Stipends 51900					
Total Personnel Expenditures	177,808	150,457	291,607	141,150	93.8%
Services & Supplies Expenditures					
Travel In-State 52200	217				
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	986,042	1,125,000	1,125,000		
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	986,259	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	1,164,067	1,275,457	1,416,607	141,150	11.1%

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, sparetheair.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 2022
Manage the Spare the Air advertising, media relations and social media campaign.	Ongoing
Promote Spare the Air at public events.	Ongoing
Develop videos, 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
	2022	2023	2024	\$	%
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			
Discretionary Contribution (Pension/OPEB)		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			
Equipment Rental		53100			
Rents & Leases		53200			
Professional Services & Contracts	967,343	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	967,343	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	967,343	1,000,000	1,000,000		

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
Technology Implementation Office	
Contact Person:	
Anthony Fournier	
Program Purpose:	
The Air District's Climate Investments 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 Climate Tech Finance program increases access to capital for entrepreneurs and public agencies to develop and adopt technologies that reduce greenhouse gases. The Clean Air Centers program establishes a network of publicly accessible facilities with high-end air filtration for use during smoke events in communities most impacted by those events.	
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.	
Implement grant program to fund the purchase of air filtration units for publicly accessible Clean Air Centers.	
Major Objectives	Delivery Date
1. Provide loans and loan guarantees for implementing new technologies.	Ongoing
2. Implement enhanced climate loan services statewide.	Ongoing
3. Maintain Clean Air Centers grant program.	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	2.88	3.12	3.00	(0.12)	(3.8)%
Personnel Expenditures					
Permanent Salaries 51100	421,307	441,447	460,493	19,046	4.3%
Overtime Salaries 51150		25,000	25,000		
Temporary Salaries 51200		75,000	100,000	25,000	33.3%
Payroll Taxes 51300	6,119	6,250	6,526	276	4.4%
Pension Benefits 51400	85,383	98,326	88,279	(10,047)	(10.2)%
FICA Replacement Benefits 51500	4,321	6,101	6,116	15	0.2%
Group Insurance Benefits 51600	53,629	66,341	66,884	543	0.8%
Employee Transportation Subsidy 51700	3,433	4,637	4,297	(340)	(7.3)%
Workers' Compensation 51800	1,334	1,614	1,482	(132)	(8.2)%
Discretionary Contribution (Pension/OPEB) 51850	28,474	28,061	32,589	4,528	16.1%
Board Stipends 51900					
Total Personnel Expenditures	604,000	752,777	791,666	38,889	5.2%
Services & Supplies Expenditures					
Travel In-State 52200		2,300	6,500	4,200	182.6%
Travel Out-of-State 52220		3,000	3,000		
Training & Education 52300	1,689	6,000	6,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500	1,217	1,500	1,500		
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	1,139,788	250,000	250,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	398	3,000	4,000	1,000	33.3%
Stationery & Office Supplies 53900		400	500	100	25.0%
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	1,143,092	266,200	271,500	5,300	2.0%
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	1,747,092	1,018,977	1,063,166	44,189	4.3%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Strategic Incentives Division

General Fund

The Strategic Incentives Division mainly administers Special Revenue funds that are used to accelerate voluntary emissions reductions by incentivizing the replacement of older dirtier equipment that primarily targets mobile sources that total approximately \$100 million for project funds and \$8 million for Air District administrative costs. Strategic Incentives staff conducts outreach and solicits grant applications, evaluates grant applications according to established criteria, recommends allocation of the funding, prepares contracts with grantees, monitors progress in implementing funded projects, and reports on the use of funds.

In addition to this work, the Division also oversees programs and activities that are paid for at least in part by the General Fund (historically approximately \$570,000 annually) as match and to pay for projects and activities performed by staff that cannot be fully reimbursed by Special Revenue sources, such as development of applications for new sources of funding (i.e., federal or state), oversight of air district sponsored projects that are not eligible for funding from other sources, and activities that are also not eligible for reimbursement by other sources. Additional information on Strategic Incentive Division Budget can be found in the Special Revenue Fund section of the budget.

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Adam Shapiro	
Program Purpose:	
Administer funding for grant programs related to non-mobile sources.	
Description of Program:	
In 2023, 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 District will review all completed applications until program funds have been exhausted.	
Justification of Change Request:	
Not Applicable	
Activities	
Update program policies and procedures, guidance materials, and administrative operating procedures; conduct program development; and conduct outreach.	
Review and evaluate project applications to determine eligibility and prepare recommendations for award of eligible projects for approval by the Board of Directors.	
Prepare contracts, vouchers, amendments, and correspondence; monitor projects, inspect, and audit programs and projects to assure compliance with EPA and District guidelines, policies, and statutory and regulatory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare technical, financial, and staff reports; attend meetings; and participate in external audits.	
Coordinate with IT contractors to develop, enhance, and maintain data management systems.	
Major Objectives	Delivery Date
Submit quarterly reports and other required reports to funding source (EPA).	Ongoing
Meet funding source disbursement and liquidation deadlines.	June 2024
Meet funding source requirements to fund projects benefitting priority areas.	June 2024
Issue funding contracts and vouchers for grants awarded.	June 2024

Non-Mobile Source Grant Programs

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		0.23	0.43	1.65	1.22	283.72%
Personnel Expenditures						
Permanent Salaries	51100	33,028	60,073	210,110	150,037	249.76%
Overtime Salaries	51150	2				
Temporary Salaries	51200					
Payroll Taxes	51300	470	854	2,970	2,116	247.8%
Pension Benefits	51400	4,602	13,594	40,987	27,393	201.5%
FICA Replacement Benefits	51500	326	840	3,367	2,527	300.8%
Group Insurance Benefits	51600	4,089	8,405	26,115	17,710	210.7%
Employee Transportation Subsidy	51700	254	639	2,366	1,727	270.3%
Workers' Compensation	51800	105	222	816	594	267.6%
Discretionary Contribution (Pension/OPEB)	51850		3,865	17,286	13,421	347.2%
Board Stipends	51900					
Total Personnel Expenditures		42,876	88,492	304,017	215,525	243.6%
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	29,663	50,000	75,000	25,000	50.0%
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		29,663	50,000	75,000	25,000	50.0%
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						
Total Expenditures		72,539	138,492	379,017	240,525	173.67%

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. Also manage small pilot and demonstration projects funded by Air District general funds.	
Description of Program:	
This program, established in 2010, is focused on identifying and securing new sources of funding for the Bay Area region. Staff identifies and secures 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. This program is also used to conduct activities to support pilot and demonstration projects that are not funded by non-Air District funding 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.	
Review, execute, and manage grant agreements with funding agencies.	
Manage Air District funded programs: 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
Secure new sources of funding	Ongoing

Grant Program Development

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	0.26	0.54	0.26	(0.28)	(51.9)%
Personnel Expenditures					
Permanent Salaries 51100	37,833	79,177	45,799	(33,378)	(42.2)%
Overtime Salaries 51150	5				
Temporary Salaries 51200					
Payroll Taxes 51300	583	1,138	664	(474)	(41.7)%
Pension Benefits 51400	12,749	18,132	9,757	(8,375)	(46.2)%
FICA Replacement Benefits 51500	415	1,055	530	(525)	(49.8)%
Group Insurance Benefits 51600	5,116	10,235	5,349	(4,886)	(47.7)%
Employee Transportation Subsidy 51700	337	802	373	(429)	(53.5)%
Workers' Compensation 51800	120	279	129	(150)	(53.8)%
Discretionary Contribution (Pension/OPEB) 51850	6,312	4,854	2,916	(1,938)	(39.9)%
Board Stipends 51900					
Total Personnel Expenditures	63,470	115,672	65,517	(50,155)	(43.4)%
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					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	27,025	95,000	45,000	(50,000)	(52.6)%
General Insurance 53400					
Shop & Field Supplies 53500		1,000	1,000		
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		20,000	15,000	(5,000)	(25.0)%
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	27,025	144,700	89,700	(55,000)	(38.0)%
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	90,495	260,372	155,217	(105,155)	(40.4)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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 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 and NTCs; 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.	
Provide technical analysis and support for variances, abatement orders, and permit appeals to the Hearing Board. Prepare a weekly District position report on all matters before the Hearing Board. Ensure that increments of progress are met.	
Refinery Flares: review, comment, approve and enforce provisions in Regulation 12, Rules 11 and 12.	
Provide staff at community meetings to present information on the complaint process, enforcement activities, etc.	
Participate in interagency environmental task force programs to coordinate District enforcement activities with other County/State/Federal governmental agencies.	
Major Objectives	Delivery Date
Participate in bi-monthly community meetings in AB617 like areas to learn and understand local community air pollution concerns. First meeting to be with BVHP community around mid-March.	Ongoing

Enforcement

401

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		30.94	34.55	39.45	4.90	14.2%
Personnel Expenditures						
Permanent Salaries	51100	3,563,768	4,164,545	4,918,765	754,220	18.1%
Overtime Salaries	51150	37,610	117,000	117,000		
Temporary Salaries	51200		10,000	10,000		
Payroll Taxes	51300	52,822	58,651	69,510	10,859	18.5%
Pension Benefits	51400	762,665	952,894	997,319	44,425	4.7%
FICA Replacement Benefits	51500	37,562	67,519	80,528	13,009	19.3%
Group Insurance Benefits	51600	466,393	709,341	818,909	109,568	15.4%
Employee Transportation Subsidy	51700	29,752	51,321	56,582	5,261	10.3%
Workers' Compensation	51800	11,286	17,856	19,518	1,662	9.3%
Discretionary Contribution (Pension/OPEB)	51850	258,701	310,547	411,795	101,248	32.6%
Board Stipends	51900					
Total Personnel Expenditures		5,220,559	6,459,674	7,499,926	1,040,252	16.1%
Services & Supplies Expenditures						
Travel In-State	52200	4,477	18,800	18,800		
Travel Out-of-State	52220		1,450	1,450		
Training & Education	52300	1,360	6,790	6,790		
Repair & Maintenance (Equipment)	52400	110,208	191,250	191,250		
Communications	52500	13,833	137,000	137,000		
Building Maintenance	52600		2,500	2,500		
Utilities	52700	1,598	4,000	4,000		
Postage	52800					
Printing & Reproduction	52900	142	2,000	2,000		
Equipment Rental	53100					
Rents & Leases	53200	65,473	77,100	80,040	2,940	3.8%
Professional Services & Contracts	53300	3,346	23,000	23,000		
General Insurance	53400					
Shop & Field Supplies	53500	10,768	18,090	18,090		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		2,000	2,000		
Stationery & Office Supplies	53900	46				
Books & Journals	54100					
Minor Office Equipment	54200		1,000	1,000		
Total Services & Supplies Expenditures		211,251	484,980	487,920	2,940	0.6%
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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		5,431,810	6,944,654	7,987,846	1,043,192	15.0%

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee	
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
Participate in bi-monthly community meetings in AB617 like areas and provide detailed enforcement statistics and C&E overview to specific community. First meeting tentatively scheduled for mid-March.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		17.44	18.32	17.31	(1.01)	(5.5)%
Personnel Expenditures						
Permanent Salaries	51100	2,162,555	2,317,396	2,159,326	(158,070)	(6.8)%
Overtime Salaries	51150	10,946	5,000	7,000	2,000	40.0%
Temporary Salaries	51200	2,780	25,000	25,000		
Payroll Taxes	51300	31,958	32,629	30,430	(2,199)	(6.7)%
Pension Benefits	51400	420,496	534,721	441,054	(93,667)	(17.5)%
FICA Replacement Benefits	51500	22,596	35,803	35,327	(476)	(1.3)%
Group Insurance Benefits	51600	280,757	350,221	346,126	(4,095)	(1.2)%
Employee Transportation Subsidy	51700	17,874	27,214	24,822	(2,392)	(8.8)%
Workers' Compensation	51800	6,849	9,469	8,563	(906)	(9.6)%
Discretionary Contribution (Pension/OPEB)	51850	134,419	164,675	180,675	16,000	9.7%
Board Stipends	51900					
Total Personnel Expenditures		3,091,230	3,502,128	3,258,323	(243,805)	(7.0)%
Services & Supplies Expenditures						
Travel In-State	52200	599	9,200	9,200		
Travel Out-of-State	52220		7,000	7,000		
Training & Education	52300	13,538	17,000	18,500	1,500	8.8%
Repair & Maintenance (Equipment)	52400		4,000	4,000		
Communications	52500	28,212	128,000	128,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800		2,000	2,000		
Printing & Reproduction	52900	4,706	8,000	8,500	500	6.3%
Equipment Rental	53100					
Rents & Leases	53200		500	500		
Professional Services & Contracts	53300	9,510	30,000	30,000		
General Insurance	53400					
Shop & Field Supplies	53500	97				
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		1,000	1,000		
Stationery & Office Supplies	53900	2,329	4,000	4,250	250	6.3%
Books & Journals	54100					
Minor Office Equipment	54200	708	1,500	1,500		
Total Services & Supplies Expenditures		59,699	212,200	214,450	2,250	1.1%
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		3,150,929	3,714,328	3,472,773	(241,555)	(6.5)%

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Juan Ortellado	
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 gasoline 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 matter. Beyond routine inspections to ensure that equipment, emissions 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
		2022	2023	2024	\$	%
Number of Positions (FTE)		28.85	35.31	30.79	(4.52)	(12.8)%
Personnel Expenditures						
Permanent Salaries	51100	3,508,519	4,470,612	3,918,593	(552,019)	(12.3)%
Overtime Salaries	51150	13,332	8,000	8,000		
Temporary Salaries	51200					
Payroll Taxes	51300	52,045	63,138	55,307	(7,831)	(12.4)%
Pension Benefits	51400	840,016	1,029,185	802,846	(226,339)	(22.0)%
FICA Replacement Benefits	51500	36,790	69,005	62,789	(6,216)	(9.0)%
Group Insurance Benefits	51600	456,927	709,917	630,891	(79,026)	(11.1)%
Employee Transportation Subsidy	51700	29,185	52,451	44,118	(8,333)	(15.9)%
Workers' Compensation	51800	11,111	18,250	15,219	(3,031)	(16.6)%
Discretionary Contribution (Pension/OPEB)	51850	302,878	317,386	322,346	4,960	1.6%
Board Stipends	51900					
Total Personnel Expenditures		5,250,803	6,737,944	5,860,109	(877,835)	(13.0)%
Services & Supplies Expenditures						
Travel In-State	52200	6,649	10,000	10,000		
Travel Out-of-State	52220		2,550	2,550		
Training & Education	52300	1,192	5,168	5,168		
Repair & Maintenance (Equipment)	52400	4,713	60,000	60,000		
Communications	52500	98,496	33,500	33,500		
Building Maintenance	52600		4,000	4,000		
Utilities	52700	9,162	3,000	3,000		
Postage	52800	35				
Printing & Reproduction	52900	279	1,000	1,000		
Equipment Rental	53100					
Rents & Leases	53200	102,694	89,100	89,100		
Professional Services & Contracts	53300	593	15,500	15,500		
General Insurance	53400					
Shop & Field Supplies	53500	16,866	26,000	26,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	5,750	23,000	23,000		
Stationery & Office Supplies	53900	2,132	2,300	2,300		
Books & Journals	54100					
Minor Office Equipment	54200	58				
Total Services & Supplies Expenditures		248,619	275,118	275,118		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125		100,000	100,000		
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures			100,000	100,000		
Transfer In/Out						
Total Expenditures		5,499,422	7,113,062	6,235,227	(877,835)	(12.3)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Engineering Division

Engineering Division (Division) gives high priority to the timely review of 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' emission offset requirements, New Source Review (NSR) of Toxic Air Contaminants (TAC) and California Environmental Quality Act (CEQA). There are about 10,000 facilities with about 26,000 devices and operations that have Air District permits. The Division processes, reviews, issues, and renews Title V (Major Facility Review) permits for about 79 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 TAC emissions and prioritization scores for approximately 290 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. Risk reduction plans will be reviewed, approved, and tracked. The toxics programs also support Community Health Protection Program goals to eliminate health disparities in overburdened communities.

The Division implements the State Air Toxics "Hot Spots" Program, which applies to existing facilities that emit TACs. Based on the annual TAC emissions inventory, the Division calculates prioritization scores for facilities, conducts HRAs for high priority facilities, and reports HRA results to CARB.

The Division is implementing the permit reforms adopted on December 15, 2021. Regulations 2-1 and 2-5 were amended to increase health protections in overburdened communities by: (1) defining overburdened communities, (2) establishing a more stringent cancer risk limit in overburdened communities, (3) enhancing public notifications in the overburdened communities, (4) updating gasoline station health risk screening guidelines, and (5) amending permit review timelines.

The Division continues to implement the Criteria Air Pollutants and Toxic Air Contaminants Reporting (CTR) Regulation, a state regulation establishing a uniform system of annual reporting of emissions of criteria air pollutants and TACs for permitted facilities. The Division has been actively working with other agencies and CAPCOA in the development of uniform emissions inventory guidelines for different source categories.

Due to power outages and PG&E Public Safety Power Shutoffs (PSPS), there continues to be a large number of applications for backup generators.

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, CARB Permitting FAQs for environmental justice workgroup, Technical Assessment Coordination, Emissions Inventory with CARB and other air districts, and the community workgroups.

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), and amendments to rules to implement Expedited Best Available Retrofit Control Technology for AB 617.

Managing Division:	
Engineering Division	
Contact Person:	
Nicolas Maiden & Gregory Solomon	
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, evaluates compliance with regulatory requirements, including case-by-case Best Available Control Technology (BACT) and emissions offset determinations, and establishes enforceable permit conditions. 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 and 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 2024

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		37.30	42.42	38.99	(3.43)	(8.1)%
Personnel Expenditures						
Permanent Salaries	51100	4,856,361	5,593,547	5,551,412	(42,135)	(0.8)%
Overtime Salaries	51150	89,078	40,000	40,000		
Temporary Salaries	51200	64,328				
Payroll Taxes	51300	72,865	78,920	78,615	(305)	(0.4)%
Pension Benefits	51400	1,125,845	1,283,358	1,135,819	(147,539)	(11.5)%
FICA Replacement Benefits	51500	51,773	82,886	79,555	(3,331)	(4.0)%
Group Insurance Benefits	51600	648,833	777,335	746,324	(31,011)	(4.0)%
Employee Transportation Subsidy	51700	41,430	63,002	55,898	(7,104)	(11.3)%
Workers' Compensation	51800	15,380	21,921	19,282	(2,639)	(12.0)%
Discretionary Contribution (Pension/OPEB)	51850	395,960	381,230	417,294	36,064	9.5%
Board Stipends	51900					
Total Personnel Expenditures		7,361,853	8,322,199	8,124,199	(198,000)	(2.4)%
Services & Supplies Expenditures						
Travel In-State	52200	28	13,000	13,000		
Travel Out-of-State	52220					
Training & Education	52300	165	2,464	2,464		
Repair & Maintenance (Equipment)	52400					
Communications	52500		110	110		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	192,503	401,059	401,059		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		2,000	2,000		
Stationery & Office Supplies	53900					
Books & Journals	54100		200	200		
Minor Office Equipment	54200		368	368		
Total Services & Supplies Expenditures		192,696	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		7,554,549	8,741,400	8,543,400	(198,000)	(2.3)%

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 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, and the Air Toxics "Hot Spots" Program (AB2588). The Air Toxics Program also provides support to other Community Health Protection programs that seek to eliminate air quality disparities in overburden communities. Staff provides guidance on toxic emission calculations, controls, and impacts, maintains the toxic emission inventory, assists with incident and compliance evaluation, conducts health risk assessments (HRAs) for stationary sources, and approves risk reduction plans for existing facilities.	
Justification of Change Request:	
Not applicable.	
Activities	
Perform HRAs for permit applications involving new or modified sources (estimated 300 HRAs per year).	
Prepare facility-wide HRAs for facilities subject to Rule 11-18 (about 185 HRAs over 4 years). Conduct HRAs for alternative scenarios and proposed revisions to support implementation and verification of risk reduction measures.	
Support implementation of amendments to Rule 2-1 and 2-5. Update health effects values and add new TACs to databases. Develop updated procedures for gas dispensing facility (GDF) HRAs.	
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 for Hot Spots Program and conduct or review new HRAs required for high-priority sites that are exempt from Rule 11-18. Coordinate public notification and risk reduction audits.	
Review HRAs and Prevention of Significant Deterioration (PSD) modeling analyses for major permit applications.	
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).	
Review and approve Rule 11-18 risk reduction plans and TBARCT determinations and support emission reduction permitting activities.	
Major Objectives	Delivery Date
Conduct HRAs and other modeling analyses for NSR projects that trigger Rule 2-5 or PSD.	Ongoing
Conduct preliminary, draft, and final HRAs for Phase 1 Rule 11-18 facilities.	Ongoing
Create and implement updated HRA procedures for GDFs based on approved Rule 2-5 amendments.	July 2023
Continue updating Toxic Emission Factor Guidelines including 1-hour guidance.	December 2023
Support AIM's preparation of annual stationary source toxic inventories and HRA results for CARB and EPA.	October 2023
Publish periodic Air Toxic Emissions and Air Toxics Control Program reports.	Ongoing
Develop procedures for review and approval of Rule 11-18 risk reduction plans.	August 2023

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	7.04	7.86	8.91	1.05	13.4%
Personnel Expenditures					
Permanent Salaries 51100	1,001,405	1,186,479	1,384,441	197,962	16.7%
Overtime Salaries 51150	1,032	8,000	8,000		
Temporary Salaries 51200	273				
Payroll Taxes 51300	14,902	16,815	19,635	2,820	16.8%
Pension Benefits 51400	225,755	277,930	288,898	10,968	3.9%
FICA Replacement Benefits 51500	10,529	15,351	18,180	2,829	18.4%
Group Insurance Benefits 51600	130,905	160,961	187,865	26,904	16.7%
Employee Transportation Subsidy 51700	8,308	11,669	12,774	1,105	9.5%
Workers' Compensation 51800	3,171	4,060	4,406	346	8.5%
Discretionary Contribution (Pension/OPEB) 51850	78,542	70,609	97,111	26,502	37.5%
Board Stipends 51900					
Total Personnel Expenditures	1,474,822	1,751,874	2,021,310	269,436	15.4%
Services & Supplies Expenditures					
Travel In-State 52200	75	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	2,849	7,000	7,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	14,723	1,000	1,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		4,000	4,000		
Stationery & Office Supplies 53900		300	300		
Books & Journals 54100					
Minor Office Equipment 54200		400	400		
Total Services & Supplies Expenditures	17,647	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	1,492,469	1,811,164	2,080,600	269,436	14.9%

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	October 2023

Permit Operations

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	4.01	4.61	8.13	3.52	76.4%
Personnel Expenditures					
Permanent Salaries 51100	598,265	610,417	975,153	364,736	59.8%
Overtime Salaries 51150	193	5,000	5,000		
Temporary Salaries 51200	568				
Payroll Taxes 51300	8,896	8,616	13,729	5,113	59.3%
Pension Benefits 51400	133,654	142,723	204,129	61,406	43.0%
FICA Replacement Benefits 51500	6,320	9,014	16,592	7,578	84.1%
Group Insurance Benefits 51600	78,340	99,638	163,479	63,841	64.1%
Employee Transportation Subsidy 51700	5,044	6,851	11,658	4,807	70.2%
Workers' Compensation 51800	1,895	2,384	4,022	1,638	68.7%
Discretionary Contribution (Pension/OPEB) 51850	46,569	41,456	84,268	42,812	103.3%
Board Stipends 51900					
Total Personnel Expenditures	879,744	926,099	1,478,030	551,931	59.6%
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	1,872	75,166	75,166		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	1,764	12,255	12,255		
General Insurance 53400					
Shop & Field Supplies 53500	1,795	4,151	4,151		
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		1,021	1,021		
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	5,431	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	885,175	1,018,692	1,570,623	551,931	54.2%

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
Work with EPA on Title V program evaluation (audit)	Ongoing

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	1.91	2.51	3.22	0.71	28.3%
Personnel Expenditures					
Permanent Salaries 51100	231,350	334,681	446,907	112,226	33.5%
Overtime Salaries 51150	1,158	66,330		(66,330)	(100.0)%
Temporary Salaries 51200		8,006	8,006		
Payroll Taxes 51300	3,392	4,738	6,329	1,591	33.6%
Pension Benefits 51400	57,376	78,142	93,834	15,692	20.1%
FICA Replacement Benefits 51500	2,407	4,905	6,572	1,667	34.0%
Group Insurance Benefits 51600	29,929	42,269	56,818	14,549	34.4%
Employee Transportation Subsidy 51700	1,901	3,729	4,618	889	23.8%
Workers' Compensation 51800	733	1,297	1,593	296	22.8%
Discretionary Contribution (Pension/OPEB) 51850	21,093	22,562	34,294	11,732	52.0%
Board Stipends 51900					
Total Personnel Expenditures	349,339	566,659	658,971	92,312	16.3%
Services & Supplies Expenditures					
Travel In-State 52200	32	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	1,928	28,873	28,873		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300		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	1,960	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	351,299	1,001,787	1,094,099	92,312	9.2%

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, including Criteria Air Pollutants and Toxic Air Contaminants Reporting (CTR).</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 2024
Complete and submit Offset Equivalence report for EPA.	March 2024

Engineering Special Projects

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2023	2024	\$	%	
	2022					
Number of Positions (FTE)	6.15	6.66	8.13	1.47	22.1%	
Personnel Expenditures						
Permanent Salaries	51100	845,344	969,272	1,206,674	237,402	24.5%
Overtime Salaries	51150	1,511	5,000	5,000		
Temporary Salaries	51200	27,626				
Payroll Taxes	51300	12,849	13,767	17,184	3,417	24.8%
Pension Benefits	51400	171,861	226,253	251,450	25,197	11.1%
FICA Replacement Benefits	51500	9,114	13,019	16,600	3,581	27.5%
Group Insurance Benefits	51600	113,201	133,959	156,282	22,323	16.7%
Employee Transportation Subsidy	51700	7,346	9,895	11,663	1,768	17.9%
Workers' Compensation	51800	2,677	3,443	4,023	580	16.8%
Discretionary Contribution (Pension/OPEB)	51850	55,692	59,878	87,802	27,924	46.6%
Board Stipends	51900					
Total Personnel Expenditures		1,247,221	1,434,486	1,756,678	322,192	22.5%
Services & Supplies Expenditures						
Travel In-State	52200	4,797	5,000	5,000		
Travel Out-of-State	52220					
Training & Education	52300		65,000	65,000		
Repair & Maintenance (Equipment)	52400	190				
Communications	52500	4,492	5,000	5,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	6,851	52,100	52,100		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	465	50,000	50,000		
General Insurance	53400					
Shop & Field Supplies	53500	5,001	10,000	10,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	9,382	60,000	60,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		31,178	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		1,278,399	1,681,586	2,003,778	322,192	19.2%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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 2024, 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 2024, 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 conduct equity assessments in support of AB 617 and rule develop activities. 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 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 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 2024, 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 2024, 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 2024, AIM will conduct modeling studies to evaluate the impacts of sources of fine particulate matter on air quality and health.

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Song Bai	
Program Purpose:	
Compile source inventories for criteria air pollutants (CAPs), toxic air contaminants (TACs) and greenhouse gases (GHGs) for planning, rule development, modeling and 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 (CAPs, TACs, 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 also prepares and maintains GHG emission inventories and forecasts for the region, with near-term focus on particulate matter (PM), volatile organic compounds (VOC), and methane emissions from permitted facilities.	
Justification of Change Request:	
Emissions inventories are fundamental for air quality source apportionment analysis, as well as planning, rule development, modeling and exposure assessments, and public information sharing. Staff resources are needed to develop, maintain, and update emissions inventory to be used for the Air District's annual report, regional modeling inputs, and required data reporting to CARB.	
Activities	
Develop and update emissions inventories and improve the District's ability to assess emissions estimates.	
Evaluate and refine emissions estimates to support Air District programs, rules development, and local air quality Action Plans, with emphasis on fine particulate matter, TAC, and methane and incorporation of new measurement and analysis techniques.	
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.	
Provide inventory information and emissions estimates under public record request.	
Major Objectives	Delivery Date
Improve emissions methods and consolidate inventory estimates for criteria air pollutants and GHG emissions.	June 2024
Prepare and transmit source emissions estimates to meet State annual reporting requirements.	June 2024

Source Inventories

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	6.76	6.82	6.20	(0.62)	(9.1)%
Personnel Expenditures					
Permanent Salaries 51100	1,006,904	1,051,250	992,216	(59,034)	(5.6)%
Overtime Salaries 51150		5,000	5,000		
Temporary Salaries 51200					
Payroll Taxes 51300	14,953	14,905	14,124	(781)	(5.2)%
Pension Benefits 51400	214,318	240,664	201,591	(39,073)	(16.2)%
FICA Replacement Benefits 51500	10,587	13,338	12,652	(686)	(5.1)%
Group Insurance Benefits 51600	131,383	163,643	154,904	(8,739)	(5.3)%
Employee Transportation Subsidy 51700	9,388	10,138	8,890	(1,248)	(12.3)%
Workers' Compensation 51800	3,189	3,527	3,067	(460)	(13.0)%
Discretionary Contribution (Pension/OPEB) 51850	72,322	61,343	68,021	6,678	10.9%
Board Stipends 51900					
Total Personnel Expenditures	1,463,044	1,563,808	1,460,465	(103,343)	(6.6)%
Services & Supplies Expenditures					
Travel In-State 52200	27	2,400	2,400		
Travel Out-of-State 52220		2,600	2,800	200	7.7%
Training & Education 52300	276	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	140,667	121,000	121,000		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	8,145	22,000	22,000		
Stationery & Office Supplies 53900	17	200	200		
Books & Journals 54100		600	600		
Minor Office Equipment 54200		1,000	1,000		
Total Services & Supplies Expenditures	149,132	172,800	173,000	200	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	1,612,176	1,736,608	1,633,465	(103,143)	(5.9)%

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
		2022	2023	2024	\$	%
Number of Positions (FTE)		3.96	3.71	2.60	(1.11)	(29.9)%
Personnel Expenditures						
Permanent Salaries	51100	582,543	577,183	387,436	(189,747)	(32.9)%
Overtime Salaries	51150					
Temporary Salaries	51200	2,862				
Payroll Taxes	51300	8,763	8,212	5,537	(2,675)	(32.6)%
Pension Benefits	51400	129,255	133,122	80,911	(52,211)	(39.2)%
FICA Replacement Benefits	51500	6,203	7,251	5,306	(1,945)	(26.8)%
Group Insurance Benefits	51600	76,970	76,317	47,412	(28,905)	(37.9)%
Employee Transportation Subsidy	51700	4,930	5,511	3,728	(1,783)	(32.4)%
Workers' Compensation	51800	1,844	1,918	1,286	(632)	(33.0)%
Discretionary Contribution (Pension/OPEB)	51850	44,482	33,348	28,091	(5,257)	(15.8)%
Board Stipends	51900					
Total Personnel Expenditures		857,852	842,862	559,707	(283,155)	(33.6)%
Services & Supplies Expenditures						
Travel In-State	52200		1,400	1,400		
Travel Out-of-State	52220		3,900	3,900		
Training & Education	52300		6,500	6,500		
Repair & Maintenance (Equipment)	52400		8,000	8,000		
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	457,942	320,000	320,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	56	500	500		
Books & Journals	54100					
Minor Office Equipment	54200					
Non-Capital Assets	54600	1,341				
Total Services & Supplies Expenditures		459,339	340,300	340,300		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	7,034				
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		7,034				
Transfer In/Out						
Total Expenditures		1,324,225	1,183,162	900,007	(283,155)	(23.9)%

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 ozone, 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	2023	2024	\$	%
	2022				
Number of Positions (FTE)	3.28	3.50	2.10	(1.40)	(40.0)%
Personnel Expenditures					
Permanent Salaries 51100	487,179	543,478	328,260	(215,218)	(39.6)%
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	7,209	7,695	4,653	(3,042)	(39.5)%
Pension Benefits 51400	109,288	125,667	68,227	(57,440)	(45.7)%
FICA Replacement Benefits 51500	5,110	6,840	4,285	(2,555)	(37.4)%
Group Insurance Benefits 51600	63,502	79,827	48,345	(31,482)	(39.4)%
Employee Transportation Subsidy 51700	4,040	5,199	3,011	(2,188)	(42.1)%
Workers' Compensation 51800	1,543	1,809	1,039	(770)	(42.6)%
Discretionary Contribution (Pension/OPEB) 51850	38,083	31,461	22,921	(8,540)	(27.1)%
Board Stipends 51900					
Total Personnel Expenditures	715,954	801,976	480,741	(321,235)	(40.1)%
Services & Supplies Expenditures					
Travel In-State 52200		1,600	1,600		
Travel Out-of-State 52220		2,100	2,100		
Training & Education 52300	300	2,000	2,000		
Repair & Maintenance (Equipment) 52400	5,918	12,000	12,000		
Communications 52500					
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900		4,000	4,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	4,457	10,000	10,000		
General Insurance 53400					
Shop & Field Supplies 53500	585				
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		8,000	8,000		
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	11,260	39,700	39,700		
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	727,214	841,676	520,441	(321,235)	(38.2)%

Managing Division:	
Assessment, Inventory & Model Division	
Contact Person:	
Song Bai	
Program Purpose:	
Evaluate community health risks from ambient fine particulate matter (PM), toxic air contaminants (TACs), 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 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:	
Community-scale air quality regulation and control continue to impose major new requirements, which demand additional products and resources from the CARE Program on a specified timeline to assess community-scale air quality, engage with communities, and provide technical support to local action plans.	
Activities	
Develop and improve modeling methods to identify emission sources affecting impacted communities and improve data analysis.	
Develop mitigation strategies for development near busy roadways and other air pollution sources.	
Improve collection and management of demographic, business, and activity data; enhance data visualization/analysis for community partnerships and local planning guidance.	
Participate in outreach and assist in evaluating community risks and hazards, through measurement and modeling programs.	
Major Objectives	Delivery Date
Develop and document improved methodology/tools for community-scale air quality modeling and assessment.	June 2024
Work collaboratively across Air District Divisions to build Technical Assessments Teams and perform community-level technical assessment work.	June 2024

Community Air Risk Evaluation

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		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	3.90	3.92	1.70	(2.22)	(56.6)%
Personnel Expenditures					
Permanent Salaries 51100	671,823	701,171	317,859	(383,312)	(54.7)%
Overtime Salaries 51150		5,000	5,000		
Temporary Salaries 51200					
Payroll Taxes 51300	9,891	10,084	4,600	(5,484)	(54.4)%
Pension Benefits 51400	135,662	159,217	65,886	(93,331)	(58.6)%
FICA Replacement Benefits 51500	7,034	7,652	3,469	(4,183)	(54.7)%
Group Insurance Benefits 51600	87,366	81,886	39,715	(42,171)	(51.5)%
Employee Transportation Subsidy 51700	5,564	5,816	2,438	(3,378)	(58.1)%
Workers' Compensation 51800	2,127	2,024	841	(1,183)	(58.4)%
Discretionary Contribution (Pension/OPEB) 51850	44,542	35,196	19,344	(15,852)	(45.0)%
Board Stipends 51900					
Total Personnel Expenditures	964,009	1,008,046	459,152	(548,894)	(54.5)%
Services & Supplies Expenditures					
Travel In-State 52200		2,300	2,400	100	4.3%
Travel Out-of-State 52220		2,600	2,800	200	7.7%
Training & Education 52300		8,500	8,500		
Repair & Maintenance (Equipment) 52400		5,000	5,000		
Communications 52500	1,850	3,000	3,000		
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900		2,000	2,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	32,400	250,500	250,500		
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800	2,533	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	36,783	293,700	294,000	300	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	1,000,792	1,301,746	753,152	(548,594)	(42.1)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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. Staff partner with other Divisions to 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 plan and policy decisions and infrastructure investments that improve air quality and protect the climate, including guidance and activities related to the California Environmental Quality Act (CEQA).

In FYE 2024, staff will continue to implement the 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 closely with community partners and steering committees in West Oakland, Richmond-North Richmond-San Pablo, East Oakland and Bayview Hunter's Point to identify and prioritize pollution and exposure reduction strategies, implement measures to reduce emissions and exposure, and provide land use guidance. Staff will continue supporting local lead agencies, regional agencies, and others in applying the CEQA Thresholds and Guidelines to ensure plans and projects are protective of local health and reduce climate impacts. Staff will provide technical assistance to cities and counties on improving local plans to address air quality, climate protection, health and environmental justice through general plan updates (per SB 1000), climate action plans and other plan and policy actions. Staff will actively track the development of new national ambient air quality standards (NAAQS) for particulate matter and will coordinate District-wide activities to respond to a new NAAQS, including attainment designations and State Implementation Plan (SIP) development, as needed. Staff will track and serve as an internal resource on California Air Resources Board (CARB) mobile source plans and rulemaking, and transportation policies and programs developed by other State agencies. Staff will provide technical and policy support to other Air District staff regarding emissions reduction strategies at Bay Area seaports, work with Federal, State, regional and local agencies to reduce emissions associated with ports and goods movement and implement other mobile source programs, including the Protecting Blue Whales and Blue Skies program and related sustainable shipping efforts.

In FYE 2024, staff will implement GHG emission reduction measures identified in the 2017 Plan, including: implement the Bay Area Healthy Home Initiative in Contra Costa and Alameda counties and explore opportunities for expansion to additional counties; continue to lead and expand a regional Building Decarbonization Program; coordinate the Implementation Working Group in support of implementing the Indoor Appliance Rules; focus the Diesel Free initiative on AB617 communities and their Community Emission Reduction Plans (CERPs); promote and support the use of the updated CEQA Climate Impact Thresholds; support the development of rules and rule amendments to reduce GHGs, including improving the GHG emissions inventory; work with CARB to implement the 2022 Scoping Plan, including participating in CARB-led working groups; assist local governments with the development and implementation of local GHG reduction strategies, including integrating equity into community-wide strategies; develop model ordinances and best practices to accelerate local policy adoption for reducing GHGs; provide technical and policy expertise on transportation, goods movement, and other mobile source strategies in support of Air District programs such as AB 617, CEQA, Air Quality Plans, SB1000; collaborate with regional agency partners to implement 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 in coordination with the development of community emission reduction plans per AB 617.	
Description of Program:	
This program focuses on preparing regional air quality plans to attain or maintain State and National air quality standards. This work includes preparation and submission of State Triennial Updates (i.e., Clean Air Plan) and State Implementation Plan (SIP) related documents. 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. This program aligns with implementing Assembly Bill 617 through the Air District's Community Health Protection Program by working with the most overburdened communities and impacted neighborhoods across the region, including community co-leads, Community Steering Committees, community members, and local governments to develop community emission reduction plans that address local emissions and exposures to improve community health.	
Justification of Change Request:	
Not Applicable	
Activities	
Track development of new or amended State or Federal ambient air quality standards and prepare documents or analyses to meet new or amended standards.	
Lead updates of the regional Clean Air Plan in collaboration with all Divisions, track progress, adjust implementation as necessary.	
Support the development of Community Emission Reduction Plans (CERPs) in AB 617 communities in partnership with community co-leads, community steering committee, community members and state, local and regional agencies.	
Create and disseminate accessible and relevant information on air quality planning, CEQA Thresholds and Guidelines, and planning to achieve State and Federal ambient air quality standards.	
Support local government planning and policy development efforts to improve air quality in overburdened communities, including SB1000 support.	
Major Objectives	Delivery Date
Coordinate internal and external efforts to prepare documents or analyses to meet new or amended State or Federal ambient air quality standards and.	Ongoing
Support the development of a CERP for the Path to Clean Air Richmond-North Richmond-San Pablo AB617 community.	October 2023
Support the development of a CERP for the East Oakland AB617 community.	Ongoing
Support the development of a CERP for the Bayview Hunter's Point AB617 community.	Ongoing
Develop an easy to use virtual repository of air quality planning, CEQA, local land use policy tools, and information to support local and community action.	Ongoing
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	2023	2024	\$	%
	2022				
Number of Positions (FTE)	7.80	9.30	4.88	(4.42)	(47.5)%
Personnel Expenditures					
Permanent Salaries 51100	1,148,025	1,349,150	748,496	(600,654)	(44.5)%
Overtime Salaries 51150	907				
Temporary Salaries 51200	8,096				
Payroll Taxes 51300	16,829	19,173	10,670	(8,503)	(44.3)%
Pension Benefits 51400	253,351	312,469	159,619	(152,850)	(48.9)%
FICA Replacement Benefits 51500	11,936	18,166	9,959	(8,207)	(45.2)%
Group Insurance Benefits 51600	148,179	163,998	96,474	(67,524)	(41.2)%
Employee Transportation Subsidy 51700	9,472	13,808	6,997	(6,811)	(49.3)%
Workers' Compensation 51800	3,636	4,804	2,414	(2,390)	(49.8)%
Discretionary Contribution (Pension/OPEB) 51850	88,076	83,553	53,048	(30,505)	(36.5)%
Board Stipends 51900					
Total Personnel Expenditures	1,688,507	1,965,121	1,087,677	(877,444)	(44.7)%
Services & Supplies Expenditures					
Travel In-State 52200	206	2,100	2,100		
Travel Out-of-State 52220		2,000	2,000		
Training & Education 52300	1,695	3,000	3,000		
Repair & Maintenance (Equipment) 52400					
Communications 52500	6,526				
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900	472	11,000	11,000		
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	81,661	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		500	500		
Books & Journals 54100	50				
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	90,610	218,600	218,600		
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					
Total Expenditures	1,779,117	2,183,721	1,306,277	(877,444)	(40.2)%

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:	
<p>This program focuses on working with state, regional and local agencies and community partners to facilitate implementation of land use 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 provided to lead agencies. The program works closely with community partners, state, regional and local agencies, and the private sector to reduce emissions and exposure through implementation of clean air plans and projects, including AB617 Community Emissions Reductions Plans, projects to address ports and goods movement operations, relevant CARB rulemaking, guidelines, plans and programs.</p>	
Justification of Change Request:	
Not Applicable	
Activities	
Support the implementation of adopted AB617 Community Emissions Reductions Plans (CERPs) in partnership with community co-leads, community steering committee, community members and state, local and regional agencies.	
Update CEQA Thresholds of Significance and maintain easy to use Guidelines with current best practice methods and mitigation measures.	
Track and review priority CEQA projects, provide comments to lead agencies, support lead agencies with tools, data and methods.	
Implement transportation, building and energy measures in the 2017 Clean Air Plan in collaboration with MTC, ABAG, BARC and other regional and local entities.	
Work with EPA, CARB, and Federal, State, regional and local agencies to reduce impacts from mobile sources, e.g., ports, goods movement, railroads, shipping.	
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.	
Major Objectives	Delivery Date
Update the Air District's CEQA Thresholds of Significance and Guidelines, disseminate and support lead agencies in their use.	June 2024
Continue to provide technical support and assistance to lead agencies and local governments on air quality and greenhouse gas analysis and mitigation.	Ongoing
Support the implementation of the West Oakland CERP, Owning our Air: The West Oakland Community Action Plan.	Ongoing
Support the implementation of the Path to Clean Air Richmond-North Richmond-San Pablo CERP once adopted.	Ongoing
Continue to track and prioritize CEQA projects for review and provide outcome oriented comments to lead agencies.	Ongoing

Implement Plans, Policies and Measures

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		4.91	5.36	3.98	(1.38)	(25.7)%
Personnel Expenditures						
Permanent Salaries	51100	705,443	795,518	624,718	(170,800)	(21.5)%
Overtime Salaries	51150	3,183	4,000	4,000		
Temporary Salaries	51200	4,712				
Payroll Taxes	51300	10,571	11,271	8,921	(2,350)	(20.8)%
Pension Benefits	51400	183,750	183,761	133,079	(50,682)	(27.6)%
FICA Replacement Benefits	51500	7,520	10,484	8,122	(2,362)	(22.5)%
Group Insurance Benefits	51600	93,338	103,575	84,054	(19,521)	(18.8)%
Employee Transportation Subsidy	51700	5,965	7,969	5,707	(2,262)	(28.4)%
Workers' Compensation	51800	2,234	2,773	1,969	(804)	(29.0)%
Discretionary Contribution (Pension/OPEB)	51850	68,635	48,221	43,480	(4,741)	(9.8)%
Board Stipends	51900					
Total Personnel Expenditures		1,085,351	1,167,572	914,050	(253,522)	(21.7)%
Services & Supplies Expenditures						
Travel In-State	52200		2,100	2,100		
Travel Out-of-State	52220		1,700	1,700		
Training & Education	52300	7,925	5,000	5,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	243				
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		600	600		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	111,888	185,000	185,000		
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	443	1,000	1,000		
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		120,499	195,900	195,900		
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		1,205,850	1,363,472	1,109,950	(253,522)	(18.6)%

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 2024 coordinated by the Climate Protection Section will include: supporting the development of proposed rules to reduce GHGs, including coordinating a Working Group to support the implementation of indoor appliance rules; implementing and continuing to expand the Bay Area Healthy Homes Initiative supporting the use of the CEQA Climate Impact Thresholds of Significance; continuing to lead and expand a regional campaign to decarbonize new and existing buildings, including supporting local initiatives, building upon Climate Protection Grant projects; 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; defining and integrating equity into climate programs and projects; implementing priority actions to reduce F-gas emissions; supporting the CA Air Resources Board and other State agencies on the implementation of the 2022 Scoping Plan; collaborating with MTC to implement Plan Bay Area; 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	
Coordinate the integration of climate protection strategies into existing Air District programs.	
Collaborate with divisions to support rulemaking, including coordinating an Indoor Appliance Rule Working Group.	
Provide local governments with policy resources to accelerate local building decarbonization efforts.	
Support partner implementation of the Bay Area Healthy Homes Initiative in Contra Costa and Alameda counties.	
Lead the implementation of the Diesel Free By '33 initiative.	
Provide outreach and support for local government implementation of CEQA Climate Impacts Thresholds.	
Support CARB and other State agencies on the implementation of the 2022 Scoping Plan.	
Provide leadership through convening events, providing networking and information-sharing for local governments and stakeholders.	
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 2024
Expand the Building Decarbonization Program by focusing regional action on vulnerable communities.	June 2024
Support rulemaking by coordinating an Indoor Appliance Rule Working Group.	June 2024
Promote and support the use of the updated CEQA Climate Impact Thresholds	June 2024
Redesign and strengthen approach to delivering support to local climate planning and implementation efforts.	June 2024
Work with state agencies to strengthen GHG reduction from the Scoping Plan and other key policies.	June 2024
Explore opportunities to reduce diesel particulate pollution in AB617 communities.	June 2024
Support all divisions by tracking and assessing the latest GHG science and studies.	June 2024
Develop methods to evaluate the efficacy of Air District climate programs.	June 2024

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		5.57	6.37	6.69	0.32	5.0%
Personnel Expenditures						
Permanent Salaries	51100	917,621	1,025,049	1,112,208	87,159	8.5%
Overtime Salaries	51150					
Temporary Salaries	51200	10,956				
Payroll Taxes	51300	13,974	14,589	15,890	1,301	8.9%
Pension Benefits	51400	211,132	232,573	221,214	(11,359)	(4.9)%
FICA Replacement Benefits	51500	9,902	12,447	13,652	1,205	9.7%
Group Insurance Benefits	51600	122,905	138,850	136,273	(2,577)	(1.9)%
Employee Transportation Subsidy	51700	7,962	9,461	9,593	132	1.4%
Workers' Compensation	51800	2,906	3,292	3,309	17	0.5%
Discretionary Contribution (Pension/OPEB)	51850	73,509	57,249	74,026	16,777	29.3%
Board Stipends	51900					
Total Personnel Expenditures		1,370,867	1,493,510	1,586,165	92,655	6.2%
Services & Supplies Expenditures						
Travel In-State	52200	614	3,660	3,660		
Travel Out-of-State	52220	1,540	6,750	6,750		
Training & Education	52300	7,855	6,900	6,900		
Repair & Maintenance (Equipment)	52400					
Communications	52500	988				
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	1	1,200	1,200		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	435,062	340,000	446,000	106,000	31.2%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	85				
Stationery & Office Supplies	53900	74	500	500		
Books & Journals	54100		100	100		
Minor Office Equipment	54200		200	200		
Total Services & Supplies Expenditures		446,219	359,310	465,310	106,000	29.5%
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		1,817,086	1,852,820	2,051,475	198,655	10.7%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
Rules Division	
Contact Person:	
Victor Douglas	
Program Purpose:	
The primary purpose of this program is to develop and propose emissions reductions strategies to reduce air pollutant emissions in the Bay Area.	
Description of Program:	
The Rule Development Program is responsible for evaluating sources for potential emissions control strategies and the development of regulations 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	
Continue to develop amendments to Rule 9-4 and 9-6 Building Appliances to reduce NOx emissions and support the development of a multiple stakeholder working group to support implementation of the amended rules if they are adopted by the Board	
Continue to develop amendments to Rule 8-8: Wastewater Collection and Separation Systems to reduce organic compounds	
Continue to develop amendments to 8-18: Equipment Leaks to reduce organic compounds	
Begin evaluating Rule 11-18: Reduction of Risk from Air Toxic Emissions at Existing Facilities for potential amendments to streamline and expedite regulatory implementation	
Continue supporting AB 617 communities as they develop Community Emission Reduction Plans by providing staff resources to help the Steering Committee develop and prioritize emissions reduction measures	
Develop a white paper on fugitive dust	
Develop a white paper on metal recycling and shredding operations	
Perform new source evaluations (white papers) as resources allow	
Major Objectives	Delivery Date
Finalize amendments to Rule 9-4 and 9-6 Building Appliances to reduce NOx emissions	March 2023
Finalize amendments to Rule 8-8: Wastewater Collection and Separation Systems to reduce organic compounds	December 2023
Finalize amendments to 8-18: Equipment Leaks to reduce organic compounds	December 2023
Complete development of a white paper on fugitive dust	April 2024
Complete development of a white paper on metal recycling and shredding operations	September 2023

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		10.26	10.99	8.78	(2.21)	(20.1)%
Personnel Expenditures						
Permanent Salaries	51100	1,666,244	1,711,544	1,439,257	(272,287)	(15.9)%
Overtime Salaries	51150	9,081	5,000		(5,000)	(100.0)%
Temporary Salaries	51200	16,701				
Payroll Taxes	51300	25,107	24,423	20,656	(3,767)	(15.4)%
Pension Benefits	51400	345,120	394,186	292,132	(102,054)	(25.9)%
FICA Replacement Benefits	51500	17,722	21,485	17,917	(3,568)	(16.6)%
Group Insurance Benefits	51600	219,941	200,275	173,523	(26,752)	(13.4)%
Employee Transportation Subsidy	51700	14,043	16,330	12,589	(3,741)	(22.9)%
Workers' Compensation	51800	5,277	5,682	4,343	(1,339)	(23.6)%
Discretionary Contribution (Pension/OPEB)	51850	114,114	98,817	96,843	(1,974)	(2.0)%
Board Stipends	51900					
Total Personnel Expenditures		2,433,350	2,477,742	2,057,260	(420,482)	(17.0)%
Services & Supplies Expenditures						
Travel In-State	52200		4,000	6,000	2,000	50.0%
Travel Out-of-State	52220			7,000	7,000	
Training & Education	52300	620	8,700	10,000	1,300	14.9%
Repair & Maintenance (Equipment)	52400					
Communications	52500					
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	7,958	22,000	22,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	245,023	441,000	401,000	(40,000)	(9.1)%
General Insurance	53400					
Shop & Field Supplies	53500		500	500		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		3,000	3,000		
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100		300	500	200	66.7%
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		253,601	480,000	450,500	(29,500)	(6.1)%
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		2,686,951	2,957,742	2,507,760	(449,982)	(15.2)%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Community Engagement Division

The Community Engagement Division supports the agency's mission by collaborating with impacted communities and other partners in the Bay Area to advance public health, equity, and environmental justice. The Division works with community members and other partners to increase community awareness and transparency of air quality issues, build capacity, increase opportunities for impacted communities to participate in Air District decision-making, and support implementation of community-identified solutions. Key program areas to support these efforts are the AB 617 community partnerships program, the Community Advisory Council, the development of the agency Environmental Justice Policy, the James Cary Smith Community Grant Program, and implementation of state and federal civil rights laws.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
Community Engagement Division	
Contact Person:	
Anna Lee & Diana Ruiz	
Program Purpose:	
<p>The Environmental Justice (EJ) and Community Engagement (CE) program is committed to providing meaningful engagement, reducing disparities in air quality impacts, and improving air quality for all Bay Area communities. Those who staff this program are the Air District’s main point of contact with the public. We connect with community members to increase awareness, develop and maintain lasting partnerships to understand community needs and desired solutions, and work alongside communities to guide planning and develop equitable air quality policy.</p>	
Description of Program:	
<p>The program involves coordination among agency departments and across communities to ensure we meet our shared mission to create a healthy breathing environment for every Bay Area resident. Staff in this program seek and create opportunities for those that have been historically excluded, discriminated against, under-represented, or under-resourced to participate in and shape Air District decisions. The Office co-leads efforts with impacted communities to work towards policy solutions that bolster community power, promote public health and equity, and improve regional conditions. The Division coordinates and facilitates community engagement in programs; supports the Community Advisory Council; leads the development and implementation of agency-wide Environmental Justice policy; plays a key role in convening Community-Agency partnerships; develops and deploys community engagement best practices; implements programmatic state and federal civil rights requirements; and, administers various equity-focused grant programs that support community-led initiatives to improve air quality in impacted communities.</p>	
Justification of Change Request:	
<p>The Board recently expanded the James Cary Smith Community Grant Program. The CE Division is supporting the Community Advisory Council, including its agency-wide Environmental Justice Policy and has been tasked with providing expanded capacity-building support for pollution-burdened communities. In addition, this program now includes primary responsibility for ensuring compliance with state and federal civil rights laws. Expanded engagement and responsibility requires increased language access and increased staff overtime for new staff.</p>	
Activities	
Environmental Justice Policy: Launch an agency-wide environmental justice policy.	
Community Advisory Council: Provide staffing support to Council to increase community leadership in District decisions.	
Community Grant Program: Administer grants to build community capacity and foster community participation.	
Administer Title VI of the Civil Rights Act of 1964 and state law analog.	
Air Filtration: Administer air filtration programs to impacted communities.	
Spare the Air: Provide support to the Spare the Air engagement work.	
Youth Engagement: Develop youth engagement strategies.	
General Engagement: Support community workshops, meetings and events.	
Major Objectives	Delivery Date
Support agency-wide Environmental Justice Policy development.	Ongoing
Support Community Advisory Council.	Ongoing
Support community capacity building through James Cary Smith Community Grant Program.	Ongoing
Support compliance with Title VI of the Civil Rights Act of 1964 and state law analog.	Ongoing
Support ongoing engagement of impacted communities in Air District activities.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		11.16	16.05	12.60	(3.45)	(21.5)%
Personnel Expenditures						
Permanent Salaries	51100	1,523,264	2,200,979	1,873,472	(327,507)	(14.9)%
Overtime Salaries	51150	39,795	22,500	27,000	4,500	20.0%
Temporary Salaries	51200	69,026				
Payroll Taxes	51300	23,326	31,130	26,719	(4,411)	(14.2)%
Pension Benefits	51400	285,387	494,251	362,416	(131,835)	(26.7)%
FICA Replacement Benefits	51500	16,303	31,360	25,713	(5,647)	(18.0)%
Group Insurance Benefits	51600	202,849	287,848	219,123	(68,725)	(23.9)%
Employee Transportation Subsidy	51700	12,884	23,837	18,067	(5,770)	(24.2)%
Workers' Compensation	51800	4,825	8,294	6,232	(2,062)	(24.9)%
Discretionary Contribution (Pension/OPEB)	51850	86,346	144,238	136,072	(8,166)	(5.7)%
Board Stipends	51900					
Total Personnel Expenditures		2,264,005	3,244,437	2,694,814	(549,623)	(16.9)%
Services & Supplies Expenditures						
Travel In-State	52200	525	5,500	5,500		
Travel Out-of-State	52220		4,800	4,800		
Training & Education	52300	6,250	16,700	20,000	3,300	19.8%
Repair & Maintenance (Equipment)	52400					
Communications	52500	13,732	13,000	15,000	2,000	15.4%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	384	3,500	3,500		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	2,950,896	5,441,500	2,958,104	(2,483,396)	(45.6)%
General Insurance	53400					
Shop & Field Supplies	53500	703	2,000	2,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900	377	1,500	1,500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		2,972,867	5,488,500	3,010,404	(2,478,096)	(45.2)%
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		5,236,872	8,732,937	5,705,218	(3,027,719)	(34.7)%

Managing Division:	
Community Engagement Division	
Contact Person:	
Suma Peesapati	
Program Purpose:	
To implement AB 617 by working with selected environmental justice communities in the Bay Area to prepare community-led plans to reduce emissions of toxic air contaminants and criteria pollutants or air monitoring plans. The District also performs local-scale emissions estimation and exposure assessments to support the development of the Community Emissions Reduction Program and Action Plans.	
Description of Program:	
The District partners closely with AB 617 communities to set up Community Steering Committees that co-lead the development of emissions reductions and monitoring plans. Staff works to ensure a community-led, data-informed, equitable, and transparent process. In partnership with West Oakland Environmental Indicators Project, the staff are working to implement the West Oakland Community Action Plan. In Richmond-North Richmond – San Pablo, staff are working with the community to implement the Path to Clean Air Monitoring Plan and develop an Emissions Reduction Plan. In partnership with Communities for a Better Environment, staff are working with Community Steering Committee members to develop the Emissions Reduction Plan in East Oakland. Staff are also working with Bayview Hunters Point Community Advocates and Marie Harrison Community Foundation to begin the Emissions Reduction Plan process in Bayview Hunters Point. Technical staff assigned to this program develop community-scale inventories of air pollution emissions (criteria pollutants and TAC) from various sources, which are used for air quality modeling and exposure assessment of AB 617 communities. Staff also compile and report detailed emissions data for permitted sources to meet the CARB’s newly adopted Criteria and Toxics Reporting (CTR) Regulation under AB 617.	
Justification of Change Request:	
AB 617 expenditures have now shifted into its own new program.	
Activities	
Support Community Steering Committee, Co-Lead partnership contract and consultant needs in West Oakland.	
Support Community Steering Committee, policy consultant needs and plan writing in the Richmond-North Richmond-San Pablo area.	
Support Community Steering Committee, Co-Lead partnership contract and consultant needs in East Oakland.	
Support Community Steering Committee, Co-Lead partnership contracts, and consultant needs in Bayview Hunters Point.	
Develop emissions inventory to support source apportionment and emissions reduction strategies in AB 617 communities.	
Perform local-scale modeling and exposure analyses to support development of action plans in AB 617 communities.	
Major Objectives	Delivery Date
Support Community Steering Committees in designated communities.	Ongoing
Support implementation and outreach of the West Oakland Community Action Plan and Path to Clean Air Monitoring Plan.	Ongoing
Support development of the Richmond-North Richmond-San Pablo and East Oakland Community Emissions Reduction Plan	Ongoing
Launch Bayview Hunters Point Community Emissions Reduction Plan process.	Ongoing
Conduct community-scale assessments in Richmond-North Richmond-San Pablo, East Oakland, Bayview Hunters Point (BVHP), and other communities; collaborate with other District Divisions to develop community prioritization methods.	Ongoing
Develop and document improved methodology/tools for community-scale modeling to support AB 617 Community Emission Reduction Plan (CERP) development.	Ongoing

	Program Actuals 2022	Approved Program Budget 2023	Proposed Program Budget 2024	FTE/Dollar Change \$	Percent Change %
Number of Positions (FTE)			31.59	31.59	
Personnel Expenditures					
Permanent Salaries	51100		4,735,302	4,735,302	
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300		67,428	67,428	
Pension Benefits	51400		953,897	953,897	
FICA Replacement Benefits	51500		64,466	64,466	
Group Insurance Benefits	51600		622,845	622,845	
Employee Transportation Subsidy	51700		45,296	45,296	
Workers' Compensation	51800		15,625	15,625	
Discretionary Contribution (Pension/OPEB)	51850		341,731	341,731	
Board Stipends	51900				
Total Personnel Expenditures			6,846,590	6,846,590	
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		2,404,500	2,404,500	
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			2,404,500	2,404,500	
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			9,251,090	9,251,090	

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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.

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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2022

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 2024
Train staff on use of OB software.	June 2024
Migrate records from shared drives to OB software	June 2024

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		2.00	2.00	1.00	(1.00)	(50.0)%
Personnel Expenditures						
Permanent Salaries	51100	267,980	299,098	188,366	(110,732)	(37.0)%
Overtime Salaries	51150	86				
Temporary Salaries	51200					
Payroll Taxes	51300	3,948	4,231	2,680	(1,551)	(36.7)%
Pension Benefits	51400	59,745	66,528	41,427	(25,101)	(37.7)%
FICA Replacement Benefits	51500	2,790	3,909	2,041	(1,868)	(47.8)%
Group Insurance Benefits	51600	34,631	35,567	23,473	(12,094)	(34.0)%
Employee Transportation Subsidy	51700	2,213	2,971	1,434	(1,537)	(51.7)%
Workers' Compensation	51800	849	1,034	495	(539)	(52.1)%
Discretionary Contribution (Pension/OPEB)	51850	20,838	17,978	11,400	(6,578)	(36.6)%
Board Stipends	51900					
Total Personnel Expenditures		393,080	431,316	271,316	(160,000)	(37.1)%
Services & Supplies Expenditures						
Travel In-State	52200		3,000		(3,000)	(100.0)%
Travel Out-of-State	52220					
Training & Education	52300	3,397	10,000	10,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	9,084	4,000	4,000		
Building Maintenance	52600					
Utilities	52700	972				
Postage	52800					
Printing & Reproduction	52900	12,112	90,000	95,000	5,000	5.6%
Equipment Rental	53100					
Rents & Leases	53200	18,245	245,000		(245,000)	(100.0)%
Professional Services & Contracts	53300	(1,213)	270,000	200,000	(70,000)	(25.9)%
General Insurance	53400					
Shop & Field Supplies	53500	765	10,000	10,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,970	65,000	70,000	5,000	7.7%
Stationery & Office Supplies	53900		6,000	6,000		
Books & Journals	54100					
Minor Office Equipment	54200					
Non-Capital Assets	54600	62,542				
Total Services & Supplies Expenditures		108,874	703,000	395,000	(308,000)	(43.8)%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110			100,000	100,000	
Computer & Network Equipment	60115	(9,244)		10,000	10,000	
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		(9,244)		110,000	110,000	
Transfer In/Out		(12,582)				
Total Expenditures		480,128	1,134,316	776,316	(358,000)	(31.6)%

Managing Division:	
Information Services Division	
Contact Person:	
Derek Klein	
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
		2022	2023	2024	\$	%
Number of Positions (FTE)		7.97	9.00	7.00	(2.00)	(22.2)%
Personnel Expenditures						
Permanent Salaries	51100	1,151,662	1,296,285	1,145,895	(150,390)	(11.6)%
Overtime Salaries	51150	13,536				
Temporary Salaries	51200					
Payroll Taxes	51300	17,112	18,507	16,518	(1,989)	(10.7)%
Pension Benefits	51400	234,282	303,004	238,534	(64,470)	(21.3)%
FICA Replacement Benefits	51500	12,110	17,589	14,285	(3,304)	(18.8)%
Group Insurance Benefits	51600	150,367	175,796	157,174	(18,622)	(10.6)%
Employee Transportation Subsidy	51700	9,604	13,369	10,037	(3,332)	(24.9)%
Workers' Compensation	51800	3,647	4,652	3,462	(1,190)	(25.6)%
Discretionary Contribution (Pension/OPEB)	51850	76,886	80,899	77,186	(3,713)	(4.6)%
Board Stipends	51900					
Total Personnel Expenditures		1,669,206	1,910,101	1,663,091	(247,010)	(12.9)%
Services & Supplies Expenditures						
Travel In-State	52200		11,700	11,200	(500)	(4.3)%
Travel Out-of-State	52220					
Training & Education	52300		60,000	60,000		
Repair & Maintenance (Equipment)	52400	678,409	735,000	1,530,000	795,000	108.2%
Communications	52500	24,515	21,600	21,600		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	143,321	575,000	580,000	5,000	0.9%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	535,520	509,800	514,100	4,300	0.8%
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-Capital Assets	54600	32,483				
Total Services & Supplies Expenditures		1,414,248	1,913,100	2,716,900	803,800	42.0%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	9,244	900,000	900,000		
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130		200,000	150,000	(50,000)	(25.0)%
General Equipment	60135					
PM 2.5 Equipment	60140					
Total Capital Expenditures		9,244	1,100,000	1,050,000	(50,000)	(4.5)%
Transfer In/Out		(76,153)				
Total Expenditures		3,016,545	4,923,201	5,429,991	506,790	10.3%

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	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
Number of Positions (FTE)		1.00	5.00	4.00	400.00%
Personnel Expenditures					
Permanent Salaries	51100	159,285	677,059	517,774	325.06%
Overtime Salaries	51150				
Temporary Salaries	51200				
Payroll Taxes	51300	2,257	9,563	7,306	323.7%
Pension Benefits	51400	35,484	137,745	102,261	288.2%
FICA Replacement Benefits	51500	1,954	10,204	8,250	422.2%
Group Insurance Benefits	51600	18,210	83,228	65,018	357.0%
Employee Transportation Subsidy	51700	1,485	7,169	5,684	382.8%
Workers' Compensation	51800	517	2,473	1,956	378.3%
Discretionary Contribution (Pension/OPEB)	51850	8,989	52,992	44,003	489.5%
Board Stipends	51900				
Total Personnel Expenditures		228,181	980,433	752,252	329.7%
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		20,000	20,000	
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	185,000	304,000	119,000	64.3%
Stationery & Office Supplies	53900				
Books & Journals	54100				
Minor Office Equipment	54200				
Total Services & Supplies Expenditures		232,000	371,000	139,000	59.9%
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		460,181	1,351,433	891,252	193.67%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

My Air Online

The Office of My Air Online supports the Air District's enterprise systems via three key objectives. First, modernization and operations of the Online Permit Billing System. Second, operations and maintenance of the Air District's public web presence. Third, operations and maintenance of the online digital payment process.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
My Air Online	
Contact Person:	
Joy Chen	
Program Purpose:	
This program provides software development, maintenance, and operational support for the Air District's Online Permit Billing System and associated cloud infrastructure.	
Description of Program:	
Design and construction of online applications for: permitting, compliance and enforcement, invoicing, and online payments for approximately 50 million dollars of revenue.	
Justification of Change Request:	
Coordination of enterprise collaborative process for custom permit software development as well as system integration endpoints. Primary stakeholders include: Engineering, Compliance & Enforcement, Finance, Legal, and Information Systems Services.	
Activities	
Key Result 1.1.1: Cloud Infrastructure Cost Tracking and Budget Forecasting	
Key Result 1.1.2: Online Usage Metrics (Pageviews, Sessions, Users)	
Key Result 1.1.3: System Uptime Monitoring	
Key Result 1.2.1: Source Code Version Control Repository Management	
Key Result 1.2.2: Production Release Management Coordination	
Key Result 1.2.3: Business Continuity Coordination	
Key Result 1.3.1: Triple Bottom Line Metrics (Facilities, Revenue, Emissions)	
Key Result 1.3.2: Quality Control Process Coordination	
Major Objectives	Delivery Date
Objective 1.1: Permit System Availability	Daily
Objective 1.2: Software Development Process Coordination	Daily
Objective 1.3: Legacy Permit System Transition Coordination	Daily

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		6.01	6.00	6.00		
Personnel Expenditures						
Permanent Salaries	51100	1,002,745	1,027,255	1,076,224	48,969	4.8%
Overtime Salaries	51150	13,026		13,287	13,287	
Temporary Salaries	51200					
Payroll Taxes	51300	14,939	14,766	15,559	793	5.4%
Pension Benefits	51400	207,921	231,907	211,973	(19,934)	(8.6)%
FICA Replacement Benefits	51500	10,579	11,726	12,244	518	4.4%
Group Insurance Benefits	51600	131,286	107,755	112,696	4,941	4.6%
Employee Transportation Subsidy	51700	8,391	8,913	8,603	(310)	(3.5)%
Workers' Compensation	51800	3,176	3,101	2,968	(133)	(4.3)%
Discretionary Contribution (Pension/OPEB)	51850	69,057	53,933	67,582	13,649	25.3%
Board Stipends	51900					
Total Personnel Expenditures		1,461,120	1,459,356	1,521,136	61,780	4.2%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300	135	16,022	16,342	320	2.0%
Repair & Maintenance (Equipment)	52400					
Communications	52500	2,357	2,670	2,723	53	2.0%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300		160,215	163,419	3,204	2.0%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,448	106,810	108,946	2,136	2.0%
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		4,940	285,717	291,430	5,713	2.0%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115	3,048,138	3,047,660	3,108,613	60,953	2.0%
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125					
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		3,048,138	3,047,660	3,108,613	60,953	2.0%
Transfer In/Out						
Total Expenditures		4,514,198	4,792,733	4,921,179	128,446	2.7%

Managing Division:	
My Air Online	
Contact Person:	
Anja Page	
Program Purpose:	
This program provides software development, maintenance, and operational support for the Air District's online services and associated cloud infrastructure.	
Description of Program:	
Design and construction of online services for: air quality alerts, air quality data, technical information, registrations, permits, Board proceedings, regulations and other publicly relevant 508 compliant information provided in five languages: English, Spanish, Tagalog, Vietnamese, and Chinese.	
Justification of Change Request:	
Coordination of enterprise collaborative process for public website content management. Stakeholders include all Divisions, primary stakeholders include: Communications, Executive Administration, Meteorology & Measurement, and Information Systems Services.	
Activities	
Key Result 1.1.1: Cloud Infrastructure Cost Tracking and Budget Forecasting	
Key Result 1.1.2: Online Usage Metrics (Pageviews, Sessions, Users)	
Key Result 1.2.3: System Uptime Monitoring	
Key Result 1.2.1: Source Code Version Control Repository Management	
Key Result 1.2.2: Production Release Management Coordination	
Key Result 1.2.3: Business Continuity Coordination	
Key Result 2.3.1: Content Publication Process Coordination	
Key Result 2.3.2: Language Translation Process Coordination	
Key Result 2.3.3: Content Quality Control Process Coordination	
Major Objectives	Delivery Date
	Daily
Objective 2.1: Online Services Availability	Daily
Objective 2.2: Software Development Process Coordination	Daily
Objective 2.3: Transparency and Accessibility Coordination	Daily

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change	
	Program Actuals	2023	2024	\$	%	
	2022					
Number of Positions (FTE)	2.04	2.04	2.00	(0.04)	(2.0)%	
Personnel Expenditures						
Permanent Salaries	51100	321,215	320,907	325,797	4,890	1.5%
Overtime Salaries	51150	547				
Temporary Salaries	51200					
Payroll Taxes	51300	4,760	4,545	4,622	77	1.7%
Pension Benefits	51400	71,023	74,446	67,689	(6,757)	(9.1)%
FICA Replacement Benefits	51500	3,370	3,992	4,081	89	2.2%
Group Insurance Benefits	51600	41,817	43,900	45,008	1,108	2.5%
Employee Transportation Subsidy	51700	2,671	3,035	2,868	(167)	(5.5)%
Workers' Compensation	51800	1,017	1,056	989	(67)	(6.3)%
Discretionary Contribution (Pension/OPEB)	51850	24,613	18,363	22,029	3,666	20.0%
Board Stipends	51900					
Total Personnel Expenditures		471,033	470,244	473,083	2,839	0.6%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220					
Training & Education	52300			5,447	5,447	
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,393	1,757	1,792	35	2.0%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900	2,524	3,099	3,161	62	2.0%
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	1,158,603	980,068	999,670	19,602	2.0%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	34,532	151,670	154,674	3,004	2.0%
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		1,197,052	1,136,594	1,164,744	28,150	2.5%
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		(21,222)				
Total Expenditures		1,646,863	1,606,838	1,637,827	30,989	1.9%

Managing Division:	
My Air Online	
Contact Person:	
Blair Adams	
Program Purpose:	
This program provides enterprise subject matter expert support for Online Permit Billing System implementation as well as legacy system integration and administration.	
Description of Program:	
Enterprise collaboration and coordination includes: software design, data transfer, quality assurance, and integration required to ensure a seamless transition from legacy to online system.	
Justification of Change Request:	
Coordination of enterprise collaborative process for online integration of legacy systems. Stakeholders include: Compliance & Enforcement, Engineering, Finance, Legal, and Information Systems Services.	
Activities	
Key Result 3.1.1: Infrastructure Cost Tracking and Budget Forecasting	
Key Result 3.1.2: Online Usage Metrics (Online Credit Card, eCheck, Manual)	
Key Result 3.2.1: Source Code Version Control Repository Management	
Key Result 3.2.2: Production Release Management Coordination	
Key Result 3.3.1: Payment Tracking and Adoption Strategies	
Key Result 3.3.2: Content Quality Control Process Coordination	
Major Objectives	Delivery Date
Objective 3.1: Payment System Availability	Daily
Objective 3.2: Software Development Process Coordination	Daily
Objective 3.3: Invoice Payment Reconciliation Process	Daily

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	4.94	5.81	6.11	0.30	5.2%
Personnel Expenditures					
Permanent Salaries 51100	701,638	868,253	933,965	65,712	7.6%
Overtime Salaries 51150	15,959		16,278	16,278	
Temporary Salaries 51200					
Payroll Taxes 51300	10,414	12,281	13,235	954	7.8%
Pension Benefits 51400	166,815	204,318	197,503	(6,815)	(3.3)%
FICA Replacement Benefits 51500	7,369	11,358	12,450	1,092	9.6%
Group Insurance Benefits 51600	91,431	122,314	126,272	3,958	3.2%
Employee Transportation Subsidy 51700	6,543	8,633	8,748	115	1.3%
Workers' Compensation 51800	2,222	3,004	3,018	14	0.5%
Discretionary Contribution (Pension/OPEB) 51850	60,055	52,241	66,292	14,051	26.9%
Board Stipends 51900					
Total Personnel Expenditures	1,062,446	1,282,402	1,377,761	95,359	7.4%
Services & Supplies Expenditures					
Travel In-State 52200					
Travel Out-of-State 52220					
Training & Education 52300		16,022	16,342	320	2.0%
Repair & Maintenance (Equipment) 52400					
Communications 52500	182		186	186	
Building Maintenance 52600					
Utilities 52700					
Postage 52800					
Printing & Reproduction 52900					
Equipment Rental 53100					
Rents & Leases 53200					
Professional Services & Contracts 53300	73,466		74,936	74,936	
General Insurance 53400					
Shop & Field Supplies 53500					
Laboratory Supplies 53600					
Gasoline & Variable Fuel 53700					
Computer Hardware & Software 53800		13,351	13,618	267	2.0%
Stationery & Office Supplies 53900					
Books & Journals 54100					
Minor Office Equipment 54200					
Total Services & Supplies Expenditures	73,648	29,373	105,082	75,709	257.8%
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					
Total Capital Expenditures					
Transfer In/Out					
Total Expenditures	1,136,094	1,311,775	1,482,843	171,068	13.0%

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Meteorology & Measurement Division

The Meteorology and Measurement Division (M&M) provides emissions, air quality, and meteorological data; chemical analysis; and forecasting to support the activities of the Compliance & Enforcement, Engineering, Planning, Legal, Rules, Assessment, Inventory & Modeling, Communications, and Community Engagement Divisions. In addition to operating monitoring instruments and conducting testing and analysis, the M&M Division staff develop rigorous monitoring and testing plans, develop and maintain instruments and systems, conduct quality assurance and quality control, and analyze and communicate data. The resulting data is used to:

- determine if the Bay Area is in attainment with state and federal standards, in accordance with the Clean Air Act,
- determine if facilities are in compliance with Air District regulations,
- provide a scientific basis for Air District rule-making and programmatic decisions,
- identify areas with higher levels of pollutants of concern and community-level disparities in air pollution, and
- communicate about air quality with the public, including through air quality advisories and Spare the Air alerts.

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, assess trends in Bay Area communities and locations over time, provide data to the public, and support strategies to improve air quality.	
Description of Program:	
The primary function of the Air Monitoring - Operations Section is to operate and maintain a network of ambient 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, National and State sampling strategies, and to support vulnerable and disadvantaged 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 Photochemical Assessment Monitoring Stations (PAMS) and PM2.5 speciation sampling, are also used for Air Quality Index (AQI) forecasts, Clean Air Plan (CAP) modeling, Refinery Community Monitoring, the AB 617 program, and Environmental Impact Reports (EIRs).	
Justification of Change Request:	
Program Code 802 was previously for all Air Monitoring activities. Effective 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 Photochemical Assessment Monitoring Station (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 two 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 near road site positioned 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 Schedule X (communities near refineries)	
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 monitoring in communities near major stationary sources (Schedule X)	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		18.00	20.00	19.00	(1.00)	(5.00)
Personnel Expenditures						
Permanent Salaries	51100	2,137,034	2,421,787	2,368,618	(53,169)	(2.2)
Overtime Salaries	51150	88				
Temporary Salaries	51200					
Payroll Taxes	51300	31,646	34,087	33,393	(694)	(2.0)
Pension Benefits	51400	590,299	548,458	473,171	(75,287)	(13.7)
FICA Replacement Benefits	51500	22,428	39,255	39,770	515	1.3
Group Insurance Benefits	51600	278,770	387,599	398,832	11,233	2.9
Employee Transportation Subsidy	51700	17,713	29,837	27,944	(1,893)	(6.3)
Workers' Compensation	51800	6,768	10,382	9,639	(743)	(7.2)
Discretionary Contribution (Pension/OPEB)	51850	226,751	180,548	202,454	21,906	12.1
Board Stipends	51900					
Total Personnel Expenditures		3,311,497	3,651,953	3,553,821	(98,132)	(2.7)
Services & Supplies Expenditures						
Travel In-State	52200	10,611	22,700	15,000	(7,700)	(33.9)
Travel Out-of-State	52220		20,000	10,000	(10,000)	(50.0)
Training & Education	52300		34,500	42,800	8,300	24.1
Repair & Maintenance (Equipment)	52400	40,768	81,841	94,688	12,847	15.7
Communications	52500	25,113	73,685	72,486	(1,199)	(1.6)
Building Maintenance	52600	1,656	221,244	220,370	(874)	(0.4)
Utilities	52700	89,281	132,166	131,515	(651)	(0.5)
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	502,847	507,051	563,109	56,058	11.1
Professional Services & Contracts	53300	43,673	415,000	367,000	(48,000)	(11.6)
General Insurance	53400					
Shop & Field Supplies	53500	105,982	311,980	289,655	(22,325)	(7.2)
Laboratory Supplies	53600	18,845	87,815	102,420	14,605	16.6
Gasoline & Variable Fuel	53700	127				
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-Capital Assets	54600	41,849				
Total Services & Supplies Expenditures		880,752	1,907,982	1,909,043	1,061	0.1
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	27,295	1,234,517	940,263	(294,254)	(23.8)
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140	20,471				
Total Capital Expenditures		47,766	1,234,517	940,263	(294,254)	(23.8)
Transfer In/Out						
Total Expenditures		4,240,015	6,794,452	6,403,127	(391,325)	(5.8)

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Mairi Beacon	
Program Purpose:	
Provide laboratory, analytical, and technical services and support to other Meteorology and Measurement Division Sections and other Air District Divisions.	
Description of Program:	
The primary function of the Laboratory Program is to provide media preparation and analysis for the District's fixed site air monitoring network. The lab also provides technical support to other Divisions, Sections and programs in completing their objectives. The Laboratory Program maintains laboratory safety and laboratory quality assurance programs and evaluates new instrumentation and evolving analytical methods as needed.	
Justification of Change Request:	
Not Applicable	
Activities	
Perform preparation, analysis, and L1 review for fixed site ambient air monitoring network samples.	
Provide analytical support of Source Test and Compliance and Enforcement actions.	
Perform gravimetric analyses on various filter media for BAAQMD and other agencies.	
Develop digital solutions for more efficient generation, processing, review, and storage of laboratory data.	
Maintain laboratory instrumentation and supplies to support analyses.	
Maintain laboratory quality and safety programs.	
Evaluate existing laboratory methods for opportunities to improve and execute improvements.	
Provide technical expertise and advice to other Air District divisions regarding internal and external laboratory methods and capabilities.	
Major Objectives	Delivery Date
Provide laboratory support for Ambient Air Monitoring.	Ongoing
Provide laboratory support for Source Test, Compliance and Enforcement, and other District programs.	Ongoing
Evaluate and acquire instrumentation to replace two retiring instruments.	Annually
Perform cross-training, focusing on methods the fewest staff are familiar with.	Ongoing
Engage in internal and external Quality Assurance and Safety education and audits.	Ongoing
Continue evaluation and improvement of existing methods.	Ongoing
Continue integrating programs into Laboratory Information Management System.	Ongoing

Laboratory

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		8.00	9.00	8.00	(1.00)	(11.10)
Personnel Expenditures						
Permanent Salaries	51100	1,022,981	1,242,489	1,168,501	(73,988)	(6.0)
Overtime Salaries	51150		5,000	5,000		
Temporary Salaries	51200					
Payroll Taxes	51300	15,099	17,551	16,578	(973)	(5.5)
Pension Benefits	51400	221,538	287,527	245,986	(41,541)	(14.4)
FICA Replacement Benefits	51500	10,706	18,004	16,242	(1,762)	(9.8)
Group Insurance Benefits	51600	133,035	180,345	148,502	(31,843)	(17.7)
Employee Transportation Subsidy	51700	9,037	13,685	11,412	(2,273)	(16.6)
Workers' Compensation	51800	3,240	4,761	3,937	(824)	(17.3)
Discretionary Contribution (Pension/OPEB)	51850	75,637	82,808	85,728	2,920	3.5
Board Stipends	51900					
Total Personnel Expenditures		1,491,273	1,852,170	1,701,886	(150,284)	(8.1)
Services & Supplies Expenditures						
Travel In-State	52200		200	200		
Travel Out-of-State	52220		5,000	5,000		
Training & Education	52300	795	7,000	7,000		
Repair & Maintenance (Equipment)	52400	41,009	90,000	90,000		
Communications	52500	381				
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	26,327	26,400	26,400		
General Insurance	53400					
Shop & Field Supplies	53500	964				
Laboratory Supplies	53600	68,264	100,000	100,000		
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	1,280	2,000	2,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		139,020	230,600	230,600		
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125			280,000	280,000	
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures				280,000	280,000	
Transfer In/Out						
Total Expenditures		1,630,293	2,082,770	2,212,486	129,716	6.2

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; oversee refinery fence-line monitoring programs; 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	
Evaluate up to 400 facility submitted source test reports	
Conduct up to 45 particulate or gaseous toxics source tests.	
Conduct at least 90 instrumental gaseous source tests.	
Conduct up to 24 source tests at gasoline bulk terminals and bulk plants.	
Conduct up to 400 source tests on gasoline cargo tanks.	
Conduct up to 30 Enhanced Vapor Recovery source tests at Gasoline Distribution Facilities (GDF)	
Conduct up to 150 Field Accuracy Tests (FATs) on CEM systems.	
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
		2022	2023	2024	\$	%
Number of Positions (FTE)		12.21	14.19	16.31	2.12	14.9%
Personnel Expenditures						
Permanent Salaries	51100	1,607,034	1,936,627	2,308,006	371,379	19.2%
Overtime Salaries	51150	232	6,000	6,000		
Temporary Salaries	51200					
Payroll Taxes	51300	23,805	27,365	32,676	5,311	19.4%
Pension Benefits	51400	361,922	444,035	471,949	27,914	6.3%
FICA Replacement Benefits	51500	16,861	27,737	33,284	5,547	20.0%
Group Insurance Benefits	51600	209,421	322,614	372,368	49,754	15.4%
Employee Transportation Subsidy	51700	13,351	21,083	23,387	2,304	10.9%
Workers' Compensation	51800	5,090	7,336	8,067	731	10.0%
Discretionary Contribution (Pension/OPEB)	51850	126,429	127,575	174,366	46,791	36.7%
Board Stipends	51900					
Total Personnel Expenditures		2,364,145	2,920,372	3,430,103	509,731	17.5%
Services & Supplies Expenditures						
Travel In-State	52200	795	3,000	2,000	(1,000)	(33.3)%
Travel Out-of-State	52220		4,000	3,000	(1,000)	(25.0)%
Training & Education	52300	4,778	10,850	6,850	(4,000)	(36.9)%
Repair & Maintenance (Equipment)	52400	2,725	3,000	3,200	200	6.7%
Communications	52500	5,520	1,800	10,000	8,200	455.6%
Building Maintenance	52600	816	8,800	5,800	(3,000)	(34.1)%
Utilities	52700	27,095	22,000	22,000		
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	307,703	295,000	320,000	25,000	8.5%
Professional Services & Contracts	53300	391,101	45,500	40,500	(5,000)	(11.0)%
General Insurance	53400					
Shop & Field Supplies	53500	23,396	49,650	49,650		
Laboratory Supplies	53600	14,696	10,400	7,500	(2,900)	(27.9)%
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800					
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Non-Capital Assets	54600	13,615				
Total Services & Supplies Expenditures		792,240	454,000	470,500	16,500	3.6%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120		100,000	100,000		
Lab & Monitoring Equipment	60125	51,269	60,000	55,500	(4,500)	(7.5)%
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		51,269	160,000	155,500	(4,500)	(2.8)%
Transfer In/Out						
Total Expenditures		3,207,654	3,534,372	4,056,103	521,731	14.8%

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 review objectives include the validation, compilation and interpretation of meteorological and air quality data, and distribution of data to various data systems, including EPA's AQS database. Other objectives include evaluation of meteorological data for legal actions.	
Justification of Change Request:	
The Overtime Budget (51155) was increased to account for inflation and includes additional meetings to coordinate open burning with other agencies (such as CalFire and ARB) as well as additional forecast responsibilities due to increased wildfire impacts on local air quality.	
Activities	
Provide reliable and timely Air Quality forecasts to the Air District and the public on weekdays, weekends and holidays.	
Provide support for tracking and forecasting smoke plume impacts during wildfire events.	
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.	
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
Review and approve smoke management plans submitted to the state's Smoke Management Program Software (PFIRS)	Ongoing
Continue improvements to databases for air quality and meteorological data.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		4.12	3.98	3.69	(0.29)	(7.3)%
Personnel Expenditures						
Permanent Salaries	51100	624,344	586,338	574,540	(11,798)	(2.0)%
Overtime Salaries	51150	6,049	5,000	7,500	2,500	50.0%
Temporary Salaries	51200					
Payroll Taxes	51300	9,421	8,311	8,156	(155)	(1.9)%
Pension Benefits	51400	147,216	132,495	113,784	(18,711)	(14.1)%
FICA Replacement Benefits	51500	6,700	7,786	7,523	(263)	(3.4)%
Group Insurance Benefits	51600	83,165	74,486	74,428	(58)	(0.1)%
Employee Transportation Subsidy	51700	5,310	5,918	5,286	(632)	(10.7)%
Workers' Compensation	51800	1,977	2,059	1,824	(235)	(11.4)%
Discretionary Contribution (Pension/OPEB)	51850	52,059	35,809	40,213	4,404	12.3%
Board Stipends	51900					
Total Personnel Expenditures		936,241	858,202	833,254	(24,948)	(2.9)%
Services & Supplies Expenditures						
Travel In-State	52200	71	2,100	2,100		
Travel Out-of-State	52220		15,000	15,000		
Training & Education	52300					
Repair & Maintenance (Equipment)	52400		12,000	12,000		
Communications	52500	1,803	3,500	3,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	3,081				
Professional Services & Contracts	53300	13,839	34,000	34,000		
General Insurance	53400					
Shop & Field Supplies	53500		4,000	4,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	2,183	20,000	20,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		20,977	90,600	90,600		
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					
Biotech Equipment	60145					
Total Capital Expenditures						
Transfer In/Out						
Total Expenditures		957,218	948,802	923,854	(24,948)	(2.6)%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Charles Knoderer	
Program Purpose:	
Provide independent performance evaluation services for the Air Monitoring Operations 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) Group is to ensure the accuracy of data collected throughout the Air District's air monitoring network. The PE Group is also responsible for audits and data evaluation of the H2S and SO2 ground level monitors (GLMs). When the primary responsibilities for auditing are met, the PE Group can operate H2S and SO2 portable sampling units for odor complaint investigations and episodic sampling.	
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.	
Participate in interdivisional teams working on improving Air District regulations and the Manual of Procedures, special studies and customer service.	
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.	
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
		2022	2023	2024	\$	%
Number of Positions (FTE)		3.00	4.00	3.00	(1.00)	(25.00)
Personnel Expenditures						
Permanent Salaries	51100	408,671	495,178	422,961	(72,217)	(14.6)
Overtime Salaries	51150	1,871		1,500	1,500	
Temporary Salaries	51200					
Payroll Taxes	51300	6,073	7,010	5,988	(1,022)	(14.6)
Pension Benefits	51400	85,397	114,540	88,702	(25,838)	(22.6)
FICA Replacement Benefits	51500	4,299	6,964	6,346	(618)	(8.9)
Group Insurance Benefits	51600	53,343	69,987	64,905	(5,082)	(7.3)
Employee Transportation Subsidy	51700	3,414	5,293	4,459	(834)	(15.8)
Workers' Compensation	51800	1,294	1,842	1,538	(304)	(16.5)
Discretionary Contribution (Pension/OPEB)	51850	28,590	32,028	32,989	961	3.0
Board Stipends	51900					
Total Personnel Expenditures		592,952	732,842	629,388	(103,454)	(14.1)
Services & Supplies Expenditures						
Travel In-State	52200		455	464	9	2.0
Travel Out-of-State	52220		3,750	3,825	75	2.0
Training & Education	52300					
Repair & Maintenance (Equipment)	52400	1,075	6,400	6,400		
Communications	52500	1,353		1,500	1,500	
Building Maintenance	52600		11,250	11,250		
Utilities	52700	309				
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	17,831	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		20,568	41,100	42,684	1,584	3.9
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	35,670	90,000	45,000	(45,000)	(50.0)
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		35,670	90,000	45,000	(45,000)	(50.0)
Transfer In/Out						
Total Expenditures		649,190	863,942	717,072	(146,870)	(17.0)

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).	
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	2023	2024	\$	%
	2022				
Number of Positions (FTE)	0.08	0.10	0.07	(0.03)	(30.0)%
Personnel Expenditures					
Permanent Salaries 51100	8,394	12,548	7,455	(5,093)	(40.6)%
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	131	177	105	(72)	(40.7)%
Pension Benefits 51400	1,860	2,859	1,562	(1,297)	(45.4)%
FICA Replacement Benefits 51500	89	189	143	(46)	(24.3)%
Group Insurance Benefits 51600	1,111	1,755	1,151	(604)	(34.4)%
Employee Transportation Subsidy 51700	70	144	100	(44)	(30.6)%
Workers' Compensation 51800	27	50	35	(15)	(30.0)%
Discretionary Contribution (Pension/OPEB) 51850	617	872	712	(160)	(18.3)%
Board Stipends 51900					
Total Personnel Expenditures	12,299	18,594	11,263	(7,331)	(39.4)%
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	39,685		50,000	50,000	
Professional Services & Contracts 53300	1,201,517	1,485,825	1,465,542	(20,283)	(1.4)%
General Insurance 53400					
Shop & Field Supplies 53500		10,000	10,000		
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	1,241,202	1,497,825	1,527,542	29,717	2.0%
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					
Total Expenditures	1,253,501	1,516,419	1,538,805	22,386	1.5%

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, and support the development of required analytical and operational tools.	
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 data quality assurance and air monitoring data management. Major expenditures include air monitoring equipment and infrastructure, software development, hardware purchases and support, and telecommunications for remote air monitoring.	
Justification of Change Request:	
Activities	
Required oversight and development of data quality systems: Includes heavy technical review, development, and implementation of QA documents and processes	
Required QA review and certification of air monitoring data	
Coordination with EPA, CARB, other PQAQs, and across multiple sections in M&M	
Maintenance of regulatory air monitoring data management system (DMS), including support for streaming semi-real time air monitoring data to the District website and other public datastores	
Collect ambient air quality data in focus communities using mobile or portable measurement platforms, providing high-quality, defensible data to data end users	
Mobile system (Monitoring platforms) upgrades/repairs	
Research, develop, and maintain systems for efficient and robust data collection; including hardware, software, communications, and documentation	
Provide technical input and project management for external air monitoring projects as needed	
Continue to develop and document new monitoring approaches to achieve monitoring objectives	
Develop onboarding documentation for prioritizing new community monitoring projects	
Major Objectives	Delivery Date
Tracking, coordinating, and implementing resolutions and projects proposed for M&M response to TSA, many of which include numerous subtasks, which are set to begin Q1 2023	Ongoing
Design and implement monitoring plan and associated materials in E. Oakland	Ongoing
Work with contractor on development of a new system to ingest and store flow rate verification information for air monitoring	Ongoing
Scope air monitoring data system consolidation project for AMSP: Develop integrated data system for data collection, management, and review of mobile and portable data	Ongoing
Portable platform development (e.g., portable lab, self-sustained systems): Coordination, method development, design and build out, data systems, deployment, and QA/QC	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		8.05	9.35	5.70	(3.65)	(39.0)%
Personnel Expenditures						
Permanent Salaries	51100	975,112	1,278,107	854,342	(423,765)	(33.2)%
Overtime Salaries	51150	258	5,000	5,000		
Temporary Salaries	51200					
Payroll Taxes	51300	14,212	18,059	12,137	(5,922)	(32.8)%
Pension Benefits	51400	98,702	283,615	164,010	(119,605)	(42.2)%
FICA Replacement Benefits	51500	10,058	18,278	11,641	(6,637)	(36.3)%
Group Insurance Benefits	51600	125,204	165,598	116,540	(49,058)	(29.6)%
Employee Transportation Subsidy	51700	7,911	13,893	8,179	(5,714)	(41.1)%
Workers' Compensation	51800	3,088	4,834	2,821	(2,013)	(41.6)%
Discretionary Contribution (Pension/OPEB)	51850	11,488	84,070	61,696	(22,374)	(26.6)%
Board Stipends	51900					
Total Personnel Expenditures		1,246,033	1,871,454	1,236,366	(635,088)	(33.9)%
Services & Supplies Expenditures						
Travel In-State	52200					
Travel Out-of-State	52220		5,000	8,000	3,000	60.0%
Training & Education	52300	929	5,000	8,000	3,000	60.0%
Repair & Maintenance (Equipment)	52400					
Communications	52500	48,055	14,950	24,500	9,550	63.9%
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200	42,103				
Professional Services & Contracts	53300	90,101	300,500	420,500	120,000	39.9%
General Insurance	53400					
Shop & Field Supplies	53500	20,573	92,500	122,500	30,000	32.4%
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	109	52,975	52,975		
Stationery & Office Supplies	53900		500	500		
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		201,870	471,425	636,975	165,550	35.1%
Capital Expenditures						
Leasehold Improvements	60100					
Building & Grounds	60105					
Office Equipment	60110					
Computer & Network Equipment	60115					
Motorized Equipment	60120					
Lab & Monitoring Equipment	60125	42,372	280,000		(280,000)	(100.0)%
Communications Equipment	60130					
General Equipment	60135					
PM 2.5 Equipment	60140					
Biotech Equipment	60145					
Total Capital Expenditures		42,372	280,000		(280,000)	(100.0)%
Transfer In/Out						
Total Expenditures		1,490,275	2,622,879	1,873,341	(749,538)	(28.6)%

Managing Division:	
Meteorology & Measurement Division	
Contact Person:	
Katherine Hoag	
Program Purpose:	
Summarize, analyze, and interpret air monitoring data, design air monitoring studies and evaluate monitoring networks, and provide technical support to Air District programs 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 ambient air quality 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 community-scale air quality, impacts of specific sources, and providing analyses to assist developing air quality improvement strategies. This section also provides technical support to community-led air monitoring and data analysis projects.	
Justification of Change Request:	
Contract funds for Bay Air Center moved from 302 to 811 in FYE 2020	
Activities	
Analyze measurement data to improve understanding of regional and local-scale air quality to determine compliance with the NAAQS and for routine reports or in support of Air District programs 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.	
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.	
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
Oversight of Bay Air Center's technical support for community-led monitoring or data analysis projects	Ongoing
Work with CBE to implement EPA ARP Grant to design and implement source-oriented community monitoring in East Oakland; perform contract management for EPA grant	Ongoing

Ambient Air Quality Analysis

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		4.44	5.15	5.06	(0.09)	(1.75)%
Personnel Expenditures						
Permanent Salaries	51100	673,902	796,906	805,961	9,055	1.14%
Overtime Salaries	51150		1,000	200	(800)	(80.00)%
Temporary Salaries	51200					
Payroll Taxes	51300	9,759	11,310	11,468	158	1.40%
Pension Benefits	51400	130,139	177,407	154,965	(22,442)	(12.65)%
FICA Replacement Benefits	51500	6,914	10,059	10,326	267	2.65%
Group Insurance Benefits	51600	85,928	88,332	91,581	3,249	3.68%
Employee Transportation Subsidy	51700	5,462	7,646	7,255	(391)	(5.11)%
Workers' Compensation	51800	2,134	2,660	2,503	(157)	(5.90)%
Discretionary Contribution (Pension/OPEB)	51850	41,888	46,266	55,456	9,190	19.86%
Board Stipends	51900					
Total Personnel Expenditures		956,126	1,141,586	1,139,715	(1,871)	(0.16)%
Services & Supplies Expenditures						
Travel In-State	52200			9,000	9,000	
Travel Out-of-State	52220			10,000	10,000	
Training & Education	52300	570	20,000	1,000	(19,000)	(95.00)%
Repair & Maintenance (Equipment)	52400					
Communications	52500	2,003	1,500	1,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	31,126	550,000	565,000	15,000	2.73%
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		20,000	20,000		
Stationery & Office Supplies	53900		2,500	2,000	(500)	(20.00)%
Books & Journals	54100		1,000	2,000	1,000	100.00%
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		33,699	595,000	610,500	15,500	2.61%
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		989,825	1,736,586	1,750,215	13,629	0.78%

Special Revenue Fund
Program Narratives and Expenditure Details

FINANCE AND ADMINISTRATION
COMMITTEE MEETING 04/05/2023

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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)
- California Goods Movement I-Bond (CGMB)

Special Revenue Fund

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.

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 and employer 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

Intermittent Control (TFCA)

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.99	3.26	3.90	0.64	19.63
Personnel Expenditures						
Permanent Salaries	51100	246,703	418,044	531,696	113,652	27.19
Overtime Salaries	51150	30,911		30,000	30,000	
Temporary Salaries	51200	5,329				
Payroll Taxes	51300	3,658	5,901	7,568	1,667	28.25
Pension Benefits	51400	63,478	96,155	109,602	13,447	13.98
FICA Replacement Benefits	51500	2,494	6,368	7,962	1,594	25.03
Group Insurance Benefits	51600	30,987	61,344	72,311	10,967	17.88
Employee Transportation Subsidy	51700	1,975	4,840	5,594	754	15.58
Workers' Compensation	51800	781	1,684	1,930	246	14.61
Discretionary Contribution (Pension/OPEB)	51850	23,416	29,288	41,402	12,114	41.36
Board Stipends	51900					
Total Personnel Expenditures		409,732	623,624	808,065	184,441	29.58
Services & Supplies Expenditures						
Travel In-State	52200	1,928				
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)	(100.00)
Printing & Reproduction	52900		15,000		(15,000)	(100.00)
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	975,753	1,338,000	1,338,000		
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		977,681	1,358,000	1,338,000	(20,000)	(1.47)
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		210,442	278,719	363,630	84,911	30.46
Total Expenditures		1,597,855	2,260,343	2,509,695	249,352	11.03

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Special Revenue Fund

- Strategic Incentive Division

The Strategic Incentives Division administers Special Revenue Fund sources that are used to accelerate voluntary emissions reductions by incentivizing the replacement of older dirtier equipment that primarily targets mobile sources.

In FY 2024, the Air District will be awarding approximately \$105 million in Special Revenue Funds in project funds to owners of eligible projects that will mainly scrap older trucks, school buses, transit buses, and off-road equipment including marine vessels, locomotives, cargo-handling equipment, agricultural, and construction equipment, and replace these with newer and cleaner alternatives, including zero- and near-zero emissions technologies. Funding from these sources is also used to incentivize the installation of zero-emissions infrastructure and to support the Air District's Vehicle Buy-Back Program that pays Bay Area residents to turn in their 1998 and older cars and light-duty trucks for early-retirement. As funding allows, other types of eligible programs may also be implemented.

Funding is prioritized for projects that provide benefits to the region's most disproportionately impacted communities and that result in permanent reductions in emissions reductions through the adoption of zero- and new-zero emissions technologies.

Special Revenue Fund sources are used to pay for direct project costs (grant awards) and associated Air District administrative costs. These revenue sources include the Carl Moyer Program, Community Air Protection – Incentive Program, Transportation Fund for Clean Air Fund, Mobile Source Incentive Fund, Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program, Environmental Protection Agency Targeted Airshed Program (EPA TAG), settlement funds, monies that are received from the Bay Area Clean Air Foundation, and other miscellaneous sources.

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Alona Davis	
Program Purpose:	
Administration of the Carl Moyer Program (CMP) and other State funds, which provide 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 trucks, buses, agricultural equipment, marine vessels, locomotives, off-road construction and industrial equipment, and infrastructure that supports clean technologies. The program prioritizes projects that benefit the most impacted communities. Air District staff conducts outreach and solicits grant applications, evaluates grant applications according to established criteria, recommends allocation of the funding, prepares contracts with grantees, monitors progress in implementing funded projects, and reports on the use of funds.</p> <p>This program is funded by State sources including the CMP, the Community Air Protection (CAP) Program, and the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. Annually, this program receives multiple new sources of funding that are each managed over 4 years. In addition, all incentive projects generated through each year of funding are monitored, tracked, and reported on for up to an additional 10 years.</p>	
Justification of Change Request:	
Not applicable.	
Activities	
Update program policies and procedures, guidance materials, and administrative operating procedures; and develop solicitation packages and conduct outreach.	
Review and evaluate project applications to determine eligibility and prepare recommendations for award of eligible projects for approval by the Board of Directors.	
Prepare contracts, amendments, and correspondence; monitor projects, inspect, and audit programs and projects to assure compliance with State and District guidelines, policies, and statutory and regulatory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare and submit reports to CARB; liaise with CARB on contract and guideline requirements.	
Prepare technical, financial, and staff reports, attend meetings, and participate in external audits.	
Coordinate with IT contractors to develop, enhance, and maintain data management systems.	
Major Objectives	Delivery Date
Finalize policies and procedures for the new CMP funding cycle, consistent with CARB guidelines.	July 2023
Open a solicitation for a new CMP/FARMER/CAP funding cycle.	August 2023
Conduct RFP, bring recommendation to Board, execute a contract with selected contractor to start work on a new data management system.	January 2024
Submit reports to CARB on the District's implementation of the CMP (annually) and CAP and FARMER (semi-annually).	Annually
Meet funding source disbursement and liquidation deadlines.	June 2024
Meet funding source requirements to fund projects benefitting priority areas.	Ongoing

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		14.81	16.62	16.21	(0.41)	(2.5)
Personnel Expenditures						
Permanent Salaries	51100	1,830,738	2,172,379	2,176,518	4,139	0.19
Overtime Salaries	51150	103				
Temporary Salaries	51200					
Payroll Taxes	51300	26,942	30,677	30,845	168	0.55
Pension Benefits	51400	330,086	492,245	437,689	(54,556)	(11.08)
FICA Replacement Benefits	51500	19,001	32,486	33,065	579	1.78
Group Insurance Benefits	51600	235,945	290,841	299,753	8,912	3.06
Employee Transportation Subsidy	51700	15,063	24,692	23,233	(1,459)	(5.91)
Workers' Compensation	51800	5,769	8,591	8,014	(577)	(6.72)
Discretionary Contribution (Pension/OPEB)	51850	100,155	149,415	171,459	22,044	14.75
Board Stipends	51900					
Total Personnel Expenditures		2,563,802	3,201,326	3,180,576	(20,750)	(0.65)
Services & Supplies Expenditures						
Travel In-State	52200		12,500	12,500		
Travel Out-of-State	52220		7,500	7,500		
Training & Education	52300		22,000	17,000	(5,000)	(22.73)
Repair & Maintenance (Equipment)	52400					
Communications	52500		5,000	5,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		3,000	3,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	98,621	400,000	365,500	(34,500)	(8.63)
General Insurance	53400					
Shop & Field Supplies	53500	206	2,000	2,000		
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800		22,000	13,000	(9,000)	(40.91)
Stationery & Office Supplies	53900		1,000	1,000		
Books & Journals	54100		500	500		
Minor Office Equipment	54200		5,000	5,000		
Total Services & Supplies Expenditures		98,827	480,500	432,000	(48,500)	(10.09)
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					
Total Expenditures		2,662,629	3,681,826	3,612,576	(69,250)	(1.88)

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 and funding allocation 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 and monitor projects, 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
Conduct outreach, review applications, and obtain Board of Directors approval for eligible projects; and execute agreements with grantees for FYE 24 funding.	Ongoing
Complete updates to the FYE 2025 County Program Manager policies for Board of Directors consideration and distribute guidance and application package to Program Managers	December 2023
Prepare FYE 2023 TFCA Report on Regional Fund Expenditures and Effectiveness.	December 2023
Conduct audit of TFCA funded projects and programs completed by 6/30/22	December 2023
Obtain Board of Director approval of proposed FYE 2024 expenditure reports and execute funding agreements with the nine County Program Managers.	June 2023

Transportation Fund for Clean Air Administration (TFCA)

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		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		3.74	5.08	4.72	(0.36)	(7.1)
Personnel Expenditures						
Permanent Salaries	51100	530,626	710,934	623,426	(87,508)	(12.31)
Overtime Salaries	51150	713				
Temporary Salaries	51200					
Payroll Taxes	51300	7,987	10,099	8,851	(1,248)	(12.36)
Pension Benefits	51400	118,803	161,951	124,934	(37,017)	(22.86)
FICA Replacement Benefits	51500	5,690	9,926	9,633	(293)	(2.95)
Group Insurance Benefits	51600	70,538	95,568	87,342	(8,226)	(8.61)
Employee Transportation Subsidy	51700	4,516	7,545	6,768	(777)	(10.30)
Workers' Compensation	51800	1,679	2,625	2,335	(290)	(11.05)
Discretionary Contribution (Pension/OPEB)	51850	40,951	45,653	49,787	4,134	9.06
Board Stipends	51900					
Total Personnel Expenditures		781,503	1,044,301	913,076	(131,225)	(12.57)
Services & Supplies Expenditures						
Travel In-State	52200		8,000	8,500	500	6.25
Travel Out-of-State	52220		8,000	6,500	(1,500)	(18.75)
Training & Education	52300		11,000	7,000	(4,000)	(36.36)
Repair & Maintenance (Equipment)	52400					
Communications	52500	1,293	3,000	2,500	(500)	(16.67)
Building Maintenance	52600					
Utilities	52700					
Postage	52800	1				
Printing & Reproduction	52900	1,440	1,000	1,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	103,784	376,349	398,999	22,650	6.02
General Insurance	53400					
Shop & Field Supplies	53500		1,500	500	(1,000)	(66.67)
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	150	20,000	6,000	(14,000)	(70.00)
Stationery & Office Supplies	53900	743	1,000	500	(500)	(50.00)
Books & Journals	54100		440	450	10	2.27
Minor Office Equipment	54200		5,000	2,500	(2,500)	(50.00)
Total Services & Supplies Expenditures		107,411	435,289	434,449	(840)	(0.19)
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	403,652	170,409	357,920	187,511	110.04
Total Expenditures		1,292,566	1,649,999	1,705,445	55,446	3.36

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 eligible 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:	
Not applicable.	
Activities	
Recommend funding allocations to the Board of Directors.	
Update policies and guidance, conduct outreach, and provide application assistance.	
Review and evaluate project applications to determine eligibility and prepare recommendations for award of eligible projects for approval by the Board of Directors.	
Prepare contracts, amendments, and correspondence; monitor projects, inspect, and audit programs and projects to assure compliance with State and District guidelines, policies, and statutory and regulatory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare and submit reports to the California Air Resources Board (CARB) on the expenditure of MSIF funds.	
Prepare technical, financial, and staff reports, attend meetings, and participate in external audits.	
Coordinate with IT contractors to develop, enhance, and maintain data management systems.	
Major Objectives	Delivery Date
Report MSIF expenditures and project data to CARB.	August 2023
Liquidate matching funds in support of the Carl Moyer Program.	Annually
Conduct RFP, bring recommendation to Board, execute a contract with selected contractor to start work on a new data management system.	January 2024

Mobile Source Incentive Fund (MSIF)

310

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.14	3.16	1.64	(1.52)	(48.1)
Personnel Expenditures						
Permanent Salaries	51100	142,512	407,980	219,132	(188,848)	(46.29)
Overtime Salaries	51150	5				
Temporary Salaries	51200					
Payroll Taxes	51300	2,062	5,767	3,107	(2,660)	(46.12)
Pension Benefits	51400	63,072	92,400	43,940	(48,460)	(52.45)
FICA Replacement Benefits	51500	1,465	6,173	3,353	(2,820)	(45.68)
Group Insurance Benefits	51600	18,281	55,946	29,360	(26,586)	(47.52)
Employee Transportation Subsidy	51700	1,145	4,692	2,356	(2,336)	(49.79)
Workers' Compensation	51800	446	1,632	813	(819)	(50.18)
Discretionary Contribution (Pension/OPEB)	51850	27,909	28,391	17,363	(11,028)	(38.84)
Board Stipends	51900					
Total Personnel Expenditures		256,897	602,981	319,424	(283,557)	(47.03)
Services & Supplies Expenditures						
Travel In-State	52200	230	8,000	8,000		
Travel Out-of-State	52220		2,500	2,500		
Training & Education	52300		23,500	18,500	(5,000)	(21.28)
Repair & Maintenance (Equipment)	52400					
Communications	52500	902	2,000	2,000		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900		3,000	3,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	30,194	150,000	160,000	10,000	6.67
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	150	30,000	17,000	(13,000)	(43.33)
Stationery & Office Supplies	53900		800	800		
Books & Journals	54100		200	200		
Minor Office Equipment	54200		5,000	5,000		
Total Services & Supplies Expenditures		31,476	225,000	217,000	(8,000)	(3.56)
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		132,533	271,341	51,746	(219,595)	(80.93)
Total Expenditures		420,906	1,099,322	588,170	(511,152)	(46.50)

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 2023

Vehicle Buy Back (MSIF)

312

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		0.31	0.56	0.73	0.17	30.4
Personnel Expenditures						
Permanent Salaries	51100	39,676	66,261	90,311	24,050	36.30
Overtime Salaries	51150	13				
Temporary Salaries	51200					
Payroll Taxes	51300	549	933	1,278	345	36.98
Pension Benefits	51400	3,664	15,266	17,936	2,670	17.49
FICA Replacement Benefits	51500	391	1,095	1,490	395	36.07
Group Insurance Benefits	51600	4,921	11,765	13,301	1,536	13.06
Employee Transportation Subsidy	51700	294	832	1,047	215	25.84
Workers' Compensation	51800	126	289	361	72	24.91
Discretionary Contribution (Pension/OPEB)	51850	245	5,034	7,608	2,574	51.13
Board Stipends	51900					
Total Personnel Expenditures		49,879	101,475	133,332	31,857	31.39
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	1,963,923	7,200,000	7,300,000	100,000	1.39
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		1,963,923	7,200,000	7,300,000	100,000	1.39
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		25,733	35,024	31,221	(3,803)	(10.86)
Total Expenditures		2,039,535	7,336,499	7,464,553	128,054	1.75

Miscellaneous Incentive Program (Other Grant)

316

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Chengfeng Wang	
Program Purpose:	
Administer one-time pass through funding to implement emissions reductions projects	
Description of Program:	
<p>This program is used to manage grant revenues the Air District receives from sources such as the Bay Area Clean Air Foundation, State of California, Federal government, and settlement agreements. Grant funding from these sources is used to administer "one-off" or single-cycle of funding for projects and programs that have a limited duration, e.g., 1 to 5 years.</p> <p>These funding sources may also be used to augment and complement funding from other Air District sources of funding.</p>	
Justification of Change Request:	
None.	
Activities	
Review and evaluate project applications to determine eligibility and prepare recommendations for award of eligible projects for approval by the Board of Directors.	
Prepare contracts, amendments, and correspondence; monitor projects, inspect, and audit programs and projects to assure compliance with grant agreements, Program guidelines, policies, and statutory and regulatory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare and submit reports and funding disbursement requests to funding agencies; liaise with funding agencies on contract and guideline requirements.	
Prepare technical, financial, and staff reports, attend meetings, and participate in external audits.	
Major Objectives	Delivery Date
Meet all funding source requirements including project obligation/encumbrance and liquidation deadlines	Ongoing
Submit required reports to funding source agencies	Ongoing

Miscellaneous Incentive Program (Other Grant)

316

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals 2022	2023	2024	\$	%
Number of Positions (FTE)	0.18		0.87	0.87	
Personnel Expenditures					
Permanent Salaries 51100	20,445		121,992	121,992	
Overtime Salaries 51150					
Temporary Salaries 51200					
Payroll Taxes 51300	318		1,740	1,740	
Pension Benefits 51400	8,138		24,588	24,588	
FICA Replacement Benefits 51500	221		1,775	1,775	
Group Insurance Benefits 51600	2,740		15,116	15,116	
Employee Transportation Subsidy 51700	173		1,247	1,247	
Workers' Compensation 51800	65		430	430	
Discretionary Contribution (Pension/OPEB) 51850	3,496		9,284	9,284	
Board Stipends 51900					
Total Personnel Expenditures	35,596		176,172	176,172	
Services & Supplies Expenditures					
Travel In-State 52200		6,300	6,300		
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		6,300	6,300		
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					
Total Capital Expenditures					
Transfer In/Out	(35,596)				
Total Expenditures		6,300	182,472	176,172	2,796.38

Managing Division:	
Strategic Incentives Division	
Contact Person:	
Minda Berbeco	
Program Purpose:	
Administration of the Proposition 1B: Goods Movement Emission Reduction Program to reduce air pollution by replacing diesel equipment associated with goods movement activities.	
Description of Program:	
<p>In 2007, the California State Legislature enacted Senate Bill 88 authorizing \$1 billion in bond funding for projects to protect public health from emissions associated with goods movement activities along California trade corridors. The Proposition 1B: Goods Movement Emission Reduction Program is a partnership between the California Air Resources Board and local agencies and Air District administers this Program for the Bay Area.</p> <p>The Program funds replacement of old diesel on- and off-road vehicles, equipment, and locomotives with near- and zero-emission technologies. The Program also provides funding for shorepower electrification project for ocean-going vessel at berth.</p> <p>Air District staff conducts outreach and solicits grant applications, evaluates grant applications according to established criteria, recommends allocation of the funding, prepares contracts with grantees, monitors progress in implementing funded projects, and reports on the use of funds.</p>	
Justification of Change Request:	
Not applicable.	
Activities	
Develop/update 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
Meet all funding source requirements including project obligation/encumbrance and liquidation deadlines	Ongoing
Submit required reports to funding source agencies	Ongoing

		Approved		Proposed	FTE/Dollar	Percent
		Program Actuals	Program Budget	Program Budget	Change	Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		1.26	1.11	1.63	0.52	46.8
Personnel Expenditures						
Permanent Salaries	51100	160,876	153,527	228,014	74,487	48.52
Overtime Salaries	51150					
Temporary Salaries	51200					
Payroll Taxes	51300	2,373	2,171	3,228	1,057	48.69
Pension Benefits	51400	29,021	34,970	47,124	12,154	34.76
FICA Replacement Benefits	51500	1,674	2,169	3,332	1,163	53.62
Group Insurance Benefits	51600	20,833	17,373	27,650	10,277	59.16
Employee Transportation Subsidy	51700	1,321	1,649	2,341	692	41.96
Workers' Compensation	51800	543	574	808	234	40.77
Discretionary Contribution (Pension/OPEB)	51850	8,759	9,978	17,409	7,431	74.47
Board Stipends	51900					
Total Personnel Expenditures		225,400	222,411	329,906	107,495	48.33
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	138				
Postage	52800					
Printing & Reproduction	52900		1,000	1,000		
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	10,730	45,000	40,000	(5,000)	(11.11)
General Insurance	53400					
Shop & Field Supplies	53500		1,000	1,000		
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		10,868	50,500	45,500	(5,000)	(9.90)
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		(223,290)		(188,889)	(188,889)	
Total Expenditures		12,978	272,911	186,517	(86,394)	(31.66)

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:	
California Air Resources Board (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. On May 25, 2018, 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 two of the five project categories: 1) zero-emission freight and marine (ZEFM), and 2) light-duty zero emission vehicle infrastructure (LDI).	
The ZEFM program will award \$70 million to eligible zero-emission freight and marine projects, such as replacement of forklifts and port cargo handling equipment, airport ground support equipment, repower of ferry, tugboat, and towboats, and installation of oceangoing vessel shore power. The LDI program administers \$10 million to eligible light-duty electric vehicle charging and hydrogen fueling infrastructure projects.	
Air District staff works 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	
Review and evaluate project applications to determine eligibility and prepare recommendations for award of eligible projects for approval.	
Prepare contracts, amendments, and correspondence; monitor projects, inspect, and audit programs and projects to assure compliance with grant agreements, Program guidelines, policies, and statutory and regulatory requirements; process reimbursement requests; and ensure project files are complete and up to date.	
Prepare and submit reports and funding disbursement requests to funding agencies; liaise with funding agencies on contract and guideline requirements.	
Maintain program website and program hotline.	
Prepare technical, financial, and staff reports, attend meetings, and participate in external audits.	
Coordinate with IT contractors to develop, enhance, and maintain data management systems.	
Major Objectives	Delivery Date
Award the remaining of the funds	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 required reports and funding disbursement requests to CARB	Ongoing
Work with CARB to improve the Program	Ongoing

Volkswagen NOx Mitigation (VW Trust)

324

		Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	Program Actuals	2023	2024	\$	%
	2022				
Number of Positions (FTE)	3.31	3.50	2.47	(1.03)	(29.4)
Personnel Expenditures					
Permanent Salaries 51100	417,716	469,816	357,170	(112,646)	(23.98)
Overtime Salaries 51150	129				
Temporary Salaries 51200					
Payroll Taxes 51300	6,260	6,645	5,064	(1,581)	(23.79)
Pension Benefits 51400	86,337	105,969	73,058	(32,911)	(31.06)
FICA Replacement Benefits 51500	4,446	6,840	5,048	(1,792)	(26.20)
Group Insurance Benefits 51600	55,110	63,488	46,372	(17,116)	(26.96)
Employee Transportation Subsidy 51700	3,543	5,199	3,547	(1,652)	(31.78)
Workers' Compensation 51800	1,323	1,809	1,223	(586)	(32.39)
Discretionary Contribution (Pension/OPEB) 51850	28,774	31,461	26,551	(4,910)	(15.61)
Board Stipends 51900					
Total Personnel Expenditures	603,638	691,227	518,033	(173,194)	(25.06)
Services & Supplies Expenditures					
Travel In-State 52200		13,000	13,000		
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	36,518	100,000	97,229	(2,771)	(2.77)
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	36,518	115,000	112,229	(2,771)	(2.41)
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	48,277	311,052	233,115	(77,937)	(25.06)
Total Expenditures	688,433	1,117,279	863,377	(253,902)	(22.73)

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Special Revenue Fund

Technology Implementation Office (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.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2024

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 primarily includes the Charge! program for EV infrastructure 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.	Ongoing
Complete cycle of Charge! Program on online grant management system.	Ongoing
Develop implementation tools based on Bay Area EV Acceleration Plan	Ongoing
Organize quarterly Bay Area EV Coordinating Council meetings	Ongoing

Light Duty Electric Vehicle Program (Other Grant)

317

		Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
		2022	2023	2024	\$	%
Number of Positions (FTE)		7.52	7.85	7.99	0.14	1.8
Personnel Expenditures						
Permanent Salaries	51100	882,189	1,001,684	1,068,282	66,598	6.65
Overtime Salaries	51150	3,741	5,000	10,000	5,000	100.00
Temporary Salaries	51200		15,000	200,000	185,000	1,233.33
Payroll Taxes	51300	12,926	14,282	15,341	1,059	7.41
Pension Benefits	51400	171,978	227,454	214,562	(12,892)	(5.67)
FICA Replacement Benefits	51500	9,197	15,347	16,313	966	6.29
Group Insurance Benefits	51600	114,336	134,829	143,185	8,356	6.20
Employee Transportation Subsidy	51700	7,262	11,665	11,463	(202)	(1.73)
Workers' Compensation	51800	2,795	4,059	3,954	(105)	(2.59)
Discretionary Contribution (Pension/OPEB)	51850	55,082	70,584	84,510	13,926	19.73
Board Stipends	51900					
Total Personnel Expenditures		1,259,506	1,499,904	1,767,610	267,706	17.85
Services & Supplies Expenditures						
Travel In-State	52200	52	7,500	10,500	3,000	40.00
Travel Out-of-State	52220		4,500	6,000	1,500	33.33
Training & Education	52300		6,000	6,000		
Repair & Maintenance (Equipment)	52400					
Communications	52500	2,221	2,500	2,500		
Building Maintenance	52600					
Utilities	52700					
Postage	52800					
Printing & Reproduction	52900					
Equipment Rental	53100					
Rents & Leases	53200					
Professional Services & Contracts	53300	489,877	800,000	875,000	75,000	9.38
General Insurance	53400					
Shop & Field Supplies	53500					
Laboratory Supplies	53600					
Gasoline & Variable Fuel	53700					
Computer Hardware & Software	53800	425	3,000	3,000		
Stationery & Office Supplies	53900					
Books & Journals	54100					
Minor Office Equipment	54200					
Total Services & Supplies Expenditures		492,575	823,500	903,000	79,500	9.65
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		372,283		265,142	265,142	
Total Expenditures		2,124,364	2,323,404	2,935,752	612,348	26.36

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Special Revenue Fund

Compliance and Enforcement

The Compliance & Enforcement Division ensures the Air District realizes 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 Minor 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 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, Richmond/San Pablo, East Oakland and Bay View Hunters Point, 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	
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 2022	Program Budget 2023	Program Budget 2024	\$	%
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			
Discretionary Contribution (Pension/OPEB)		51850			
Board Stipends		51900			
Services & Supplies Expenditures					
Travel In-State		52200			
Travel Out-of-State		52220			
Training & Education		52300			
Repair & Maintenance (Equipment)		52400			
Communications	2,586	3,000	3,000		
Building Maintenance		52600			
Utilities		52700			
Postage		52800	4,000		
Printing & Reproduction	6,255	8,000	8,500	500	6.25
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	8,841	15,000	15,500	500	3.33
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					
Total Expenditures	8,841	15,000	15,500	500	3.33

Commuter Benefits Program (TFCA)

319

Managing Division:	
Compliance & Enforcement Division	
Contact Person:	
Tracy Lee	
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

	Program Actuals 2022	Approved	Proposed	FTE/Dollar	Percent
		Program Budget 2023	Program Budget 2024	Change \$	Change %
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				
Discretionary Contribution (Pension/OPEB)	51850				
Board Stipends	51900				
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	1,714	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	1,714	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					
Total Expenditures	1,714	11,000	11,000		

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Special Revenue Fund

Community Engagement

The Community Engagement Office is the Air District's main point of contact with the public and engages the public in Air District programs and policies. Community Engagement staff collaborate with diverse communities and other partners to advance public health, equity, and environmental justice in the Bay Area. To that end, staff work with community members and other partners to increase community awareness and transparency of air quality issues, build capacity, implement community-identified solutions, and increase opportunities for the public to participate in Air District decision-making. Community Engagement staff particularly seek opportunities for communities that have been historically excluded, discriminated against, under-represented, or under-resourced to participate and shape Air District decisions.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Managing Division:	
Community Engagement Division	
Contact Person:	
Anna Lee & Diana Ruiz	
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:	
Program not continued	
Activities	
Major Objectives	Delivery Date

FINANCE AND ADMINISTRATIVE COMMITTEE MEETING OF 04/05/2023

Community Engagement - Special Project (Other Grant)

325

	Program Actuals	Approved Program Budget	Proposed Program Budget	FTE/Dollar Change	Percent Change
	2022	2023	2024	\$	%
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			
Discretionary Contribution (Pension/OPEB)		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			
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					
	254,897				
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					
	254,897				

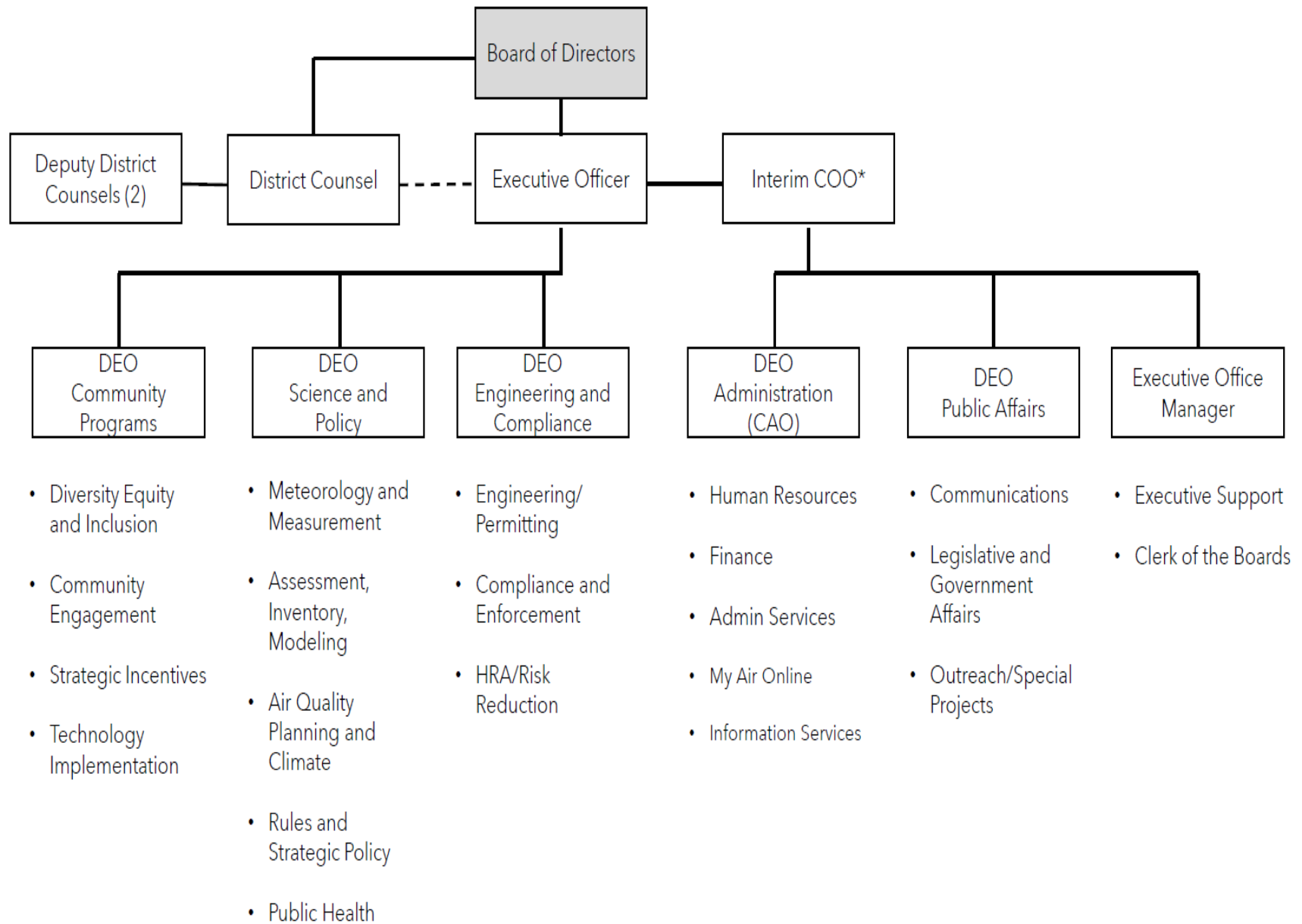
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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

Appendices

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

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 2022, receipt of the Federal grant funds for FYE 2023 could be delayed or jeopardized because of this MOE requirement.

APPENDIX C

GENERAL FUND RESERVES AND LIABILITIES

GF FUND RESERVES	6/30/2022 Audited	6/30/2023 Projected	6/30/2024 Projected
Available Balance	80,615,454	80,615,454	68,525,454
Approved Board Transfers		(7,420,000)	
Use of Reserves for Budget		(4,670,000)	(5,274,900)
	80,615,454	68,525,454	63,250,554
DESIGNATED: *			
AB617 Staffing Contingency	7,679,746	7,679,746	7,700,000
Community Benefits	3,000,000	3,000,000	3,000,000
Economic Contingency	23,303,025	25,500,741	26,490,000
Incident Monitoring Program			1,000,000
Outside Counsel Litigation Support	3,000,000	1,880,000	6,880,000
Limited Term Staffing Contingency			1,000,000
Pandemic Contingency	4,000,000	4,000,000	2,000,000
Pension Liability	5,000,000		
Richmond Improvements (HQE)	5,000,000	5,000,000	5,000,000
Spare the Air Program			2,000,000
Technology Implementation Office	3,350,000	3,350,000	3,350,000
Wildfire Mitigation	2,000,000	1,000,000	1,000,000
	\$56,332,771	\$51,410,487	\$59,420,000
UNDESIGNATED	24,282,683	17,114,967	3,830,554
* Designated Reserve Balances are subject to change at Board's discretion.			
ESTIMATED OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			68,298,398
Certificate of Participation Notes			22,770,330
TOTAL ESTIMATED OUTSTANDING LIABILITIES			91,068,728

APPENDIX C

GENERAL FUND RESERVES AND LIABILITIES

APPENDIX C depicts the actual unrestricted funds at the end of FY 2022, as well as the projected amount for FY 2023 and FY 2024. For FY 2023, a recommendation of \$4.7 million transfer from General Fund reserves; of which \$3.7 million will go towards funding the James Carey Smith grants program and \$1.0 million for information technology improvements and build-out of space for Meteorology and Measurement staff at the Richmond Office. For FY 2024, a recommendation of \$5.3 million transfer from General Fund reserves to be used for capital projects/equipment and other one-time costs. To remain fiscally prudent, the Air 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.

- AB617 Staffing Contingency established in FY 2022 to allow staffing continuity for the AB617 program.
- Community Benefits established in FY 2022 to provide community benefits.
- Economic Contingency established in FY 2008 at the request of the Board for unplanned expenditures and/or unanticipated loss in revenues. In FY 2016, the Board approved a 20% reserve policy as a funding target.
- Outside Counsel Litigation Support established in FY 2023 to address potential litigations.
- Incident Monitoring Program established in FY 2024 to increase capacity to characterize air quality impacts from large incidents at facilities.
- Limited Term Staffing Contingency established in FY 2024 to support temporary staffing for unanticipated project work.
- Pandemic Contingency established in FY 2022 to address potential operating revenue shortfall due to the COVID-19 pandemic.
- Pension Liability established in FY 2018 to reduce future rate increases to pension benefits over time.
- Richmond Improvements (HDE) established in FY 2023 to continue office space improvements.
- Spare the Air Program Contingency established in FY 2024 to allow for continued operations in the event of unanticipated single year shortfall in the Spare the Air Program.
- Technology Implementation Office established in FY 2019 to fund projects using a revolving loan arrangement to leverage funding.
- Wildfire Mitigation established in FY 2022 to fund the wildfire air quality response program.
- 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 \$68.3 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 the 2021 valuation of the plan, that Air District's has no funded unfunded liability, and the plan is fully funded.
- Certificate of Participation Notes (COP) – The Air District issued COPs to finance its headquarters at 375 Beale. As of June 2022, the estimated principal and interest outstanding were \$22.8 million.

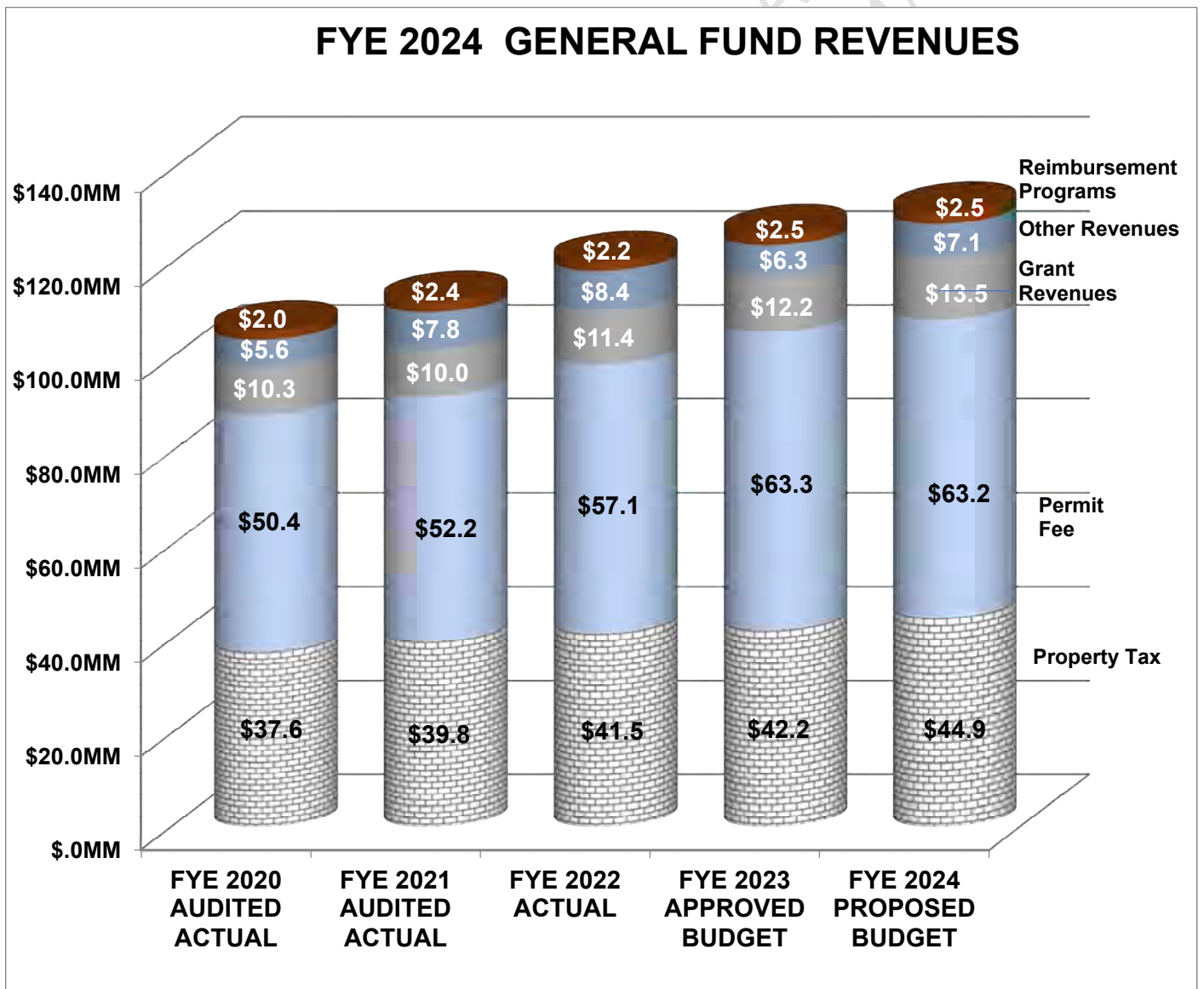
APPENDIX D

Figure 1

General Fund Revenue Trends

Figure 1 below graphically displays the trends in the sources of actual revenues used to fund actual expenditures each year from FYE 2020 through FYE 2022 along with the approved and proposed budget for FYE 2023 and FYE 2024, respectively.

As seen from Figure 1, permit fees are the Air District's largest source of revenue. Actual permit revenues fluctuate from FYE 2020 through FYE 2022 because of certain fees being billed based on economic activities and the proposed fee increases to each individual fee schedule. In FYE 2024 projected permit revenues are expected to be at the same level as in FY2023. Actual county revenues maintained an increasing trend over the past three years because of increased property valuation due to higher real estate prices in the Bay Area. This revenue source is expected to continue to increase in FYE 2024. Other General Fund sources of revenue have experienced small fluctuations over the years.

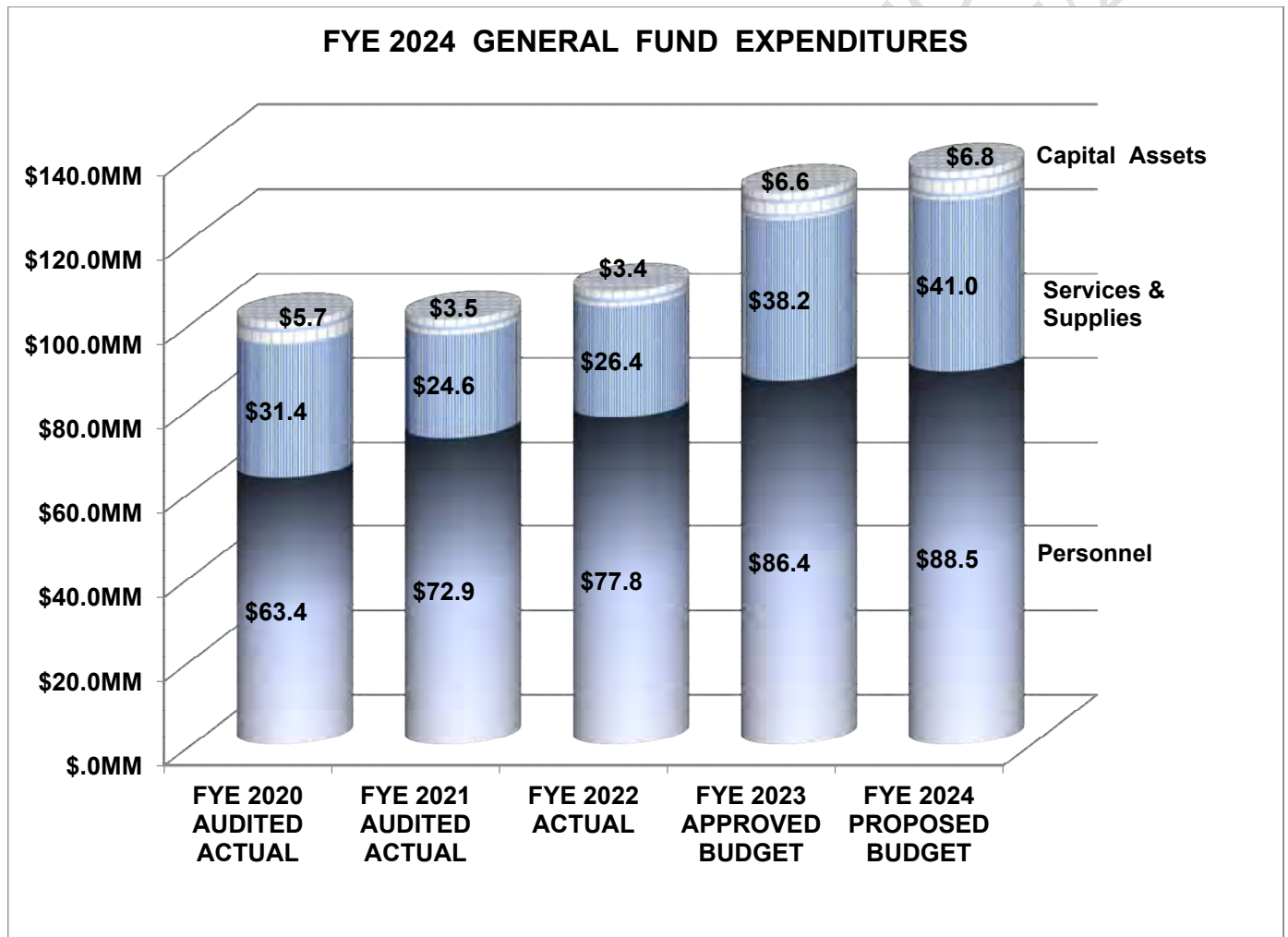


APPENDIX E

Figure 2

General Fund Expenditure Trends

Below Figure 2 shows the trends in actual expenditures from FYE 2020 through FYE 2022 along with the approved and proposed expenditure budgets for FYE 2023 and FYE 2024, respectively. From FYE 2020 through FYE 2024, the total General Fund has risen at an average rate of 7.9% per year from \$100.6 million to \$136.3 million due to increased Personnel Costs, Services, and Capital Programs expenditures. The FYE 2024 General Fund Proposed Budget shows a projected \$5.1 million increase in expenditures over FYE 2023. This increase is mainly due to Salaries and benefits, capital expenditures, and services and supplies increased in FYE 2024.



APPENDIX F

General Fund 5 Year Projection

Five Year Forecast - General Fund REVENUE	FYE 2024 Budget	FYE 2025 Projected	FYE 2026 Projected	FYE 2027 Projected	FYE 2028 Projected
Property Tax	\$44,876,500	\$46,671,560	\$48,538,422	\$50,479,959	\$52,499,158
Permits/Fees	\$63,192,045	\$68,846,904	\$75,340,739	\$82,905,433	\$87,300,334
Grant Revenues	\$6,998,321	\$6,648,405	\$6,714,889	\$6,782,038	\$6,849,858
AB617 Funding	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Other Revenue	\$7,100,000	\$7,171,000	\$7,242,710	\$7,315,137	\$7,388,288
Transfer from Special Funds	\$1,302,772	\$1,328,827	\$1,355,404	\$1,382,512	\$1,410,162
TOTAL REVENUE	\$132,469,638	\$139,666,697	\$148,192,164	\$157,865,079	\$164,447,801
(Use of)/Transfer to Fund Balance	(\$5,274,900)	(\$608,925)	\$4,507,473	\$9,585,790	\$12,300,264
EXPENDITURES					
Personnel Expenditures	\$88,460,177	\$91,835,054	\$94,269,091	\$97,868,875	\$100,584,912
Services and Supplies	\$42,494,075	\$41,573,450	\$42,404,919	\$43,253,018	\$44,118,078
Capital Expenditures	\$6,789,377	\$6,863,342	\$7,000,609	\$7,140,621	\$7,283,434
TOTAL EXPENDITURE	\$137,744,538	\$140,271,847	\$143,674,619	\$148,262,514	\$151,986,424
General Fund Reserves					
	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Beginning Balance	68,525,454	63,250,554	62,641,629	67,149,101	76,734,891
(Use of)/Transfer to Fund Balance	(\$5,274,900)	(\$608,925)	\$4,507,473	\$9,585,790	\$12,300,264
Ending Balance	63,250,554	62,641,629	67,149,101	76,734,891	89,035,155
20% Minimum Reserve Policy	\$ 26,490,000	\$ 28,000,000	\$ 28,734,000	\$ 29,652,000	\$ 30,400,000

FINANCE
COMMITTEE

APPENDIX F

Figure 3 and Budget Assumptions

Revenue Assumptions

- a. **Property Tax** shows increases across the Bay Area much higher than the 2% average increase given the rising real estate prices in the housing markets. The five-year forecast assumes revenues will increase for year 2023; thereafter, only a 3-4% inflationary growth in years 2024 through 2026.
- b. **Permit Fee** revenues are expected to increase by approximately 17% in year 2023 as the Air District increase fees to recover more of its permit related costs and implement a new fee for overburdened communities. In year 2024 through 2026, the annual forecasted average increase is approximately 4-5%. 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 84% remains stable in year 2023 as the proposed budget includes higher fee increases to all its eligible regulation fee schedule, as well as a new fee for overburdened communities. These increases are expected to cover proposed staffing increases as the Air District continues to address staffing needs for core programs associated with permit related activities. Projections suggest cost recovery attainment of 85% level during the five-year forecast, however, these projections could change based on the results of the management audit and cost recovery study recommendations.
- c. **Grant Revenues** are expected to drop slightly in 2023 to reflect adjustment of one-time grant funding and remains stable through 2026.
- d. **Assembly Bill 617** funding of \$9.0 million from the State continues for year 2023 and drops to \$8.0 million through year 2026 as future funding is expected to decrease.
- e. **Other Revenues** mainly account for penalties, State subvention, and interest income. These revenues are expected to remain stable through year 2026.

Expenditure Assumptions

- a. **Personnel** costs are projected to increase for the five-year period with projected annual cost of living adjustment, a slight increase in health premiums, and the funding and filling of 403 of the 445 authorized positions being funded by the General Fund, remaining 42 positions are funded from Special Revenue Funds. An additional 20 positions are projected in year 2023 to address growing demands on core programs; taking staffing levels of 445 to 465 positions is anticipated for the next 5 years. The projection assumes a 6% vacancy rate in 2023, declining by 3% in year 2024 remains stable at 3% through year 2026.
- 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 reach 90% funding level by year 2024. 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 increase in year 2023, assuming only an inflationary increase of approximately 2-4% for the five-year forecast.
- e. **Capital Expenditures** assumes ongoing capital equipment and one-time funding in FYE 2023 to pay for continued office improvement to Headquarters East in Richmond, equipment purchases and information technology improvements, etc. FYE 2024-2026 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 \$5.3 million in reserves for FYE 2024 for continued capital improvements to the Richmond Office building, lab equipment, and information technology improvements. The forecast projects use of reserves in the year 2024 and 2025 to cover the temporary revenue shortfall. Based on current assumptions, reserves are expected to stay above the minimum policy level through the year 2026 due to a healthy reserve balance. Approximately \$59 million in reserves have been designated. Please see Appendix C for a detailed list of proposed designations.

FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

APPENDIX G

7\$%/E 1: The proposed changes to the authorized permanent full-time positions and division assignments at the designated classification for Fiscal Year 2024 will be presented at the April 5, 2023 Finance and Administration Committee meeting for consideration and then referred to the Board of Directors for approval. The FY 2024 authorized staffing table will be added to this section of the budget upon final approval.

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)(< 2024 Authorized Staff

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FINANCE AND ADMINISTRATION
COMMITTEE MEETING OF 04/05/2023

APPENDIX H

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: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Consider Taking 'Support' Position on Senate Bill 674

RECOMMENDED ACTION

Approve staff's recommendation of SUPPORT for the following bill:

- Senate Bill (SB) 674 (Gonzalez) – Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

BACKGROUND

The Board of Directors (Board) approved the position of “Work with Author” for SB 674 (Gonzalez) at the April 5, 2023, Board meeting. Later that day, staff provided a summary and status of the bill at the Legislative Committee meeting and noted that staff had recently been provided proposed amendments to review, and may propose a support position at a later date. Since then, the bill has been amended and staff is recommending a support position on the bill.

DISCUSSION

SB 674 (Gonzalez) – Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

CapitolTrack Summary: Existing law requires a refinery-related community air monitoring system to be installed near each petroleum refinery that meets certain requirements. Existing law requires the owner or operator of a petroleum refinery to develop, install, operate, and maintain a fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district or air pollution control district. Existing law requires the air districts and the owners or operators of refineries to collect real-time data from those monitoring systems, to maintain records of that data, and, to the extent feasible, provide to the public those data in a publicly accessible format. This bill would extend the above requirements to refineries engaging in other types of refining processes, including those using noncrude oil feedstock, and to auxiliary facilities. The bill would require the refinery-related community air monitoring system and the fence-line monitoring system to be installed on or before January 1, 2026, and after a 30-day public comment period and those systems to be updated, as specified. The bill would require the appropriate air district to establish pollutants for the monitoring systems to monitor and

would include certain pollutants identified by the Office of Environmental Health Hazard Assessment. The bill would authorize the air district to exclude a pollutant for monitoring at those monitoring systems, as provided. The bill would require air districts, on a 5-year basis, to review the list of pollutants being measured and would authorize the air districts to revise the list, as provided. The bill would require the air districts and the owners and operators of refineries to maintain records of the data collected from those systems for at least 5 years and would require the owners and operators to post online, and to notify the public of the availability of, quarterly reports containing certain information. The bill would require owners and operators of refineries to notify the air district and the public, as provided, as quickly as possible of any exceedances of the lowest available one-hour average reference exposure levels set by the office or the United States Environmental Protection Agency. The bill would require the owners or operators of refineries, within 24 hours of a fence-line monitoring system detecting an exceedance of a historical one-hour average concentration of any measured pollutant, to initiate a root cause analysis and to determine appropriate corrective action, as provided. The bill would require the owners or operators of refineries to conduct third-party audits of its fence-line monitoring system, as provided, to ensure the accuracy of the system. Because the bill would impose additional duties on air districts, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

If passed, SB 674 would make changes to existing fenceline monitoring requirements at refineries, including equipment, reporting, and emergency response.

Current Status: Double-referred to the Senate Committees on Environmental Quality and Judiciary. This bill was heard in Senate Environmental Quality on March 29, 2023, and received a vote in favor of 4-2. The hearing date for Senate Judiciary has not been set as of this writing.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Philip M. Fine

ATTACHMENTS:

1. SB 674 (Gonzalez) - Bill Text - As Amended on April 10, 2023

AMENDED IN SENATE APRIL 10, 2023

SENATE BILL

No. 674

Introduced by Senator Gonzalez
(Coauthor: Senator Skinner)

February 16, 2023

An act to amend Section 42705.6 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 674, as amended, Gonzalez. Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

Existing law requires a refinery-related community air monitoring system to be installed near each petroleum refinery that meets certain requirements. Existing law requires the owner or operator of a petroleum refinery to develop, install, operate, and maintain a fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district or air pollution control district. Existing law requires the air districts and the owners or operators of refineries to collect real-time data from those monitoring systems, to maintain records of that data, and, to the extent feasible, provide to the public those data in a publicly accessible format.

This bill would extend the above requirements to refineries engaging in other types of refining processes, including those using noncrude oil feedstock, and to auxiliary facilities. The bill would require the refinery-related community air monitoring system and the fence-line monitoring system to be installed on or before January 1, 2026, and after a 30-day public comment ~~period~~: *period and those systems to be updated, as specified*. The bill would require the *appropriate air district to establish pollutants for the monitoring systems to monitor and would*

include certain pollutants identified by the Office of Environmental Health Hazard Assessment. *The bill would authorize the air district to exclude a pollutant for monitoring at those monitoring systems, as provided. The bill would require air districts, on a 5-year basis, to review the list of pollutants being measured and would authorize the air districts to revise the list, as provided.* The bill would require the air districts and the owners and operators of refineries to maintain records of the data collected from those systems for at least 5 years and would require the owners and operators to post online, and to notify the public of the availability of, quarterly reports containing certain information. The bill would require owners and operators of refineries to notify the air district and the public, as provided, as quickly as possible of any exceedances of the lowest available *one-hour average* reference exposure levels set by the ~~office~~ *office or the United States Environmental Protection Agency*. The bill would require the owners or operators of refineries, within 24 hours of a fence-line monitoring system detecting an ~~exceedance~~ *exceedance of a historical one-hour average concentration of any measured pollutant*, to initiate a root cause analysis and to determine appropriate corrective action, as provided. The bill would require the owners or operators of refineries to conduct third-party audits of its fence-line monitoring system, as provided, to ensure the accuracy of the system. Because the bill would impose additional duties on air districts, the bill would impose a state-mandated local program.

Under existing law a violation of requirements for stationary sources, or any rule, regulation, permit, or order of the state board or of an air district is a crime.

Because this bill would impose the monitoring systems requirement on owners or operators of refineries engaging in other types of refining processes, as defined, and would impose additional requirements on owners and operators of refineries, a violation of which would be a crime, 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 no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known, and may be cited, as the
2 Refinery Air Pollution Transparency and Reduction Act.

3 SEC. 2. Section 42705.6 of the Health and Safety Code is
4 amended to read:

5 42705.6. (a) For purposes of this section, the following
6 definitions apply:

7 (1) “Auxiliary facilities” means any site necessary to support
8 refining processes at a refinery, including storage tanks, hydrogen
9 plants, sulfuric acid plants, port terminals, and electrical generation
10 plants that *receive or* provide more than 50 percent of *their input*
11 *from, or* production output ~~to~~ *to*, the refinery.

12 (2) “Biofuel” means biodiesel, renewable diesel, and renewable
13 aviation fuel, and other products derived from noncrude oil
14 feedstock.

15 (3) “Fence-line monitoring system” means equipment that
16 measures and records ambient air pollutant concentrations at or
17 adjacent to a refinery and that detects and estimates the quantity
18 of fugitive emissions, gas leaks, and other air emissions from the
19 refinery and that may be useful for estimating associated pollutant
20 exposures and health risks and in determining trends in air pollutant
21 levels over time.

22 (4) “Refinery” means an establishment that is located on one
23 or more adjacent properties that is primarily involved in refining
24 processes and related auxiliary facilities.

25 (5) “Refinery-related community air monitoring system” means
26 equipment that measures and records air pollutant concentrations
27 in the ambient air at or near sensitive receptor locations near a
28 refinery and that may be useful for estimating associated pollutant
29 exposures and health risks and in determining trends in air pollutant
30 levels over time.

31 (6) “Refining processes” means the production, separation,
32 conversion, treating, handling, or blending of gasoline, diesel fuel,
33 aviation fuel, biofuel, petroleum distillates, lubricating oils,
34 petroleum coke, asphalt, or petrochemicals, among other products
35 derived from petroleum and alternative feedstock.

36 (7) “Sensitive receptor” ~~means any of the following:~~ *has the*
37 *same meaning as set forth in Section 42705.5.*

1 ~~(A) A residence, including a private home, condominium,~~
2 ~~apartment, and living quarter.~~

3 ~~(B) An education resource, including a preschool, school~~
4 ~~maintaining transitional kindergarten, kindergarten, or any of~~
5 ~~grades 1 to 12, inclusive, daycare center, park, playground,~~
6 ~~university, and college.~~

7 ~~(C) A community resource center, including a youth center.~~

8 ~~(D) A health care facility, including a hospital, retirement home,~~
9 ~~and nursing home.~~

10 ~~(E) Live-in housing, including a long-term care hospital,~~
11 ~~hospice, prison, detention center, and dormitory.~~

12 ~~(F) A building housing a business that is open to the public.~~

13 (b) Notwithstanding Section 42708, and on or before January
14 1, 2026, a refinery-related community air monitoring system shall,
15 after a 30-day public comment period, be installed near each
16 refinery that is consistent with the requirements and guidance
17 applicable to the siting of air quality monitors as established by
18 the ~~federal United States Environmental Protection Agency and~~
19 ~~Agency, and be updated, as deemed necessary by the state board,~~
20 ~~within 120 days of amendments to the guidance by the United~~
21 ~~States Environmental Protection Agency, that meets both of the~~
22 following requirements:

23 (1) A district shall design, develop, install, operate, and maintain
24 the refinery-related community air monitoring system, which shall
25 be operated and maintained in accordance with guidance from the
26 appropriate district. A district may contract with a third party to
27 implement this paragraph.

28 (2) The refinery-related community air monitoring system shall
29 include equipment capable of measuring compounds emitted to
30 the atmosphere from refinery processes, meteorological ~~monitoring,~~
31 ~~parameters,~~ and digital components capable of enabling real-time
32 access to air pollution and meteorological measurements via an
33 internet website and application programming interface, as
34 determined by the appropriate district.

35 (c) On or before January 1, 2026, the owner or operator of a
36 refinery shall, after a 30-day public comment period and approval
37 by the appropriate district, develop, install, operate, and maintain
38 a fence-line monitoring system ~~that covers the entire perimeter of~~
39 ~~the refinery and is~~ in accordance with guidance developed by the
40 appropriate district. *The fence-line monitoring system shall cover*

1 *the entire perimeter of the refinery, unless it is infeasible based*
2 *on substantial evidence.* The fence-line monitoring system shall
3 include equipment capable of measuring compounds emitted to
4 the atmosphere from refinery processes, meteorological ~~monitoring,~~
5 *parameters,* and digital components capable of enabling real-time
6 access to air pollution and meteorological measurements via an
7 internet website and application programming interface.

8 (d) (1) *The appropriate district shall establish pollutants for*
9 *monitoring at refinery-related community air monitoring systems*
10 *and refinery fence-line monitoring systems shall, at a minimum,*
11 ~~monitor~~ *and shall include* pollutants identified by the Office of
12 Environmental Health Hazard Assessment, including, but not
13 limited to, the following pollutants identified in the office's March
14 2019 Analysis of Refinery Chemical Emissions and Health Effects
15 as candidates for air monitoring at a refinery:

- 16 ~~(1)~~
- 17 (A) Acetaldehyde.
- 18 ~~(2)~~
- 19 (B) Ammonia.
- 20 ~~(3)~~
- 21 (C) Benzene.
- 22 ~~(4)~~
- 23 (D) 1,3-butadiene.
- 24 ~~(5)~~
- 25 (E) Cadmium.
- 26 ~~(6)~~
- 27 (F) Diethanolamine.
- 28 ~~(7)~~
- 29 (G) Formaldehyde.
- 30 ~~(8)~~
- 31 (H) Hydrogen fluoride.
- 32 ~~(9)~~
- 33 (I) Hydrogen sulfide.
- 34 ~~(10)~~
- 35 (J) Manganese.
- 36 ~~(11)~~
- 37 (K) Naphthalene.
- 38 ~~(12)~~
- 39 (L) Nickel.
- 40 ~~(13)~~

- 1 (M) Oxides of nitrogen.
2 ~~(14)~~
3 (N) Polycyclic aromatic hydrocarbons.
4 ~~(15)~~
5 (O) Particulate matter.
6 ~~(16)~~
7 (P) Sulfur dioxide.
8 ~~(17)~~
9 (Q) Sulfuric acid.
10 ~~(18)~~
11 (R) Toluene.

12 (2) *A district may exclude a pollutant for monitoring at a*
13 *refinery-related community air monitoring system and refinery*
14 *fence-line monitoring system if substantial evidence supports that*
15 *real-time monitoring of the pollutant is technologically infeasible*
16 *or the pollutant would not be released by refining processes during*
17 *routine and nonroutine operations at the refinery.*

18 (3) *A district shall, on a five-year basis, review the list of*
19 *pollutants being measured and may revise the list of pollutants*
20 *after considering advances in monitoring technology, reported*
21 *refinery emissions, ambient air data collected by the refinery*
22 *fence-line and refinery-related community monitoring systems,*
23 *and any other relevant emissions information.*

24 (e) (1) The district and the owner or operator of a refinery shall
25 collect real-time data from the refinery-related community air
26 monitoring system and the fence-line monitoring system and shall
27 maintain records of that data for at least five years. The owner or
28 operator of a refinery shall post online quarterly reports that
29 summarize pollutant levels, variations, and trends over a
30 three-month period timeframe and notify the public of the
31 availability of the reports.

32 (2) The data generated by these systems shall be provided to
33 the public within 24 hours in a publicly accessible and
34 machine-readable format. The data shall be archived and made
35 available to the public online for download through an application
36 programming interface or other widely recognized standard and
37 backend components shall be optimized to minimize delays in
38 accessing data. The data shall include all historical and
39 meteorological data, and pollution measurements and metadata,

1 including latitude and longitude, detection limits, signal strength,
2 calibration, and quality control checks.

3 (f) The owner or operator of a refinery shall conduct third-party
4 audits, using an auditor approved by the district, of its fence-line
5 monitoring system to ensure the system is providing accurate data,
6 including conducting quality control checks, system calibration,
7 and evaluation of quality control and assurance plans. The audit
8 reports shall be submitted to the district and made available to the
9 public online by the refinery. The third-party audits shall be
10 conducted in accordance with the following schedule:

11 (1) An initial audit shall be conducted as follows:

12 (A) For a fence-line monitoring system installed on or after
13 January 1, 2024, within three months after the installation and
14 operation of the system.

15 (B) For a fence-line monitoring system installed before January
16 1, 2024, by July 1, 2024.

17 (2) If the initial, subsequent, or followup audit does not identify
18 deficiencies in the fence-line monitoring system, subsequent audits
19 shall occur every two years and review at least one year of
20 monitoring data.

21 (3) If an initial, subsequent, or followup audit identifies
22 deficiencies in the fence-line monitoring system, a followup audit
23 shall be conducted within six months of the completion of actions
24 taken to correct the deficiencies identified in the audit.

25 (g) The owner or operator of a refinery shall notify the district
26 and public as quickly as possible of any exceedances of the lowest
27 available *one-hour average* reference exposure or concentration
28 levels set by the Office of Environmental Health Hazard
29 Assessment or the United States Environmental Protection Agency
30 that are detected by the fence-line monitoring system. At a
31 minimum, the notification to the public shall include email and
32 text message notifications to members of the public requesting
33 notification by email or text message notification, as appropriate.

34 (h) (1) Within 24 hours of a fence-line system detecting an
35 exceedance of a historical one-hour average concentration of any
36 measured pollutant, the owner or operator of a refinery shall initiate
37 a root cause analysis to locate the cause of the exceedance and to
38 determine appropriate corrective action. The owner or operator of
39 the refinery shall prepare and submit a report to the district and
40 post online within five days of the exceedance explaining the root

1 cause analysis findings and corrective action performed by the
2 refinery. The root cause analysis shall include a visual inspection
3 to determine the cause of the exceedance and any of the following:

- 4 (A) Optical gas imaging.
- 5 (B) Leak inspection using Method 21 under Appendix A-7 of
6 Part 60 (commencing with Section 60.1) of Title 40 of the Code
7 of Federal Regulations.

8 (C) Other test or monitoring method approved by the district,
9 the State Air Resources Board, or the ~~federal~~ *United States*
10 Environmental Protection Agency.

11 (2) If the root cause analysis requires corrective action, the
12 refinery shall conduct a reinspection of the source within 14 days
13 of the corrective action and submit a report to the district and post
14 online.

15 (3) The refinery shall be assessed a civil penalty pursuant to
16 Article 3 (commencing with Section 42400) of Chapter 4 by the
17 district for failing to conduct a root cause analysis and take
18 corrective action within five days.

19 (4) A fence-line monitoring system approved by the district
20 shall presumptively yield credible evidence that may be used to
21 establish whether a refinery has violated or is in violation of any
22 plan, order, permit, rule, regulation, or law.

23 (i) (1) Guidance developed by a district pursuant to this section
24 shall require the preparation of a quality control and assurance
25 plan to ensure data quality and take into account technological
26 capabilities and incorporate input from affected parties and, to the
27 extent feasible, shall be informed by refinery-related guidance in
28 the monitoring plan prepared pursuant to subdivision (b) of Section
29 ~~42705.5~~ *42705.5 and the United States Environmental Protection*
30 *Agency guidance on quality assurance and management plans.*

31 (2) *Guidance and rules or regulations developed by a district*
32 *pursuant to this section shall be reviewed and updated every five*
33 *years through a public process.*

34 (j) (1) Except as provided in paragraph (2), the owner or
35 operator of a refinery shall be responsible for the costs associated
36 with implementing this section.

37 (2) To the extent a refinery-related community air monitoring
38 system is intentionally used by a district to monitor emissions from
39 sources under its jurisdiction other than a refinery, the district shall

1 ensure the costs of the system are shared in a reasonably equitable
2 manner.

3 (k) This section does not limit the authority or jurisdiction of
4 the Environmental Protection Agency, the State Air Resources
5 Board, or the districts, and does not prohibit a city, county, or city
6 and county from imposing more stringent regulations, limits, or
7 prohibitions on a refinery.

8 SEC. 3. No reimbursement is required by this act pursuant to
9 Section 6 of Article XIII B of the California Constitution because
10 a local agency or school district has the authority to levy service
11 charges, fees, or assessments sufficient to pay for the program or
12 level of service mandated by this act or because costs that may be
13 incurred by a local agency or school district will be incurred
14 because this act creates a new crime or infraction, eliminates a
15 crime or infraction, or changes the penalty for a crime or infraction,
16 within the meaning of Section 17556 of the Government Code, or
17 changes the definition of a crime within the meaning of Section 6
18 of Article XIII B of the California Constitution.

O

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Finance and Administration Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Authorization of Actions to Support Organizational Restructuring; and Notice of Proposed Amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code Regarding Senior Management Classifications

RECOMMENDED ACTION

The Board of Directors will consider authorizing position classifications and reclassifications and adopting a salary resolution to support organizational restructuring following recommendations the Finance and Administration committee made on April 5, 2023.

The Board of Directors will also receive notice that it will consider adopting proposed amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code regarding senior management classifications at its next meeting on May 3, 2023. These proposed changes to the Administrative Code will further support the proposed organizational restructuring changes and were part of the recommendations made by the Finance and Administration committee on April 5, 2023.

BACKGROUND

On December 1, 2021, the Board of Directors approved the execution of a three-year contract with Sjoberg Evashenk for management performance audit services. On November 2, 2022, Sjoberg Evashenk delivered reports to the Board of Directors detailing recommendations on staffing allocations and on Air District organizational structure.

Air District staff have worked closely with the management auditors from Sjoberg Evashenk to refine the November 2, 2022 recommendations and to develop changes to both the Air District's staffing plan and the Air District's Administrative Code that are required to support the new organizational structure.

At its April 5, 2023, meeting, the Finance and Administrative Committee received this staff report and voted to recommend various items related to organizational restructuring, including position classifications, reclassifications, and a salary resolution.

DISCUSSION

Organizational Structure

The proposed new organizational structure calls for the elimination of an executive management layer and results in a flattening of the organization aimed at increasing overall responsiveness. The new structure, shown in Attachment 1, illustrates a uniform executive team consisting of five at will Deputy Executive Officers over focused functional areas. The new structure also includes two at will Senior Assistant Council positions that report to District Counsel.

At Will Positions

To support the new organizational structure, four new at will Deputy Executive Officer and two new Senior Assistant Counsel positions would be established by converting existing civil servant executive management positions to at will positions. These Deputy Executive Officer, and Senior Assistant Counsel positions would serve at the pleasure of the Executive Officer and District Counsel respectively, and the employment agreement for each incumbent would be renewed within a three-year term of employment or the agreement would expire. Existing employees incumbent in a Deputy Executive Officer position would retain their civil servant status, and any current employees appointed to either a Deputy Executive Officer, or Senior Assistant Counsel position prior to January 1, 2024, would be granted rights to return to their prior positions.

The proposed changes to the Administrative Code are necessary to support converting these civil servant positions to at-will positions.

The proposed reorganization will also create a new at-will position classification for the Chief Operating Officer. The proposed Administrative Code changes also establish similar provisions applicable to this position.

The language of the proposed revisions is set forth in Attachment 2 in underline/strikeout format.

The Finance and Administration Committee considered staff's proposal at its April 5, 2023, meeting, and voted to recommend to the Board of Directors that the Board adopt these proposed revisions. Per Division I, Section 14.1 of the Administrative Code, notice must be provided at a Board of Directors regular meeting before the Board may adopt any amendments to the Administrative Code. The Board will receive notice at today's meeting, and will then consider adopting the proposed amendments at its next meeting on May 3, 2023.

The proposed salary resolution that supports converting these civil servant positions to at will positions is included in Attachment 3 and will be approved by this action of the Board.

Staffing Changes

Position classification and title changes to support the executive team restructuring are listed below in Table 1 along with their associated cost impacts.

Table 1
Recommended Executive Staffing Changes

Old Position Title	New Position Title	Cost impact
DEO (Policy & Community)	DEO of Equity and Community	No impact same salary grade
DEO (Administration)	DEO Administration (at will)	No impact same salary grade
DEO (Operations)	DEO Engineering and Compliance (at will)	No impact same salary grade
DAPCO	DEO Science and Policy (at will)	\$46,455/year
DAPCO	DEO Public Affairs (at will)	\$46,455/year
DAPCO	Chief Technology Officer	No impact same salary grade
DAPCO (CFO)	Ombuds Officer	-\$65,436/year
Board Operations Officer	Board Operations Officer	No impact same salary grade
	Total	\$27,475/year

In addition to the staffing changes recommended for the restructuring of the executive team, other recommended changes are requested for various operational improvements. These changes are listed below by Division along with information summarizing the reason for the requested change.

Operations

- **Compliance and Enforcement Division**

- Reclassify five vacant Senior Air Quality Specialists into Air Quality Specialist I/II and reclassify one Radio Telephone Operator to a Supervising Air Quality Specialist. These changes optimize the span of control for junior and senior staff and eliminate legacy positions for which equipment no longer exists.

- **Engineering Division**

- Reclassify one vacant Senior Air Quality Engineer position into an Air Quality Specialist position to provide a junior support resource allowing senior staff to focus on more complex work.

Policy and Equity

- **Meteorology & Measurement:**

- Reclassify one (1) Supervising Air Quality Specialist into one Principal Air Quality Specialist who will lead projects involving instrument acquisition and acceptance testing; operation and maintenance of measurement platforms; data systems management; and development and maintenance of in-house developed software, hardware, and quality assurance plans, which are currently inadequately addressed and require Principal-level expertise.
- Reclassify one vacant Administrative Assistant I/II position into one Assistant Staff Specialist I/II to focus on higher level process improvement work aimed at creating efficiencies that would allow focus on critical gaps in the Air District's mandated and community-requested work.
- Reclassify one vacant Senior Air Quality Specialist position into one Air Quality Specialist I/II to balance the level of resources to the level of work required in source testing.
- Reclassify one vacant Assistant Air Quality Specialist I/II position into one Senior Air Quality Specialist to provide lead technical support for air monitoring operations and advanced troubleshooting of air monitoring equipment.
- Reclassify four Assistant Air Quality Specialist I/II into Air Quality Specialist I/II to align resources with the appropriate level of work that must be conducted.

- **Strategic Incentives**

- Reclassify one vacant Staff Specialist I/II into one Assistant Staff Specialist I/II that would provide resources to increase efficiency by re-assigning routine work currently performed by Staff Specialists.

- **Technology Implementation Office**

- Reclassify one vacant Staff Specialist I/II into one Senior Staff Specialist that would support growing caseload, increases in future funding for EV incentive programs.

- **Administration Services**

- Transfer one Staff Specialist from Information Services to Administration Services division.
- Reclassify one vacant Senior Advanced Projects Advisor into one Manager that would manage the administrative services programs.

The cost impacts for the reclassifications requested in each of the divisions are summarized in Table 2.

**Table 2
Cost by Division**

Department	Cost Impact (\$/Year)
Meteorology & Measurement	\$127,627
Compliance & Enforcement	-\$95,403
Engineering	-\$26,360
Strategic Incentives	-\$30,985
Technology Implementation Office	\$17,913
Finance	-
Administrative Services	-
Executive	\$27,475
TOTAL	\$20,266

Since fiscal year ending 2023, the Air District’s staffing roster has been published in Appendix H of the Annual Budget. The changes to Appendix H of the budget that would be required for this recommendation are included in Attachment 4. The new Chief Operating Officer position classification is shown in Attachment 5. Of note is that the recommended action requested by this item creates no new positions, but rather relies upon the reclassification of existing positions in alignment with the Management Auditor’s recommendations to improve utilization of existing resources. The reclassifications under this recommended action and their corresponding cost impacts are detailed in Attachment 6.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The reclassifications recommended by this action result in a net annual increase in personnel expenditures of approximately \$20,000.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Sharon Landers

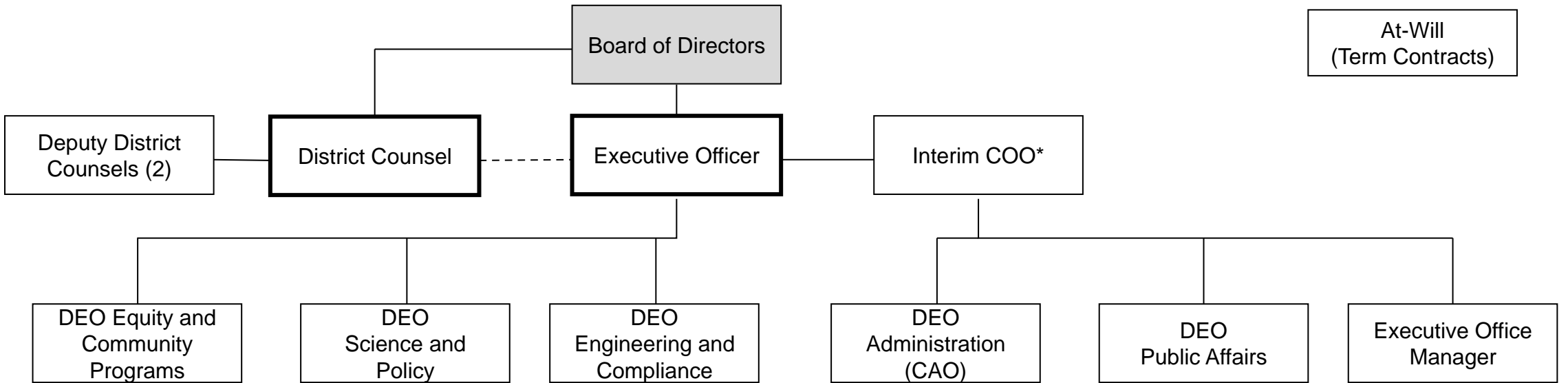
ATTACHMENTS:

1. Attachment 1 - Proposed Executive Organizational Chart
2. Attachment 2 - Proposed Administrative Code Revisions
3. Attachment 3 - Draft Salary Resolution
4. Attachment 4 - Budget Appendix H: FYE 2023 Authorized Staff - Redlined Version
5. Attachment 5 - Proposed Chief Operating Officer Classification Specification
6. Attachment 6 - Committee Cost Impacts

Proposed Executive Structure

Board-appointed

At-Will
(Term Contracts)



- Diversity Equity and Inclusion
- Community Engagement
- Strategic Incentives
- Technology Implementation

- Meteorology and Measurement
- Assessment, Inventory, Modeling
- Air Quality Planning and Climate
- Rules and Strategic Policy
- Public Health

- Engineering/Permitting
- Compliance and Enforcement
- HRA/Risk Reduction

- Human Resources
- Finance
- Admin Services
- IT Governance
 - My Air Online
 - Information Services

- Communications
- Legislative and Government Affairs
- Outreach/Special Projects

- Executive Support
- Clerk of the Boards

Bay Area Air Quality Management District
Amendment to Administrative Code

The following amendments to the Bay Area Air Quality Management District’s Administrative Code are adopted to amend the Deputy Executive Officer (“DEO”) and Senior Assistant Counsel (“SAC”) classifications. The District is working on a complete restatement of the Administrative Code in Fiscal Year 2023-24 and this change will be incorporated into that restatement.

The Board adopts the following revision to the District’s Administrative Code to amend the DEO and SAC classifications. By this action, the Board intends that employees hired into the SAC and DEO classifications after the effective date of the amendment will be “at will” employees and excluded from any disciplinary appeal process provided by the Administrative Code or by District practice, except as explicitly provided herein. In addition, the Board intends that the Executive Officer/APCO and the District Counsel may hire employees into these classifications without the competitive recruitment process normally required by the Administrative Code.

Therefore, the Board makes the following amendments to the District’s Administrative Code.

Section 3.3 of Division III of the Administrative Code is amended as follows:

SECTION 3 RIGHTS AND OBLIGATIONS

3.3 DISCIPLINARY ACTION AND RIGHT OF APPEAL.

- (a) Except for individuals in classifications which serve at the pleasure of the Board of Directors or the District Counsel (see Section III-3.3(c), below), the APCO shall have the right, for due cause, to demote, dismiss, reduce in pay, or suspend without pay any employee. Notice of such action must be in writing and served on such employee by personal service ~~by~~, by e-mail at the address on file with the District, or by registered first class U.S. mail (or equivalent) on such employee. Except for individuals serving in the classifications listed in subsection (c), below, the notice will state the action to be taken and contain the reasons for such action.
- (b) Except as provided herein, Any employees, as defined in Section I, Definitions, shall have the right to appeal the disciplinary action, through the grievance procedure defined in Section III-4.
- (c) The following individuals shall serve at the will of the appointing authority and shall not have any right to appeal any disciplinary action through the grievance procedure defined in Section III-4, regardless of whether they held a prior position in the District. Individuals appointed to the classifications identified below may also be subject to a fixed term of employment and the incumbent will be separated at the expiration of that term (unless said term is extended by the identified appointing authority). Individuals appointed to the classifications identified below are not subject to a probationary period pursuant to Section III -7.3. Likewise,

individuals appointed to the classifications identified below are not subject to the Layoff and Recall provisions of Section III-9.3

- (1) Any individual appointed by the Board of Directors and employed under an employment contract, including the Executive Officer/APCO and District Counsel;
- (2) Any individual appointed by the Executive Officer to the classification of Chief Operating Officer, who shall serve at the pleasure of the Executive Officer/APCO
- (3) Any individual appointed by the Executive Officer to the classification of Deputy Executive Officer after January 1, 2023, shall serve at the pleasure of the Executive Officer/APCO;
- (4) Any individual appointed by the District Counsel to the classification of Senior Assistant Counsel, who shall serve at the pleasure of the District Counsel; and
- (5) Limited Term employees.

(d) Notwithstanding Section 3.3(c), any existing District employee who is appointed to the Deputy Executive Officer or Senior Assistant Counsel classification after January 1, 2023, but prior to January 1, 2024, shall be entitled to return to a vacant position in the last classification they held prior to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, and at the same salary step they held prior to their appointment to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification. Reinstatement to the vacant position shall occur upon the termination of their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, whether that occurs (1) at the end of a specified term, (2) due to their voluntary request to vacate the classification, or (3) at the discretion of the District Counsel or Executive Officer/APCO.

- (1) For a Deputy Executive Officer, if no vacant position exists in the employee's previously-held classification, the employee shall be offered alternate employment by the District. The form of alternate employment shall be at the discretion of the Executive Officer but may include a vacant position in any classification for which they meet the minimum qualifications as determined by the Executive Officer, reclassification of an existing position, or creation of a new position. Alternatively, the Executive Officer/APCO may reclassify a Deputy Executive Officer position to a lower classification. Employees under this provision will be placed at the salary step closest to the current pay for the salary prior to their appointment to the Deputy Executive

- Officer classification. If the top step of the salary range for the employee's new position is lower than the current pay for the salary the current pay for the prior to their appointment to the Deputy Executive Officer classification, the employee's salary will be Y-rated at the current pay for the salary step they held prior to their appointment to the Deputy Executive Officer classification, without the need for additional Board approval under Section III-6.5.
- (2) For a Senior Assistant Counsel, if no vacant Assistant Counsel position exists, the District Counsel shall reclassify the Senior Assistant Counsel position to Assistant Counsel, and reclassify an existing Assistant Counsel position to Senior Assistant Counsel. In the event of reclassification of a Senior Assistant Counsel under this paragraph, the reclassified Senior Assistant Counsel will be placed at the Assistant Counsel salary step they occupied prior to appointment to the Senior Assistant Counsel classification.
 - (3) Employees who have not completed probation prior to being appointed to the Deputy Executive Officer or Senior Assistant Counsel classification will be required to complete probation in their reinstated position after reinstatement and will have only those rights accorded probationary employees by these rules.
 - (4) Employees appointed pursuant to this Section III-3.3(d) are subject to discipline up to and including suspension while in the classification of Deputy Executive Officer or Senior Assistant Counsel without appeal. However, if the District seeks to terminate an individual who had already passed probation in a District classification with appeal rights, the individual will first be removed from the Deputy Executive Officer or Senior Assistant Counsel classification and reinstated to another classification as provided in Section III-3.3(d)(1) or III-3.3(d)(2), above. The District may then initiate disciplinary proceedings up to and including termination and the employee may appeal that termination pursuant to the grievance procedure defined in Section III-4. The discipline may be based in whole or in part on conduct which occurred in the Deputy Executive Officer or Senior Assistant Counsel classification. However, any reinstatement would be to the employee's current (civil service) classification. Discipline imposed on an employee in a Deputy Executive Officer or Senior Assistant Counsel classification may be used for purposes of progressive discipline.

Section 4.1 of Division III of the Administrative Code is amended as follows:

SECTION 4 GRIEVANCE PROCEDURE

4.1 DEFINITION.

A grievance is an employee claim of (a) an alleged violation, misunderstanding, or misinterpretation of a specific section of the Memorandum of Understanding,

or (b) any matter within the scope of the Meyers-Milias-Brown Act, or (c) any disciplinary action or demotion, ~~except for separations not covered by Section III-9.3 (Layoff and Recall) or discipline involving individuals appointed to the classifications identified in Section III-3.3(c).~~ The parties recognize that disputes should be resolved expeditiously at the lowest possible administrative level. Herein is a systematic procedure for obtaining consideration of grievances.

Section 9.2 of Division III of the Administrative Code is amended as follows:

SECTION 9 SEPARATIONS

9.2 DISMISSAL.

(a) The Appointing Authority (APCO or District Counsel) may, for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.

(b) A non-probationary employee whose employment is terminated because of unsatisfactory service, misconduct, or for other just causes shall be given written notice stating the reasons for dismissal, and may be given two (2) weeks' notice before the date on which the employee's services will be terminated. However, (1) Employees terminated for misconduct such as drinking or being intoxicated on the job, fighting, theft, creating a severe safety hazard, gross negligence, or other acts of serious misconduct, (2) Probationary Employees, and (3) "At Will" employees in the classifications identified in Section III-3.3(c) may be dismissed without prior notice.

~~The APCO, may for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.~~

(c) Individuals serving in at-will positions pursuant to Section III-3.3(c) serve at the will of the appointing authority and may be separated for any reason or for no reason, with or without prior notice, and with no right to appeal or grieve any disciplinary action. In addition, appointments to positions in the classifications identified in Section III-3.3(c) may be for a fixed term of employment and the incumbent will be separated at the expiration of that term (unless the employee has return rights to a prior position pursuant to Section III-3.3(d) or said term is extended by the identified appointing authority). Except as expressly provided in Section III-3.3(d), individuals separated from a position in the classifications identified in Section III-3.3(c) shall have no right to return to any other District position, regardless of seniority or tenure.

A New Section 13.3 is added to Division III of the Administrative Code:

SECTION 13 METHOD OF FILLING VACANCIES

13.3 EXEMPTIONS

- (a) Appointments to positions in the following classifications shall be exempt from the recruitment process in Sections 13.1 and 13.2:
- (1) Executive Officer/Air Pollution Control Officer;
 - (2) District Counsel;
 - (3) Chief Operating Officer;
 - (4) Deputy Executive Officer;
 - (5) Senior Assistant Counsel.
- (b) Appointments to the classifications listed in subsection (a), above, need not include a competitive recruitment process and may be appointed directly by the appointing authority listed in in Section III-3.3(c), subject to budgetary approval. Appointments to these classifications may be made at any salary step, notwithstanding any limitations in this Code, including Sections III-6.2 or III-6.4.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2023- XXX

A Resolution of the Board of Directors of the Bay Area Air Quality Management District Establishing Salary and Fringe Benefits for the Classifications of Deputy Executive Officer and Senior Assistant Counsel and the Classification Specification of the Chief Operating Officer

RECITALS

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (“Board”) has the authority and the responsibility to adopt and approve class specifications and compensation schedules for District employees, either through approval of collective bargaining agreements and/or through approval of a resolution(s) establishing or modifying compensation ranges for employees not covered by collective bargaining agreements;

WHEREAS, the Executive Officer/Air Pollution Control Officer is responsible for the preparation and recommendation to the Board of updates to the compensation schedule for management, confidential, and executive management employees;

WHEREAS, the Executive Officer/Air Pollution Control Officer is to recommend to the Board for adoption of such measures and resolutions as may be appropriate to support the duties and obligations of the Executive Officer;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended the establishment of three new “at will” classifications for Deputy Executive Officer, Senior Assistant Counsel, and Chief Operating Officer and corresponding changes to the District’s Administrative Code;

WHEREAS, employees appointed to the classification for Deputy Executive Officer and Senior Assistant Counsel after revision to the Administrative code will serve at the pleasure of either the Executive Officer/Air Pollution Control Officer or the District Counsel and shall not have any right to appeal any disciplinary action, except as explicitly provided in the Administrative Code;

WHEREAS, due to their “at will” status, these positions will have severance benefit which are not included in the benefits for unrepresented civil servant District employees;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended that employees appointed to the newly established Deputy Executive Officer and Senior Assistant Counsel classifications be entitled to receive all employee benefits provided to the District’s unrepresented Executive Management Staff pursuant to the Board’s December 21, 2022 Resolution authorizing Non-Represented Employee Benefits and as those benefits may be modified by the Board in the future;

WHEREAS, the Executive Officer/Air Pollution Control Officer has recommended that employees appointed to the newly-established Deputy Executive Officer and Senior Assistant Counsel classifications also be entitled to a severance benefit equal to the employee's monthly Base Salary, multiplied by the number of months left on the unexpired term of their appointment, up to a maximum of three (3) months for employees who have served less than two (2) years in the position and up to six (6) months for those who have served in the position for two (2) or more years, unless they are terminated for cause or as otherwise limited by this Resolution.

RESOLUTION

NOW THEREFORE, based on the above recitals and all the information presented at the public hearing, the Board of Directors of the Bay Area Air Quality Management District ("Board") hereby resolves as follows:

BE IT RESOLVED that the Board of Directors does hereby create a new Chief Operating Officer classification specification and amend the Deputy Executive Officer and Senior Assistant Counsel classification specifications to replace the existing civil service classifications with at-will classifications. The new at-will classifications will be compensated at the top step salary rate for the existing civil service classifications.

BE IT FURTHER RESOLVED that the Board of Directors does hereby extend to the newly-established Chief Operating Officer, Deputy Executive Officer and Senior Assistant Counsel classifications all employee benefits provided to the District's unrepresented Executive Management Staff pursuant to the Board's December 21, 2022 Resolution authorizing Non-Represented Employee Benefits and as those benefits may be modified by the Board in the future.

BE IT FURTHER RESOLVED that, if an employee appointed to the Deputy Executive Officer or Senior Assistant Counsel classification is terminated from District employment without cause (as defined in subparagraph 2 below), the employee shall be entitled to a severance payment as set for the below:

1. If the employee is terminated by the District without cause while the employee is still willing and able to perform the duties of their position, the District agrees to pay the employee a lump sum severance payment equal to the employee's monthly Base Salary, multiplied by the number of months left on the unexpired term of their appointment, up to the following maximums:
 - a. For employees who have served less than two (2) consecutive years in either the classification of Deputy Executive Officer or the classification of Senior Assistant Counsel at the time of termination: a maximum of three (3) months;
 - b. For employees who have served two (2) or more consecutive years in either the classification of Deputy Executive Officer or the classification of Senior Assistant Counsel at the time of termination: a maximum of six (6) months.
2. Any severance payment made by the District pursuant to this Resolution shall be contingent on Employee executing and delivering to the District a release in a form approved by the District Counsel's Office.

3. Notwithstanding subparagraph 1, above, the District shall not pay any severance amount to the employee if the employee is terminated because of:
 - a. the conviction of felony or misdemeanor or plea of nolo contendere to a crime,
 - b. the conviction of any felony or misdemeanor involving moral turpitude,
 - c. the willful or persistent material breach of duties or inattention to duties,
 - d. a violation of statute or law constituting misconduct in office, or
 - e. willful misconduct.
4. The District shall not be obligated to pay an employee any severance amount under this Resolution if (a) the employee voluntarily retires or resigns in writing prior to termination, (b) the employee is terminated at the expiration of their limited term appointment, or (c) the employee is terminated after being reclassified, or (d) the employee is terminated after reinstating to a previously held classification pursuant to Section III-3.3(d) of the Administrative Code.

BE IT FURTHER RESOLVED that the record documents and other materials supporting this Resolution shall be maintained and made available for public review at the headquarters of the Bay Area Air Quality Management District at 375 Beale Street, Suite 600, San Francisco, CA 94105, and that the custodian for these documents and other materials shall be Marcy Hiratzka, Clerk of the Boards.

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 _____, 2023, by the following vote of the Board:

APPENDIX H

TABLE 1: The positions listed in Table 1, below, constitute the entirety of authorized permanent full-time positions and division assignments at the designated classifications for Fiscal Year Ending (FYE) 2023. Effective immediately, any changes to the information listed in Table 1 shall require approval by the District’s Board of Directors. If approved, the FYE 23 Budget contains twenty (20) additional positions which are not yet allocated to a job classification and division. These positions are listed in Table 1 as “Unassigned”. The Board of Directors will consider final allocation of these positions at a future Board meeting.

**Table 1
FYE 2023 Authorized Staff**

Division	Position Classification	Salary Range ID	FYE 22	FYE 23	Difference
Administrative Resources					
	Director/Officer	156	1	1	0
	Facilities Maintenance Worker	108	1	1	0
	Manager	148	1	<u>1</u> 2	<u>0</u> 1
	Senior Advanced Projects Advisor	148	0	<u>1</u> 0	<u>1</u> 0
	Senior Executive Assistant	134	1	1	0
	Senior Staff Specialist	138	1	0*	-1
	Staff Specialist I/II	130/134	6	<u>5</u> 6	<u>-1</u> 0
	Supervising Staff Specialist	142	1	3*	2
	**Principal Staff Specialist	142	0	0	0
Administrative Resources Total			12	<u>14</u>13	<u>2</u>1
Assessment, Inventory & Modeling					
	Advanced Projects Advisor	144	2	2	0
	Air Quality Engineer I/II	132/136	2	2	0
	Air Quality Meteorologist I/II	131/135	1	1	0
	Atmospheric Modeler	140	1	1	0
	Director/Officer	156	1	1	0
	Manager	148	2	2	0
	Principal Air Quality Engineer	144	3	3	0
	Research Analyst	130	1	1	0
	Senior Advanced Projects Advisor	148	2	2	0
	Senior Air Quality Engineer	140	1	1	0
	Senior Atmospheric Modeler	144	1	1	0
	Statistician	137	1	1	0
Assessment, Inventory & Modeling Total			18	18	0
Communications					
	Assistant Staff Specialist I/II	122/126	2	2	0
	Director/Officer	156	1	1	0

Manager	148	1	1	0
Public Information Officer I/II	130/134	5	5	0
Senior Public Information Officer	138	1	1	0
Communications Total		10	10	0
Community Engagement				
Administrative Assistant I/II	114/118	1	1	0
Assistant Manager	147	1	1	0
Assistant Staff Specialist I/II	122/126	1	1	0
Director/Officer	156	1	1	0
Manager	148	2	2	0
Public Information Officer I/II	130/134	1	1	0
Senior Air Quality Engineer	140	1	1	0
Senior Staff Specialist	138	5	5	0
Staff Specialist I/II	130/134	2	4	2
Community Engagement Total		15	17	2
Compliance & Enforcement				
Administrative Assistant I/II	114/118	2	2	0
Air Quality Engineer I/II	132/136	1	1	0
Air Quality Specialist I/II	130/134	48	39 *44	-9 -4
Air Quality Technician I/II	122/126	6	6	0
Assistant Air Quality Specialist I/II	122/126	0	2	2
Director/Officer	156	1	1	0
Manager	148	5	5	0
Principal Air Quality Specialist	142	2	1*	-1
Radio/Telephone Operator	113	4	4	0
Radio/Telephone Operator Supervisor	119	1	1 0	0 -1
Senior Advanced Projects Advisor	148	0	1*	1
Senior Air Quality Engineer	140	3	3	0
Senior Air Quality Specialist	138	5	16 *11	11 6
Senior Air Quality Technician	130	2	2	0
Supervising Air Quality Specialist	142	9	9 10	0 1
Compliance & Enforcement Total		89	93	4
Diversity, Equity & Inclusion				
Manager	148	1	1	0
Staff Specialist I/II	130/134	1	1	0
Diversity, Equity & Inclusion Total		2	2	0

Engineering					
Administrative Assistant I/II	114/118	4	4	0	
Air Quality Engineer I/II	132/136	18	21	3	
Air Quality Permit Technician I/II	122/126	2	2	0	
Air Quality Specialist I/II	130/134	2	2 3	0 1	
Air Quality Technician I/II	122/126	5	5	0	
Assistant Manager	147	1	1	0	
Director/Officer	156	1	1	0	
Manager	148	5	5	0	
Principal Air Quality Engineer	144	4	4	0	
Senior Advanced Projects Advisor	148	1	1	0	
Senior Air Quality Engineer	140	10	10 9	0 -1	
Senior Air Quality Technician	130	2	2	0	
Supervising Air Quality Engineer	144	11	12	1	
Supervising Air Quality Specialist	142	1	1	0	
Supervising Systems Analyst	139	1	1	0	
Toxicologist	144	1	1	0	
Engineering Total		69	73	4	

Executive					
Administrative Assistant I/II	114/118	1	1	0	
Air Quality Technician I/II	122/126	1	1	0	
Assistant Manager	147	1	1	0	
Clerk of the Boards	132	1	1	0	
Deputy Air Pollution Control Officer	160	3	5 2	2 -1	
Deputy Executive Officer	169	3	3 5	0 2	
Director/Officer	156	3	3 4	0 1	
Executive Assistant I/II	128/132	2	2	0	
Executive Officer/Air Pollution Control Officer	Contract	1	1	0	
Manager	296	3	3	0	
Principal Environmental Planner	142	1	1	0	
Senior Advanced Projects Advisor	148	2	2	0	
Senior Executive Assistant	134	3	3	0	
Executive Total		25	27	2	

Finance Office					
Accountant I/II	**130/134	5	4* 6	-1 1	
Accounting Assistant I/II	**122/126	3	3	0	
Assistant Manager	147	1	0*	-1	
Director/Officer	156	1	1	0	
**Fiscal Services Supervisor	142	1	1	0	
Manager	148	1	3*	2	

	**Senior Accountant	**138	0	1	1
	Senior Staff Specialist	138	1	1	0
	Staff Specialist I/II	130/134	2	3 *1	1 -1
	Supervising Staff Specialist	142	1	1	0
	Systems Analyst	135	1	1	0
Finance Office Total			17	19	2
Human Resources Office					
	Assistant Manager	147	1	0*	-1
	Director/Officer	156	1	1	0
	Human Resources Analyst I/II	130/134	1	1	0
	Manager	148	1	2*	1
	Principal Human Resources Analyst	142	1	1	0
	Senior Human Resources Analyst	138	5	5	0
Human Resources Office Total			10	10	0
Information Services					
	Air Quality Specialist I/II	130/134	1	1	0
	Assistant Air Quality Specialist I/II	122/126	1	1	0
	Assistant Manager	147	1	1	0
	Director/Officer	156	1	1	0
	Manager	148	2	3	1
	Programmer Analyst I/II	127/131	1	1	0
	Staff Specialist I/II	130/134	1	1 0	0 -1
	Supervising Systems Analyst	139	2	2	0
	Systems Analyst	135	2	3	1
Information Services Total			12	14 13	2 1
Legal Services					
	Assistant Counsel I/II	149/153	8	8	0
	Counsel	0	1	1	0
	Legal Office Services Specialist	124	1	1	0
	Senior Assistant Counsel	157	2	2	0
	Staff Specialist I/II	130/134	4	4	0
Legal Services Total			16	16	0
Legislative					
	Director/Officer	156	1	1	0
	Staff Specialist I	130/134	1	1	0
Legislative Total			2	2	0
Meteorology & Measurement					
	Administrative Assistant I/II	114/118	1	1 0	0 -1
	Advanced Projects Advisor	144	1	1	0

Air Quality Engineer I/II	132/136	2	3	1
Air Quality Laboratory Technician I/II	122/126	1	1	0
Air Quality Meteorologist I/II	131/135	2	2	0
Air Quality Specialist I/II	130/134	16	10 * <u>15</u>	-6 <u>-1</u>
Air Quality Technical Assistant	118	1	0*	-1
Assistant Air Quality Specialist I/II	122/126	8	<u>9</u> * <u>4</u>	<u>1</u> <u>-4</u>
Assistant Manager	147	2	2	0
Assistant Staff Specialist I/II	122/126	2	2 <u>3</u>	<u>0</u> <u>1</u>
Director/Officer	156	1	1	0
Manager	148	5	5	0
Principal Air and Meteorological Monitoring Specialist	143	1	1	0
Principal Air Quality Chemist	142	3	3	0
Principal Air Quality Engineer	144	1	1	0
Principal Air Quality Meteorologist	143	1	1	0
Principal Air Quality Specialist	142	4	<u>4</u> <u>5</u>	<u>0</u> <u>1</u>
Senior Air Quality Chemist	138	2	2	0
Senior Air Quality Engineer	140	2	2	0
Senior Air Quality Specialist	138	2	10*	8
Staff Specialist I/II	130/134	1	1	0
Supervising Air Quality Engineer	144	1	1	0
Supervising Air Quality Specialist	142	5	<u>5</u> <u>4</u>	<u>0</u> <u>-1</u>
Systems Analyst	135	2	2	0

Meteorology & Measurement Total		67	70	3
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My Air Online				
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Assistant Manager	147	4	4	0
Director/Officer	156	1	1	0
Supervising Systems Analyst	139	1	1	0
Systems Analyst	135	1	1	0
Web Master	135	1	1	0

My Air Online Total		8	8	0
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Planning & Climate Protection				
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Administrative Assistant I/II	114/118	1	0*	-1
Advanced Projects Advisor	144	1	1	0
Assistant Manager	147	2	2	0
Assistant Staff Specialist	126	0	1*	1
Director/Officer	156	1	1	0
Environmental Planner I/II	130/134	3	3	0
Manager	148	2	2	0

	Principal Environmental Planner	142	2	2	0
	Senior Advanced Projects Advisor	148	1	1	0
	Senior Air Quality Engineer	140	1	1	0
	Senior Air Quality Specialist	138	1	1	0
	Senior Environmental Planner	138	4	4	0
	Senior Policy Advisor	148	1	1	0
Planning & Climate Protection Total			20	20	0
Rules					
	Assistant Manager	147	1	1	0
	Director/Officer	156	1	1	0
	Manager	148	1	1	0
	Senior Air Quality Engineer	140	5	5	0
	Senior Air Quality Specialist	138	3	3	0
Rules Total			11	11	0
Strategic Incentives					
	Administrative Assistant I/II	114/118	1	1	0
	Assistant Staff Specialist I/II	122/126	3	3 4	0 1
	Director/Officer	156	1	1	0
	Manager	148	4	4	0
	Senior Staff Specialist	138	5	5	0
	Staff Specialist I/II	130/134	13	13 12	0 -1
	Supervising Staff Specialist	142	4	4	0
Strategic Incentives Total			31	31	0
Technology Implementation					
	Assistant Staff Specialist I/II	122/126	3	2*	-1
	Director/Officer	156	1	1	0
	Manager	148	1	1	0
	Senior Staff Specialist	138	1	1 2	0 1
	Staff Specialist I/II	130/134	4	5 *4	1 0
	Supervising Staff Specialist	142	1	1	0
Technology Implementation Total			11	11	0
Grand Total					
Grand Total			445	465	20

*A single asterisk in the FYE 23 Column identifies a request to change a previously board approved position to a different classification within the same division. A negative number in the Difference Column indicates the job classification being removed and a positive number in the same column indicates the position being added. These requests equal a net zero change in the headcount.

**A double asterisk in any column identifies an individual item that is pending Board approval



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Chief Operating Officer

FLSA – Exempt Job

Class Code:
1M102

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Established Date: 2/15/2023
Revision Date:

Benefit Class
Executive Management

SALARY RANGE

Established by Resolution or Contract

DISTINGUISHING CHARACTERISTICS:

DEFINITION

Under executive direction, serves as the immediate and highest level class below the Executive Officer / Air Pollution Control Officer, who plans, organizes, coordinates and directs divisions of the Bay Area Air Quality Management District; develops and provides policy guidance and strategies regarding air quality management; acts as the Air Pollution Control Officer as assigned; performs related work as assigned.

DISTINGUISHING CHARACTERISTICS

This single position class provides policy direction in the management of the District's programs and activities for multiple divisions. The incumbent is accountable for overseeing and directing the accomplishment of goals and objectives of assigned divisions and for furthering District goals and objectives in an effective manner.

The Chief Operating Officer is distinguished from the Air Pollution Control Officer in that the latter has overall management responsibility for the District. The class is further distinguished from the Deputy Air Pollution Control Officer in that the latter has managerial responsibility for specified divisions or functional areas of the District.

EXAMPLES OF DUTIES (Illustrative Only)

Supervises executive staff, including Division Directors and Deputy Air Pollution Control Officers.

Attends meetings of the Board and its committees either in conjunction with the Executive Officer or as the Executive Officer's designee.

Develops and directs the policies and procedures for program implementation of the goals and objectives of the District, as directed by the Executive Officer.

Recommends to the Executive Officer such measures and resolutions as may be appropriate to support the duties and obligations of the District.

Assists in the preparation of the proposed annual budget.

Supports the review of administrative activities and provides responsive recommendations to the Executive Officer.

Attend meetings of the board and its committees either in conjunction with the Executive Officer or as the Executive officer's designee.

Represents the District and/or the Executive Officer / Air Pollution Control Officer in varied situations with various groups and agencies both within and outside of the District.

Plans, organizes, coordinates and directs through deputies, division directors, section managers and support staff the work of assigned divisions.

Develop and direct the policies and procedures for the program implementation of the goals and objectives of the District, as directed by the Executive Officer.

Organizes and coordinates the development and implementation of projects and activities with other agencies.

Supports the Executive Officer / Air Pollution Control Officer in District management and interactions with the Board.

EDUCATION AND EXPERIENCE:

Education and Experience:

A typical way to obtain the knowledge and skills is:

Equivalent to a graduate level degree (MA/MS, PhD, JD) in engineering, physical or biological sciences, business, law or public administration or a closely related field and five years of experience managing environmental quality and related programs and activities at or equal to the District's Deputy Air Pollution Control Officer, preferably with a public agency.

SUPPLEMENTAL INFORMATION:

QUALIFICATIONS

Knowledge of:

Administrative principles and methods, including goal setting, program and budget development and implementation and employee supervision.

Principles, practices and program areas related to assigned divisions.

Social, political and environmental issues influencing air quality management programs.

Applicable District, state and federal laws, rules and regulations.

Principles and practices of effective public relations.

Current developments, literature and sources of information regarding air quality management activities.

Skill in:

Planning, organizing, coordinating and directing assigned programs and activities.

Selecting, motivating and evaluating staff and providing for their training and professional development.

Developing and implementing goals, objectives, policies, procedures, work standards and internal controls.

Analyzing complex technical and administrative problems, evaluating alternative solutions and adopting effective courses of action.

Interpreting, explaining and applying District rules and regulations and state and federal laws.

Representing the District effectively in contacts with the public, industry and other agencies.

Establishing and maintaining effective working relationships with those contacted in the course of the work.

Preparing clear and concise reports, correspondence and other written materials.

Exercising sound independent judgment within policy guidelines.

OTHER REQUIREMENTS:

Other Requirements:

Must possess a valid California's driver's license.

ATTACHMENT 6 Reclassification (add/delete) of positions COST IMPACT

Meteorology & Measurement:

Old Position Title	New Position Title	Cost impact
Supervising Air Quality Specialist	Principal Air Quality Specialist	No impact same salary grade
Admin Assistant	Assistant Staff Specialist	\$56,476.26
Senior Air Quality Specialist	Air Quality Specialist I/II	-\$34,160.86
Assistant Air Quality Specialist I/II	Senior Air Quality Specialist	\$48,898.03
(4) Assistant Air Quality Specialist II	(4) Air Quality Specialist I	\$14,103 each \$56,414 total

Total \$127,627.43

Engineering

Old Position Title	New Position Title	Cost impact
Senior Air Quality Engineer	Air Quality Specialist I/II	-\$26,360

Total: -\$26,350

Compliance & Enforcement

Old Position Title	New Position Title	Cost impact
(5) Senior Air Quality Specialist	(5) Air Quality Specialist I/II	-\$34,160.86 each -\$170,804.30 Total
Radio/Telephone Operator Supervisor	Supervising Air Quality Specialist	\$74,884.27

Total: -\$95,920.03

Strategic Incentives

Old Position Title	New Position Title	Cost impact
Staff Specialist I/II	Assistant Staff Specialist I/II	-\$30,985

Total: -\$30,985

Technology Information Operation

Old Position Title	New Position Title	Cost impact
Staff Specialist I/II	Senior Staff Specialist	\$17,913.13

Total: \$17,913.13

Executive

Old Position Title	New Position Title	Cost impact
DEO (Policy & Community)	DEO Equity and Community	No impact same salary grade
DEO (Administration)	DEO Administration (at will)	No impact same salary grade
DEO (Operations)	DEO Engineering and Compliance (at will)	No impact same salary grade
DAPCO	DEO Science and Policy (at will)	\$46,455.39
DAPCO	DEO Public Affairs (at will)	\$46,455.39
DAPCO	Chief Technology Officer	No impact same salary grade
DAPCO (CFO)	Ombuds Officer	-\$65,435.79
Board Operations Officer	Board Operations Officer	No impact same salary grade

Total: \$27,474.99

Old Position Title	New Position Title	Cost impact
(2) Staff Specialist II	(2) Accountant II	No impact same salary grade

Admin Services:

Old Position Title	New Position Title	Cost impact
Sr. Advanced Projects Adviser	Manager	No impact same salary grade

Department	Total
Meteorology & Measurement	\$127,627
Compliance & Enforcement	-\$95,920.03
Engineering	-\$26,360
Strategic Incentives	-\$30,985
Technology Implementation Office	\$17,913
Finance	-
Administrative Services	-
Executive	\$27,475
TOTAL	\$20,267

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Online Permitting and Compliance System Status Update and Authorization to
Execute Contract Amendments for The Office of My Air Online

RECOMMENDED ACTION

Staff recommends the Board of Directors authorize the Executive Officer/APCO to amend the current 3-year contracts to add the following amounts for vendors listed below:

Vendor	Additional Amount Requested	Total 3-Year Not to Exceed Amount	Service Description
AvantPage	\$8,766	\$508,766	Language translation services
C&G Technology Services	\$665,621	\$3,061,115	Software quality assurance and business analyst services for the permitting and compliance system.
CDWg	\$4,257	\$4,257	Software and hardware purchasing
Claytablet	\$23,000	\$23,000	Language translation software for transmission, editing and managing content.
Clearsparc	\$797,769	\$4,654,689	Software development services for the permitting and compliance system.
Cylogy	\$305,281	\$2,982,510	Website content management system integration, customization, operations, and support.
Dell	\$100,214	\$100,214	Microsoft value added reseller of Azure cloud infrastructure services.
ITDependz	\$26,189	\$2,257,594	Software development, business analysis and design services for the permitting and compliance system.
Malinda Lai	\$22,335	\$427,084	Website content management system and infrastructure services.
SiteImprove	\$17,070	\$17,070	Web Content Management (WCM) system software for the District's public website.
SupportFocus	\$339,804	\$1,306,654	Legacy data extract, transform and load services.

BACKGROUND

The Office of My Air Online is responsible for the operations and maintenance of all the Air Districts' public-facing internet technologies. The team of eight staff is organized into three business units aligned to the following objectives:

- The Online Permit Billing and Compliance System
 - Business process refinement and automation
 - Software design, development, and testing
 - Transition to in-sourced support and maintenance
- Public Web Services
 - Secure, reliable online information (Pull)
 - Proactive digital notifications (Push)
 - Accessibility (e.g. 508 compliance, language translation)
- Unified Digital Payments
 - Online payments
 - Invoice reconciliation quality assurance process
 - Operations, support, and maintenance of cloud infrastructure

The objective is to consolidate several legacy systems and associated processes into a modular technology ecosystem designed to streamline and semi-automate workflows to improve staff productivity, data consistency and accessibility. The project began in 2008 with an external business process improvement analysis collaboration with Engineering, Enforcement, and Legal, laying a foundation for the project's scope. By 2012, the new online system was in production use with about half of the Air District's single source type (i.e. Gas Stations) facilities migrated, representing approximately 30% of the roughly 10,000 regulated facilities. The next key result was to migrate the remaining single source type facilities, bringing the total to 50% overall, including permit renewals productivity enhancements. During this time, logic for complex facilities and core system workflow algorithms were enhanced to support complex facilities (i.e. Refineries). General Ledger system integration was added, including improved online 'pay any invoice' functionality, thus reducing credit card fees and laborious paper processing. Next up were the high volume and low transaction fees of Asbestos permits, implemented with only digital payments to expedite permit issuance. By 2019, refinery permits and invoices were being produced on the new system using an application programming interface (API), allowing subject matter experts to provide quality assurance measures and overrides without having to design and develop custom device-specific data input forms. Based on the production results developed over several years of handling refineries via the API, the team was able to build-in full redundancy to protect the District from the potential risk of legacy system failure including full data, code and scripted cloud infrastructure redundancy.

Currently, 82% of the Air District's regulated facilities are production operations, representing 68% of permit invoice value issued (\$28.9M of \$42.6M) and 100% of invoices available for online payment. The Office of My Air Online has never exceeded its annual budget and has received quarterly internal budget reviews by the Finance Department as well as annual independent financial audits always resulting in no significant findings.

Given the team's current process, composition* and productivity, we anticipate being able to take the legacy system offline in early 2024. We look forward to an independent confirmation of that estimate as part of the planned work to be conducted by the Air District's Management Auditors (Sjoberg and Evashenk) which is anticipated prior to our next funding request in September 2023. Overall project funding is forecast to taper off starting at the fiscal year end 2025, and culminating in an annual normal operational cost of approximately \$1.1 Million in the 2027 timeframe.

* Agile/Scrum team composition: The Office of My Air Online staff, external contractors and subject matter experts made up of staff from Engineering, Enforcement, Legal and Finance.

DISCUSSION

These funds will be dedicated to My Air Online permit billing and compliance system project and online services. Specifically, the team plans to focus on the following key results:

- Continued facility migrations:
 - Increasing to 90% complete by year end
- Custom permit device data input forms:
 - General miscellaneous device form
 - Tank device form
 - Liquid loading operation device form
- Enforcement modules:
 - Complaint investigation enhancements
 - Reportable compliance activities (Public)
 - Notice of violation administration (Legal)
- Website modules:
 - Single sign-on for internal content providers
 - Email notification subscription center
 - Rules system enhancements
 - Machine language translation fallback
 - Language translation management system integration
 - Annual report creation
 - Annual alerts testing
 - Web content management system upgrade
 - Mobile device forecast maps
 - Permits access online integration
 - Board agenda automation enhancements
 - Web content management system security enhancements
 - Online usage analytics upgrade
 - Azure file storage and media stream services

Staff recommends the continued use of existing platform software and professional service providers qualified under the Air District's procurement procedures and proven familiar Air District systems and processes. The District has successfully collaborated with Cylogy and Malinda Lai in the design, development, and website content management system in prior technical engagements. The District has also successfully collaborated with C&G Technology

Services, Clearsparc, Inc., ITDependz, and SupportFocus in prior design, software development and quality assurance engagements. In addition, the District has successfully invested in platform software and integration with Salesforce, Claytablet, Sitecore, and Microsoft Azure cloud services (via Dell).

Vendor	Procurement Method
Avant Page	RFP # 2014-014, pending Language Access Plan currently underway (Contract and Amendment).
C&G Technology Services	RFQ# 2019-021 (Contract and Amendment).
CDWg	Ad-Hoc software and hardware purchases (Terms and Conditions).
Claytablet	Industry analysis and an informal bid process, staff determined that only ClayTablet provides the software necessary to meet the needs of the Air District (License)
Clearsparc	RFQ# 2019-021 (Contract and Amendment).
Cylogy	RFQ# 2019-021 (Contract and Amendment).
Dell	Request for quotations process in collaboration with the Air District’s Information Services and Business Services Division (License).
ITDependz	RFQ# 2019-021 (Contract and Amendment).
Malinda Lai	Bid included in current request for qualifications (Contract and Amendment).
SiteImprove	Sole sourced software for web accessibility in conjunction with the Air District’s Business Services Division (License).
SupportFocus	RFQ# 2019-021 (Contract and Amendment).

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for the contract recommendations are included in Online Services (309) and My Air Online (125) program budgets for the fiscal year end of 2023.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Blair L. Adams

ATTACHMENTS:

None