

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

Finance and Administration Committee
Wednesday, December 20, 2023

APPROVED 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:** Finance and Administration Committee (Committee) Chairperson, John J. Bauters, called the meeting to order at 1:08 p.m.

Roll Call:

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Board Chairperson John J. Bauters; Vice Chairperson Davina Hurt; and Directors David Haubert, Lynda Hopkins, Tyrone Jue, and Katie Rice.

Present, In-Person Satellite Location (Mountain View City Hall, 500 Castro Street, Council Chambers, Mountain View, CA 94041): Director Sergio Lopez.

Absent: Directors Margaret Abe-Koga, Brian Barnacle, David Hudson, and Mark Ross.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. **APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF DECEMBER 6, 2023**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Vice Chair Hurt made a motion, seconded by Director Rice, to **approve** the Minutes of the Finance and Administration Committee meeting of December 6, 2023; and the motion **carried** by the following vote of the Committee:

AYES: Bauters, Haubert, Hopkins, Hurt, Jue, Lopez, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Barnacle, Hudson, Ross.

ACTION ITEM

4. MANAGEMENT AUDIT REPORT ON AIR DISTRICT ENGINEERING FUNCTIONS AND INITIAL RESPONSE

George Skiles of Sjoberg Evashenk Consulting, Inc. gave the presentation *Performance Audit of the Engineering Division*, including: audit scope and objectives; report findings; and key recommendations.

Dr. Meredith Bauer, Deputy Executive Officer of Engineering and Compliance, and Pamela Leong, Director of Engineering, then gave the staff presentation *Management Audit Report on Air District Engineering Functions Initial District Response*, including: outline; requested action; key audit findings; continuous improvement (timeliness and backlog, tracking, staffing); corrective action strategy; next steps; and feedback requested.

Public Comments

Public comments were given by Ms. Margaret Gordon, West Oakland Environmental Indicators Project (WOEIP); and Christine Wolfe, California Council for Environmental and Economic Balance.

Committee Comments

The Committee and staff discussed the Air District's revenue sources (not including permit fees); the comparison of the Air District's number of permit applications with those of other California air districts; the Engineering Division's current vacancy rate; the efficiency of the current version of My Air Online, and whether more funds should be invested into it; and the need for the Air District to achieve 100% cost recovery, and the concern that air pollution is continuing, unabated, in the meantime.

Committee Action

No vote was taken, but the consensus of the Committee members present was to direct the Executive Officer/Air Pollution Control Officer (APCO) to prepare an action plan to address the Engineering Audit Report's recommendation, to be presented to the Finance and Administration Committee for approval within 90 days.

INFORMATIONAL ITEM

5. USING PENALTY FUNDS FOR COMMUNITY BENEFITS

Dr. Philip M. Fine, Executive Officer/APCO, gave the staff presentation *Funding Community Benefits from Penalty Funds*, including: outcomes; background; concept; about the penalties; example allocation idea; example results; discussion and feedback; and possible next steps.

Public Comments

Public comments were given by Ms. Margaret Gordon, WOEIP.

Committee Comments

The Committee and staff discussed whether collected penalty funds should be returned to the communities impacted by polluter violations or be spent on regulated entities' improvements; the concern that the Air District is perceived by some as aggressively penalizing and collecting as many fees and penalties as possible; the desire for the community to have the authority and autonomy to decide what happens with collected penalty funds; the hope that a decision will be reached quickly; the suggestion of tiering the proposed allocation structure so that there are not "losers or winners", and to ensure that communities outside of Assembly Bill (AB) 617 communities are considered awarded funds; the desire for a participatory a budgeting process.

Committee Action

None; receive and file.

OTHER BUSINESS

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

None.

8. TIME AND PLACE OF NEXT MEETING

The next meeting of the Finance and Administration Committee was to be held at the Call of the Chair. After the meeting adjourned, the next meeting was scheduled for Wednesday, February 21, 2024, at 10:00 AM, 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.

CLOSED SESSION (2:28 pm)

9. **CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION
(GOVERNMENT CODE SECTIONS 54956.9(a) AND (d)(2))**

*Significant exposure to litigation pursuant to Government Code section 54956.9(a) and (d)(2):
Claim of Terri Levels (1 claim) and Claim of Rex Sanders (1 claim).*

Reportable Action: Dr. Philip M. Fine, Executive Officer/APCO, said that there was nothing to report.

OPEN SESSION (2:44 pm)

10. **ADJOURNMENT**

The meeting was adjourned at 2:44 p.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards