



BOARD OF DIRECTORS  
FINANCE AND ADMINISTRATION COMMITTEE  
April 16, 2025

COMMITTEE MEMBERS

LYNDA HOPKINS – CHAIR  
NOELIA CORZO  
DAVID HAUBERT  
VICKI VEENKER

TYRONE JUE – VICE CHAIR  
JUAN GONZÁLEZ III  
SERGIO LOPEZ

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

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

Scott Haggerty Heritage House  
4501 Pleasanton Avenue  
Pleasanton, CA 94566

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 Finance and Administration Committee 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](http://www.baaqmd.gov/bodagendas).

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/83473119431>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: [83473119431](https://bayareametro.zoom.us/j/83473119431)

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 Committee 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.

The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

# FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

WEDNESDAY, APRIL 16, 2025

1:00 PM

Chairperson, Lynda Hopkins

1. Call to Order - Roll Call

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

2. Pledge of Allegiance

CONSENT CALENDAR (Item 3)

*The Consent Calendar consists of routine items that may be approved together as a group by one action of the Committee. Any Committee member or member of the public may request that an item be removed and considered separately.*

3. Approval of the Draft Minutes of the Finance and Administration Committee Meeting of March 19, 2025

*The Committee will consider approving the Draft Minutes of the Finance and Administration Committee Meeting of March 19, 2025.*

ACTION ITEM(S)

4. Changes to Management Classifications

*The Committee will consider recommending to the Board of Directors that the Board authorize changes to the management classifications as a result of an Air District wide, comprehensive classification study. The recommendations include adoption of new classifications, revision of existing classifications, and removal of outdated classifications. This item will be presented by Lisa Baker, Human Resources Director.*

5. Recommend Candidates for Appointment to the Air District's Hearing Board

*The Committee will consider and recommend that the Board of Directors appoint candidates to the Attorney and Public Professional seats on the Air District's Hearing Board. This item will be presented by Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration.*

## INFORMATIONAL ITEM(S)

6. Air District Financial Audit Report for Fiscal Year Ending (FYE) 2024

*Pursuant to Section 9.2 of the Administrative Code, the Air District is mandated to undergo an independent financial audit on an annual basis. The independent audit of the Air District's financial statements for the fiscal year ending June 30, 2024, was conducted by Simpson & Simpson, LLP. This audit was performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the Office of Management and Budget (OMB) Circular A-133, which sets forth federal guidelines for auditing entities that expend federal funds. This item will be presented by Joseph Moussa, audit partner, Simpson & Simpson LLP.*

7. California Public Employees' Retirement System

*The Committee will consider and discuss the Air District's retirement funding and obligations, including a historical timeline of the Board actions taken and a discussion of the financial position and returns of the Air District's supplemental pension prepayment and benefits trust funds. This item will be presented by Leonid Bak, Senior Advanced Project Advisor.*

## OTHER BUSINESS

8. 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 Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.*



9. Committee Member Comments

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

10. Time and Place of Next Meeting

*Wednesday, May 21, 2025, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.*

11. Adjournment

*The Committee meeting shall be adjourned by the Chair.*

**CONTACT:**

**MANAGER, EXECUTIVE OPERATIONS**  
375 BEALE STREET, SAN FRANCISCO, CA 94105  
[vjohnson@baaqmd.gov](mailto:vjohnson@baaqmd.gov)

(415) 749-4941  
FAX: (415) 928-8560  
BAAQMD homepage:  
[www.baaqmd.gov](http://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 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](http://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, Diana Ruiz, Acting Environmental Justice and Community Engagement Officer, at (415) 749-8840 or by email at [druiz@baaqmd.gov](mailto:druiz@baaqmd.gov)

**BAY AREA AIR DISTRICT  
375 BEALE STREET, SAN FRANCISCO, CA 94105  
FOR QUESTIONS PLEASE CALL (415) 749-4941**

**EXECUTIVE OFFICE:  
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**APRIL 2025**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Policy, Grants, and Technology Committee	Wednesday	16	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	16	1:00 p.m.	1 <sup>st</sup> Floor Board Room

**MAY 2025**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting Budget Hearing	Wednesday	7	9:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Meeting	Wednesday	7	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	14	10:00 a.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	14	1:00 p.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Community Advisory Council Retreat	Friday Saturday	16 17	6:00 p.m. 8:00 a.m.	Holiday Inn San Jose (San Jose Ballroom) Silicon Valley 1350 North 1st St. San Jose, CA 95112
Board of Directors Policy, Grants and Technology Committee	Wednesday	21	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	21	1:00 p.m.	1 <sup>st</sup> Floor Board Room

MV 4/9/25 – 4:21 p.m.

G/Board/Executive Office/Moncal

**BAY AREA AIR DISTRICT**  
Memorandum

To: Chairperson Lynda Hopkins and Members  
of the Finance and Administration Committee

From: Philip M. Fine  
Executive Officer/APCO

Date: April 16, 2025

Re: Approval of the Draft Minutes of the Finance and Administration  
Committee Meeting of March 19, 2025

RECOMMENDED ACTION

Approve the Draft Minutes of the Finance and Administration Committee Meeting of  
March 19, 2025.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Finance and  
Administration Committee Meeting of March 19, 2025.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Vanessa Johnson

ATTACHMENT(S):

1. Draft Minutes of the Finance and Administration Committee Meeting of March 19, 2025

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

Finance and Administration Committee Meeting  
Wednesday, March 19, 2025

## **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](http://www.baaqmd.gov/bodagendas)*

### **CALL TO ORDER**

1. **Opening Comments:** Finance and Administration Committee (Committee) Chairperson, Lynda Hopkins, called the meeting to order at 1:18 p.m.

#### **Roll Call:**

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1<sup>st</sup> Floor Board Room, San Francisco, California, 94105): Chairperson Lynda Hopkins; Vice Chairperson Tyrone Jue; and Directors Juan González III, Sergio Lopez, and Vicki Veenker.

Absent: Directors Noelia Corzo and David Haubert.

2. **PLEDGE OF ALLEGIANCE**

### **CONSENT CALENDAR (ITEMS 3 – 4)**

3. **APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION SPECIAL COMMITTEE MEETING OF FEBRUARY 26, 2025**

The Committee considered approving the Draft Minutes of the Finance and Administration Special Committee Meeting of February 26, 2025.

4. **AUTHORIZATION TO AMEND THE MASTER SERVICES AGREEMENT WITH KBM-HOGUE FOR WORKPLACE FURNITURE DESIGN, PROCUREMENT, AND INSTALLATION SERVICES AT THE AIR DISTRICT'S BEALE STREET HEADQUARTERS**

The Committee considered authorizing the Executive Director/Air Pollution Control Officer (APCO) to amend the Air District's Master Services Agreement with KBM-Hogue to increase the total not-to-exceed amount of the agreement by \$750,000, from \$95,837.25 to \$845,837.25, and to extend the term of the agreement through September 21, 2029, to provide

workplace furniture design, procurement, and installation services at Air District's Beale Street Headquarters.

Public Comments on Items 3 – 4

No requests received.

Committee Comments on Items 3 – 4

None.

Committee Action on Items 3 – 4

Director González made a motion, seconded by Vice Chair Jue, to **approve** the Consent Calendar, Items 3 through 4, inclusive; and the motion **carried** by the following vote of the Committee:

AYES: González, Hopkins, Jue, Lopez, Veenker.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Corzo, Haubert.

**ACTION ITEMS**

**5. CONDUCT INTERVIEWS AND CONSIDER RECOMMENDING BOARD OF DIRECTORS APPROVAL OF CANDIDATES FOR APPOINTMENT TO THE AIR DISTRICT'S HEARING BOARD**

Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration, and Joseph Huynh, Principal Human Resources Analyst, gave the staff presentation *Recommendation of Candidates for the Air District's Hearing Board*, including: background – Administrative Code; vacancies; recruitment; current Hearing Board members and terms; current Hearing Board members' attendance; suggestion for recommending candidates.

Mr. Hinojosa explained that the terms of four current Hearing Board members were to expire on April 6, 2025:

- Principal A Member in the Public category
- Principal Member in the Attorney category
- Alternate Member in the Attorney category
- Principal Member in the Medical category

For three of those seats, the current incumbents had applied to continue serving for an additional term. The fourth was not seeking re-appointment.

In addition, there was one vacant seat, the Alternate Member A seat in the Public category.

Accordingly, there were five positions in total to be filled – with three current incumbents who had applied to continue their service.

Air District staff conducted a robust recruitment process to fill these positions. Outreach and advertisement included listings on 12 job boards, with a focus on diversity, volunteering, medical professions, and attorney professions. The job posting remained open for six weeks, during which, nine applications were received.

Staff conferred with an Ad Hoc Committee of the Finance and Administration Committee to consider and obtain feedback on the process for considering these applications. After considering the input from the Ad Hoc Committee, staff suggested that the Finance and Administration Committee make a recommendation that the Board **reappoint** the three currently-serving Hearing Board members who wished to continue for another term after their current terms expire on April 6, 2025. These three currently-serving members were:

- Valerie J. Armento – Principal member (Attorney Category)
- Peter Y. Chiu – Principal member (Medical Category)
- Amelia Timbers – Principal member A (Public Category)

Staff further suggested that the Committee conduct interviews of all the applicants for the other two seats (alternate in Attorney category and alternate in Public category) to be filled, to make recommendations to the Board.

#### Public Comments

No requests received.

#### Committee Comments

Chair Hopkins explained that herself and fellow Board members, John Gioia and Vicki Veenker, formed an ad hoc committee to vet the three Hearing Board incumbents. The ad hoc committee's recommendation to the Committee was to reappoint the three incumbents without interviewing them. When Chair Hopkins asked the Committee if it was comfortable with the ad hoc committee's recommendation, the consensus of the Committee members present was to recommend that the Board reappoints the three Hearing Board member incumbents.

Regarding the two alternate Hearing Board positions that also needed to be filled, Chair Hopkins stated that, due to an interview scheduling error, candidate Jennifer Pierce could no longer attend the March 19, 2025 Committee meeting. Chair Hopkins asked the Committee if it wished to conduct interviews for the alternate positions of the four candidates who would be present on March 19, but wait to vote until Ms. Piece could be interviewed at Committee's April meeting. The consensus of the Committee members present was to conduct interviews today of the candidates that could be present on March 19, and wait to vote on both alternate positions until the Committee's April meeting.

The Committee then conducted interviews of four candidates who were applying for various vacant alternate seats on the Air District's Hearing Board. The candidates were asked the following questions by the Committee: What do you understand the Hearing Board's function



to be and how will you use your own lived experience to enhance the work of the Hearing Board; What makes you stand out as a candidate for the Hearing Board (please include anything you have done to help serve your community); why they became interested in this opportunity and how their accomplishments have strengthened their candidacy; whether things from their personal or professional backgrounds may conflict with serving on the Hearing Board; whether they has viewed or observed the Air District’s Hearing Board meetings; and their availability to serve on the Hearing Board.

Chair Hopkins explained to each candidate that the Committee would not vote on the positions of Alternate member in the Public category, nor the Alternate member in the Attorney category, until the April meeting, as a fifth candidate was unable to accommodate the last-minute interview time change on March 19, 2025.

Committee Action

Director González made a motion, seconded by Director Veenker, to recommend the Board approve the re-appointments of the three incumbent Hearing Board members who were eligible for reappointment, were seeking re-appointment, and whose current Hearing Board terms expire on April 6, 2025:

- Amelia Timbers as Principal Member A in the Public category of the Hearing Board
- Valerie J. Armento as Principal Member in the Attorney category of the Hearing Board
- Peter Y. Chiu as Principal Member in the Medical category of the Hearing Board

The motion carried by the following vote of the Committee:

AYES: González, Hopkins, Jue, Lopez, Veenker.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Corzo, Haubert.

**6. PROPOSED FISCAL YEAR (FY) 2025-2026 BUDGET AND FEE REGULATION AMENDMENTS**

Mr. Hinojosa, Stephanie Osaze, Director of Finance, and Fred Tanaka, Manager in the Engineering Division, gave the staff presentation *Proposed FY 20205-2026 Budget and Fee Regulations Amendments*, including: outline; background; budget highlights; financial forecast; budget summary – ongoing investments and new investments; FY 2025-2026 All Funds Budget by revenue and expense type; FY 2025-2026 General Fund (GF) Budget by type; GF reserves trend; GF Reserve Policy overview; FY 2025-2026 GF reserve designations; medical retiree plan funding status/policy; pension plan funding status/policy; FY 2025-2026 budget by service area; service areas: Engineering and Compliance, Equity and Community Programs, Finance and Administration, General Counsel; Information Management; Public Affairs, Science and Policy; staffing overview intro slide; Assembly Bill (AB) 617 grant funding; AB 617 staffing requested; Community Benefit Fund; community benefit administrative funding and staffing; Community Air Protection (CAP) administrative funding; California Air Protection Admin overhead staffing; shifting from professional services to support staffing and efficiency; additional staffing request based on other cost savings;

facility-funded pilot; accessing designated reserves for Limited Term Contract Employees (LTCE) staffing; organizational efficiency add/delete positions; cost recovery background; cost recovery limitations; cost recovery background trends; cost recovery strategies; proposed fee regulation amendments; small business definition comparison; other changes; impact on large and small facilities; budget and fee regulation schedule; and recommended action.

Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association; and Peter Okurowski, California Council for Environmental and Economic Balance.

Committee Comments

The Committee and staff discussed concerns about GF reserve designations; why the Air District’s current funding level is not closer to 90% if there is so much in reserves; where staff would spend more funds, if the Board gave the direction to spend more; whether FTEs are fully-burdened; the difficulty in forecasting fee revenues and recovery out five years; the rationale for recommending updating the gross receipts limit be updated to \$1,500,000; the marsh management fee schedule, and whether that is different from prescribed burning; the proposed timeline for a permit application tracking system; the Air District’s year-end savings policy and history over the last five years; best practices for unfunded pension liabilities; appreciation for integrating the budget and fees in a single document.

Committee Action

Director González made a motion, seconded by Director Veenker, to recommend the Board proceed with the public hearing on (FY) 2025-2026 Budget And Fee Regulation Amendments in May 2025 and adopt the FY 2025-2026 Proposed Budget and Fee Amendments, with the provision that the Finance and Administration Committee will revisit interest that the Air District is earning on its reserves, unfunded pension liability, and considerations of adjustments to the trust fund at its April meeting; and the motion carried by the following vote of the Committee:

- AYES: González, Hopkins, Jue, Lopez, Veenker.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Corzo, Haubert.

**OTHER BUSINESS**

**7. PUBLIC COMMENTS ON NON-AGENDA MATTERS**

No requests received.

**8. COMMITTEE MEMBER COMMENTS**

None.

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

Wednesday, April 16, 2025, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

10. **ADJOURNMENT**

The meeting was adjourned at 3:47 p.m.

Marcy Hiratzka  
Clerk of the Boards

**BAY AREA AIR DISTRICT**  
Memorandum

To: Chairperson Lynda Hopkins and Members  
of the Finance and Administration Committee

From: Philip M. Fine  
Executive Officer/APCO

Date: April 16, 2025

Re: Changes to Management Classifications

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board take the following actions:

1. Approve the creation of 5 new management classifications;
2. Approve the removal of 36 outdated and redundant management classifications; and
3. Approve the revision of 5 existing management classifications to align with updated job functions, duties, and responsibilities.

BACKGROUND

This memo outlines findings and recommendations based on a comprehensive review of classification structures at the Air District. The effort stems from the 2023 Human Resources Audit aimed at modernizing classification standards and aligning roles with operational needs. In 2023, the Air District engaged Compensation Connections LLC, a consulting firm who specializes in classification and compensation studies, to develop a compensation philosophy and perform a comprehensive classification and compensation study. The Air District compensation philosophy was adopted by the Board of Directors in March 2024.

Compensation Connections LLC conducted research and provided findings on the classifications. Key areas addressed include revising minimum qualifications and updating existing classifications, creating new classifications, and removing outdated roles. The project scope and objectives are as follows:

1. Modernization of Classifications: Revise all classifications to include contemporary elements such as supervision details, physical demands, and working conditions.
2. Alignment with Organizational Needs: Address outdated or overly broad classifications and create specialized roles where necessary.

3. Efficiency Improvements: Consolidate overlapping roles and remove unused or redundant classifications.
4. Inclusion of New Workstreams: Develop classifications for emerging and evolving functions.

## DISCUSSION

Based on the findings from the study and input from the executive team on operational needs, Air District staff recommend the following:

### 1. Revision of Classification Standards

All classifications are updated with modernized language and a lens to diversity, equity and inclusion, including new sections for supervision details, physical demands, and working conditions. Minimum qualifications are streamlined to reflect essential entry-level requirements, ensuring relevance and reducing unnecessary barriers for candidates.

### 2. Revision of Classifications

Classifications are revised and updated to better reflect their scope of work. The following are the revised classifications:

Staff Attorney / Staff Attorney Trainee  
Assistant Counsel I/II  
Senior Assistant Counsel  
Deputy Executive Officer  
Manager II

### 3. Creation of New Classifications

New classifications are created to address emerging work areas and introduce new structure in the management classifications to better organize and distinguish level of work duties, responsibilities and risk, span of control, and complexity of work. The following are the proposed new classifications:

Assistant Deputy Executive Officer  
\*Director  
\*Officer  
Manager I  
Senior Manager

\*The Director/Officer classification is separated into their own distinct classifications based on span of control and complexity of work.

#### 4. Removal of Outdated Classifications and Roles

Some classifications are outdated, too narrow in scope, or have redundant roles. Creating the broader management classifications listed above is aimed to reduce inefficiencies, facilitate lateral mobility, and eliminate overlap across classifications. Working titles and specific qualifications for specific management roles can still be utilized as appropriate. The following are removed classifications:

- Air Monitoring Manager
- Air Quality Engineering Manager
- Air Quality Planning Manager
- Air Quality Program Manager
- Assistant Manager
- Audit and Special Projects Manager
- Business Manager
- Civil Rights Officer
- Communications Officer
- Deputy Air Pollution Control Officer
- Director of Administration
- Director of Communications and Outreach
- Director of Enforcement
- Director of Engineering
- Director of Information Services
- Director of Planning and Research
- Director of Public Information
- Director of Strategic Incentives
- Director of Technical Services
- Director/Officer
- Engineering Project Processing Manager
- Executive Operations Manager
- Finance Manager
- Fleet and Facilities Manager
- Health Officer
- Health and Science Officer
- Human Resources Manager
- Human Resources Officer
- Information Systems Manager
- Information Technology Officer
- Laboratory Manager
- Manager of Executive Operations
- Meteorology and Data Analysis Manager
- Research and Modeling Manager
- Senior Policy Advisor
- Strategic Facilities Planning Manager

A summary of proposed management classifications is included as follows:

Classifications	Recommendation
Staff Attorney / Staff Attorney Trainee	Revision
Assistant Counsel I/II	Revision
Senior Assistant Counsel	Revision
Manager I	New Classification
Manager II	Revision
Senior Manager	New Classification
Officer	New Classification
Director	New Classification
Assistant Deputy Executive Officer	New Classification
Deputy Executive Officer	Revision

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Lisa Baker and Judy Yu  
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. Staff Attorney\_Staff Attorney Trainee
2. Assistant-Counsel-I-II
3. Senior-Assistant-Counsel
4. Manager I
5. Manager II
6. Senior Manager
7. Officer
8. Director

9. Assistant Deputy Executive Officer
10. Deputy Executive Officer
11. Recommend Changes to Management Classifications Presentation





## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Staff Attorney/Staff Attorney Trainee

**Class Codes:**

**Salary Range:** Staff Attorney – 145M

Staff Attorney Trainee – 129M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under direct supervision, performs standard, routine legal work representing the Air District, provides advice and counsel to Air District management and staff, and performs related work as assigned. For the Staff Attorney Trainee level, provides supervised assistance to Air District attorneys in performing such work without engaging in the practice of law themselves.

### **DISTINGUISHING CHARACTERISTICS**

#### Staff Attorney

Staff Attorney is the entry-level attorney classification and is designed to allow a new attorney to gain specific environmental law experience. Incumbents receive direct guidance and supervision in the performance of their duties. Assignments at this level require the ability to handle routine problems under general supervision. This class is distinguished from Assistant Counsel I/II in that the latter oversees cases more complex in nature.

#### Staff Attorney Trainee

Staff Attorney Trainee is the trainee-level attorney classification, intended for new lawyers who have completed their legal education and are in the process of being admitted to the bar. Incumbents in this class provide supervised assistance to Air District attorneys with work on routine legal assignments while learning and following Air District policies and procedures and gaining specialized legal knowledge relating to air quality. Incumbents work under the supervision of an attorney and do not engage in the practice of law.

## **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by a manager. No supervision is exercised over others.

## **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

### **Staff Attorney**

Prepares and tries routine legal cases, often involving a specialized body of law.

Researches legal problems and prepares and reviews legal documents, including opinions, briefs, ordinances, resolutions, and contracts.

Advises Air District departmental management regarding District authority, jurisdiction, functions and operational procedures.

Represents the Air District in court and in administrative hearings before boards and commissions and state and federal agencies.

Attends Air District departmental, Board, committee, and council meetings and provides legal advice on a variety of matters.

Investigates and prepares reports regarding claims by and against the Air District and recommends actions to be taken.

Reviews ordinances, resolutions, contracts and other documents for legal sufficiency; recommends modifications as required.

Maintains accurate records and files and compiles reports of work performed.

Monitors legal developments, including proposed legislation and court decisions; evaluates their impact on Air District operations.

Performs other duties as assigned.

### **Staff Attorney Trainee**

Conducts legal research and prepares legal memoranda for review by attorneys.

Assists attorneys in the preparation of routine cases, often involving a specialized body of law.

Assists attorneys in reviewing air quality regulations and policies.

Monitors legal developments, including proposed legislation and court decisions, considers their impact on the Air District operations, and reports to supervising attorneys.

Attends and participates in Air District departmental, Board, committee, and council meetings.

Maintains, organizes, and tracks accurate records and compiles reports of work performed.

Supports special projects as needed.

Performs related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

#### Staff Attorney and Staff Attorney Trainee

Equivalent to a bachelor's degree from an accredited college or university and a law degree from an accredited law school.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

#### Staff Attorney

Must be a member in good standing of the State Bar of California.

#### Staff Attorney Trainee

Must be in the process of gaining admission to the California bar (including studying for, taking, and passing the bar exam and fulfilling all related requirements for admission). The exam must be successfully completed, and bar admission obtained, within twelve months of hire.

### **OTHER REQUIREMENTS**

None.

### **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

#### **Knowledge of:**

Laws, principles, and procedures of civil law, with a basic knowledge of environmental law principles helpful but not required.

Procedures, practices and effective techniques in the presentation of cases.

Judicial procedures and rules of evidence.

Principles, methods and techniques of legal research, analysis and investigation.

Responsibilities and obligations of public officials and administrative agencies.

Rules of procedure governing the conduct of hearings before administrative bodies.

California Rules of Professional Conduct

**Skills in:**

Defining and identifying potential legal issues, performing legal research, analyzing legal questions, evaluating alternatives, and making appropriate recommendations.

Presenting statements of fact, law and argument clearly and logically to those without legal knowledge.

Exercising independent judgment within general policy guidelines and legal parameters.

Interpreting state and federal laws affecting Air District operations.

Representing an organization effectively in hearings, courts of law and meetings with others.

Preparing clear, concise and legally sufficient resolutions, ordinances, contracts, leases, permits, reports, correspondence and other written materials.

Establishing and maintaining effective working relationships with those contacted during the attorney's work.

**PHYSICAL DEMANDS AND WORKING CONDITIONS**

**Physical demands:**

Some positions in this classification may require the following:

- Sitting for long periods of time; walking and/or standing is required only occasionally.
- Viewing computer screens and typing for prolonged periods of time.
- Occasionally lifting or moving up to 25 pounds.

**Working conditions:**

- Work is primarily performed in a typical office environment.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Assistant Counsel I/II

**Class Codes:**

**Salary Range:** Assistant Counsel I – 149M

Assistant Counsel II – 153M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under general direction, performs legal work of a routine to complex nature representing the Air District and providing advice and counsel to the Board of Directors, Board Committees, the Advisory Council, the Community Advisory Council, the Hearing Board, and Air District management and staff.

### **DISTINGUISHING CHARACTERISTICS**

Assistant Counsel I is the entry level in this specialized attorney series. It is designed to allow an experienced civil attorney to gain specific environmental law experience. This class is alternately staffed with Assistant Counsel II and incumbents may advance to the higher level after gaining experience and demonstrating proficiency that meet the qualification of the higher-level class.

Assistant Counsel II is the journey level class of this specialized series, fully competent to perform a wide range of environmental law work. This class is responsible for providing effective legal counsel in complex and controversial environmental law matters. This class is distinguished from Senior Assistant Counsel in that the latter assists in administering and coordinating all phases of legal work for the Legal Division and supervises staff.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by a supervisor or manager. No supervision is exercised over others.

## **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Provides technical legal advice to attorneys and cross-departmental Air District staff, including the Deputy Executive Officers, on permitting, compliance, rule development, contracts, and other complex and difficult legal issues.

Reviews and analyzes Notice of Violation (NOV) reports and other evidence to evaluate strength of legal enforcement cases and make recommendations for resolution. Handles routine to difficult litigation and negotiations.

Researches and prepares settlement agreements, litigation hold notices, tolling agreements, and other legal documents, memos, and correspondence.

Prepares and tries routine to difficult cases, often involving a specialized body of law.

Represents the Air District in court and in administrative hearings before boards and commissions and state and federal agencies.

Attends Air District departmental, Board, committee, and council meetings to provide legal advice on a variety of matters.

Liaises with outside counsel on litigation matters, including case strategies and court filings.

Develops and implements strategies for resolution of enforcement cases, including assessing penalties and achieving compliance.

Investigates and prepares reports regarding claims by and against the Air District and recommends actions to be taken.

Reviews ordinances, resolutions, contracts, and other documents for legal sufficiency. Recommends modifications as required.

Maintains accurate records and files and compiles reports of work performed.

Monitors legal developments, including proposed legislation and court decisions, and evaluates their impact on Air District operations and recommends appropriate action.

Responds to subpoenas and public records requests as necessary.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Assistant Counsel I: Law degree and two years of experience as an attorney engaged in the practice of civil law, preferably involving environmental law, and preferably with a public agency.

Assistant Counsel II: In addition to the above, two additional years of experience as an attorney engaged in the practice of environmental law or a related field of administrative or regulatory law, preferably with a public agency in California.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

Must be a member in good standing of the State Bar of California.

### **OTHER REQUIREMENTS**

None.

### **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

#### **Knowledge of:**

Laws, principles, and procedures of civil law, particularly environmental law.

Procedures, practices, and effective techniques in the presentation of cases including judicial and rules of evidence.

Principles, methods, and techniques of legal research and investigation.

State and federal rules, regulations, and laws.

Responsibilities and obligations of public officials and administrative agencies.

Rules of procedure governing the conduct of hearings before administrative bodies.

California Rules of Professional Conduct.

**Skills in:**

Defining and identifying potential legal issues and areas of potential legal risk, performing legal research, analyzing legal questions, evaluating alternatives, and making appropriate recommendations.

Presenting statements of fact, law, and argument clearly and logically to those with and without legal knowledge.

Exercising independent judgment.

Interpreting state and federal laws affecting operations.

Representing an organization effectively in hearings, courts of law, and meetings with others.

Preparing clear, concise, and legally sufficient resolutions, ordinances, contracts, leases, permits, reports, correspondence, and other written materials.

Establishing and maintaining effective working relationships with those contacted in the course of the work.

**PHYSICAL DEMANDS AND WORKING CONDITIONS**

**Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time; walking and/or standing is only required occasionally.
- Viewing computer screens and type for prolonged periods of time.

**Working conditions:**

- Work is primarily performed in a typical office environment.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*





## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Senior Assistant Counsel

**Class Codes:**

**Salary Range:** 157M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under general direction, assists in administering and coordinating all phases of legal work for the Legal Division. Performs the most specialized, complex, and sensitive legal work and supervises legal or support staff.

### **DISTINGUISHING CHARACTERISTICS**

This at-will class has responsibility for assisting the General Counsel with departmental administrative matters and for handling serious, controversial and complex legal matters. In addition, the Senior Assistant Counsel provides advice and counsel to the Board of Directors, Board Committees, the Hearing Board, the Advisory Council, the Community Advisory Council, and Air District management. This class supervises a team of Assistant Counsel I/II. This class is distinguished from the General Counsel in that the latter has overall management and administrative responsibility for all Air District legal matters.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the General Counsel. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Assists in the development and implementation of goals, objectives, policies, procedures and work standards for the Legal Division.

Plans, organizes, assigns, reviews, and evaluates the work of professional and support staff.

Prepares performance evaluations for assigned staff, participates in the selection of assigned staff, and provides for their training and professional development.

Provides technical advice to attorneys and cross-departmental Air District staff.

Confers with and advises Air District departments and prepares legal opinions concerning their duties, powers, functions, and obligations.

Represents the Air District in court cases encompassing a wide variety of complex environmental legal issues including all phases of pretrial, trial, and appellate work in state and federal courts.

Reviews and analyzes Notice of Violation investigation reports and other evidence to evaluate the strength of legal enforcement cases. Handles the more complex and difficult litigation and negotiations.

Monitors legal developments, including legislation and court decisions related to environmental law, and evaluates their impact upon Air District operations.

Prepares pleadings, motions, ordinances, resolutions, contracts, leases, permits, and other legal documents.

Attends meetings of the Board of Directors, the Hearing Boards, the Advisory Council, the Community Advisory Council, and other commissions and committees as required.

Assists in the administration of the Division's budget.

Develops and implements special programs, projects, and assignments.

Acts as the General Counsel on a relief basis.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Law degree and four years of experience as an attorney engaged in the practice of environmental law, preferably with a public agency in California, including one year of lead or supervisory experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

**LICENSES AND CERTIFICATIONS:**

Must be a member in good standing of the State Bar of California.

**OTHER REQUIREMENTS**

None.

**KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

**Knowledge of:**

Laws, principles, and procedures of civil law, particularly California environmental and administrative law, related to enforcement, negotiation, and civil litigation, including strategy.

A basic understanding of many other areas of law, such as contracts, tax, employment, and civil rights.

Procedures, practices, and effective techniques in the preparation and presentation of cases, including judicial and administrative procedures and rules of evidence.

Principles, methods, and practices of legal research and investigation.

Principles, methods, and techniques of personnel management.

Pleadings, practices, and effective techniques in the presentation of court cases.

Responsibilities and obligations of public officials and administrative agencies.

State and federal rules, regulations, and laws.

Rules of procedure governing the conduct of hearings before administrative bodies.

Basic budgetary principles and practices.

California Rules of Professional Conduct.

**Skills in:**

Planning, organizing, directing, and reviewing the work of assigned staff.

Providing training and technical assistance to staff.

Defining and identifying potential legal issues and areas of potential legal risk, performing legal research, analyzing legal questions, evaluating alternatives, and making appropriate recommendations.

Presenting statements of fact, law, and argument clearly and logically to those with and without legal knowledge.

Developing and implementing goals, objectives, policies, procedures and work standards.

Performing complex legal research, analyzing multi-faceted problems, evaluating alternatives, and making sound recommendations.

Exercising sound, independent judgement.

Analyzing and applying legal principles and precedents and making effective court and hearing presentations.

Representing an organization effectively in hearings, courts of law, and meetings with others.

Preparing clear, concise, and complete legal documentation and reports, correspondence, and other written materials.

Establishing and maintaining effective working relationships with those contracted in the course of the work.

**PHYSICAL DEMANDS AND WORKING CONDITIONS****Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time; walking and/or standing is only required occasionally.
- Viewing computer screens and type for prolonged periods of time.

**Working conditions:**

Incumbents perform work in an office setting with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances.

- Work is primarily performed in a typical office environment.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*

DRAFT

**CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Manager I

**Class Codes:**

**Salary Range:** TBD

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

**CLASSIFICATION SUMMARY**

Under direction, performs management duties with responsibility for a project or defined functional area.

**DISTINGUISHING CHARACTERISTICS**

Manager I is the entry level in this manager series and assumes responsibility for a project or functional area. This class assists management in making decisions which impact the daily operations and implementation of established procedures and policies. Incumbents assume responsibility for special projects or functional areas and may directly supervise staff, dependent on the needs of the assigned area, often in a matrixed capacity.

The Manager I is distinguished from Manager II in that the latter has direct and broader scope of managerial responsibility for programs, sections, or functional areas of the Air District. The Manager I is not alternatively staffed with Manager II.

**SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Manager II, Senior Manager, Officer, or Director. Responsible for direct supervision of staff.

**EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Assists in the development, implementation, and administration of goals, objectives, policies, procedures, and work standards for an assigned area.

Directs, organizes, assigns, reviews, and evaluates the work of assigned staff. Selects and trains staff and provides for their professional development.

Directs the preparation, maintenance, verification, and reconciliation of a wide variety of records and reports.

Develops, reviews, and recommends improved methods and procedures.

Prepares clear and concise reports, correspondence, and other written materials.

Analyzes technical issues. Prepares and presents reports and recommendations regarding operational and policy issues to the Board and various committees and other groups.

Coordinates budget preparation, monitors expenditures, and prepares financial reporting for the assigned project. Manages, tracks, and monitors contracts.

Analyzes and reviews local, state, and federal legislation to determine its impact on the Air District.

Responds to requests for public information regarding the Air District's policies, procedures, and operations.

Represents the Air District and assists management as assigned.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Bachelor's degree from an accredited college or university in a job-related field and four years of professional level work experience of which at least two years at a lead level managing projects. Some positions may require specialized training, education, and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

None.

## **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

### **Knowledge of:**

Administrative and managerial principles and practices, including goal setting and program and budget development and implementation.

Principles and practices of employee supervision, including selection, training, work evaluation, and performance management.

Project management.

Applicable federal, state, and local laws, rules, and regulations.

### **Skills in:**

Planning, assigning, supervising, reviewing, and evaluating the work of assigned staff.

Selecting and motivating staff. Training staff in work procedures.

Reviewing and verifying the accuracy of data and associated documents.

Preparing clear, concise, and complete reports and other written correspondence.

Planning, coordinating, and managing projects.

Recommending and implementing improved methods and procedures.

Interpreting and applying complex rules, regulations, and ordinances.

Using computer software applications, including Microsoft Word and Excel.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Exercising sound independent judgement within general policy guidelines.

Making effective presentations to the Board, the public, and other groups.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**



**Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

**Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Occasional local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*

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**CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Manager II

**Class Codes:**

**Salary Range:** 148M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

**CLASSIFICATION SUMMARY**

Under administrative direction, performs management duties with responsibility for a program, section or defined functional area.

**DISTINGUISHING CHARACTERISTICS**

The Manager II is the journey level in this manager series and assumes responsibility for a section, program, or functional area. Incumbents in this class make decisions which impact the daily operations and implementation of established procedures and policies of the related sections and solve problems requiring analyses of issues that may result in deviations from routine processes, new technology, and additional resources. Incumbents make recommendations for program planning and directing, as well as organizing new and future resource needs.

The Manager II is distinguished from Senior Manager in that the latter has mid-level managerial responsibilities over multiple and more complex programs, sections, or functional areas.

**SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by Senior Manager, Officer, or Director. Responsible for direct supervision of staff.

**EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Develops and implements goals, objectives, policies, procedures, and work standards for the assigned programs.

Directs, organizes, assigns, reviews, and evaluates the work of assigned staff. Selects and trains staff and provides for their professional development.

Directs the preparation, maintenance, verification, and reconciliation of a wide variety of reports.

Develops, reviews, and recommends improved methods and procedures.

Directs the maintenance of and maintains accurate records. Prepares clear and concise reports, correspondence, and other written materials.

Analyzes technical issues, prepares and presents recommendations regarding operational and policy issues to the Board, various committees, and other groups.

Analyzes and reviews local, state, and federal legislation to determine its impact on the Air District.

Responds to requests for public information regarding the Air District's policies, procedures, and operations.

Prepares budgets, objectives, and strategic goals of the assigned programs. Manages contracts, monitors expenditures and prepares financial reporting for the assigned programs.

Represents the Air District and assists the management as assigned.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Bachelor's degree from an accredited college or university in a job-related field and five years of professional level work experience of which at least two years at a supervisory level. Some positions may require specialized training, education, and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

## **LICENSES AND CERTIFICATIONS:**

None.

## **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

### **Knowledge of:**

Administrative and managerial principles and practices, including goal setting, program and budget development and implementation.

Principles and practices of employee supervision, including selection, training, work evaluation, and performance management.

Program management.

Applicable federal, state, and local laws, rules, and regulations.

### **Skills in:**

Planning, assigning, supervising, reviewing, and evaluating the work of assigned staff.

Selecting and motivating staff and providing for their training and professional development.

Reviewing and verifying the accuracy of data and associated documents.

Preparing clear, concise, and complete reports and other written correspondence.

Planning, coordinating, and managing programs.

Recommending and implementing improved methods and procedures.

Interpreting and applying complex rules, regulations, and ordinances.

Using computer software applications, including Microsoft Word, Excel, and PowerPoint.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Exercising sound independent judgement within general policy guidelines.

Making effective presentations to the Board, the public, and other groups.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

### **Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Occasional local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Senior Manager

**Class Codes:**

**Salary Range:** TBD

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under administrative direction, performs mid-level management duties with responsibility for multiple and more complex sections, or defined functional areas.

### **DISTINGUISHING CHARACTERISTICS**

This class assumes responsibility for more complex sections, programs, or functional areas. Incumbents in this class make decisions which impact the daily operations and implementation of established procedures and policies of the related sections and solve problems requiring analyses of issues that may result in deviations from routine processes, new technology, and additional resources. Incumbents make recommendations for program planning and directing, as well as organizing new and future resource needs.

The Senior Manager is distinguished from the Officer or Director in that the latter has overall managerial responsibility for a division.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Officer or Director. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Develops and implements goals, objectives, policies, procedures, and work standards for the assigned programs.

Directs, organizes, assigns, reviews, and evaluates the work of assigned staff. Selects and trains staff and provides for their professional development.

Directs the preparation, maintenance, verification, and reconciliation of a wide variety of reports.

Develops, reviews, and recommends improved methods and procedures.

Directs the maintenance of and maintains accurate records. Prepares clear and concise correspondence and other written materials.

Analyzes technical issues, prepares and presents reports, and recommendations regarding operational and policy issues to the Board, various committees, and other groups.

Analyzes and reviews local, state, and federal legislation to determine its impact on the Air District.

Responds to requests for public information regarding the Air District's policies, procedures, and operations.

Prepares budgets, objectives, and strategic goals of the assigned programs.

Represents the Air District and assists the Director or Officer as assigned.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Bachelor's degree from an accredited college or university in a job-related field and five years of professional level work experience of which at least three years at a supervisory level. Some positions may require specialized training, education, and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

None.

## **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

### **Knowledge of:**

Administrative and managerial principles and practices, including goal setting, program, and budget development and implementation.

Principles and practices of employee supervision, including selection, training, work evaluation, and performance management.

Applicable federal, state, and local laws, rules, and regulations.

### **Skills in:**

Planning, assigning, supervising, reviewing, and evaluating the work of assigned staff.

Selecting and motivating staff and providing for their training and professional development.

Reviewing and verifying the accuracy of data and associated documents.

Preparing clear, concise, and complete reports and other written correspondence.

Recommending and implementing improved methods and procedures.

Interpreting and applying complex rules, regulations, and ordinances.

Using computer software applications, including Microsoft Word, Excel, and PowerPoint.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Exercising sound independent judgement within general policy guidelines.

Making effective presentations to the Board, the public, and other groups.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**



**Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

**Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Occasional local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*

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## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Officer

**Class Codes:**

**Salary Range:** 156M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under executive direction, plans, organizes, coordinates, and directs a small division of the Air District.

### **DISTINGUISHING CHARACTERISTICS**

This class reports directs all activities of a small division. Incumbents operate within a broad policy framework and assume sole responsibility for a functional area(s) of service. Incumbents coordinate and implement program planning, and define organizational structure, staffing requirements, resource allocation, and identification of future resource needs. Incumbents provide subject matter expertise and interface with all managerial levels within the agency and outside agencies and serve as representatives of the division in meetings involving policies, procedures, operation, and administrative systems.

The Officer is distinguished from the Director in that the latter has overall managerial responsibility for medium to large division of the Air District.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Assistant Deputy Executive Officer or Deputy Executive Officer. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Directs, plans, monitors, and evaluates the goals, operations, policies, procedures, and work standards of a division.

Plans, organizes, administers, reviews, and evaluates the activities of assigned staff. Coaches assigned staff for career development and performance improvement.

Selects personnel and provides for their training and professional development.

Provides technical and managerial direction to Air District staff and others.

Directs the allocation of resources to achieve timely outcomes and measurable goals within budget. Adjusts plans and programs to meet emerging or new programs, while continuing to address major agency priorities.

Monitors and evaluates the effectiveness and efficiency of the division's operations, organizational structure, staffing levels, systems, and other internal policies and procedures. Recommends alternative approaches and implements changes.

Represents the Air District at meetings with the public, industry, and other agencies. Serves as the liaison for the agency.

Plans, develops, implements, or directs major or complex projects or programs. Directs the research of complex and highly technical issues, analyzes alternative solutions or approaches, and recommends most effective course of action.

Directs and oversees the preparation and administration of the division's budget.

Develops and presents technical, policy, operational, or administrative issues and recommendations to the Air District Board and executive management.

Reviews and analyzes division and agency reports. Directs the preparation of monthly and annual reports. Directs the gathering and analysis of information and evaluates processes.

Assists in the identification, development, and implementation of agency goals, objectives, policies, and priorities.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

A typical way to obtain the knowledge and skills is:

Bachelor's degree from an accredited college or university in job-related field and six years of professional level work experience, including three years of supervisory experience. Some positions may require specialized training, education and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

**LICENSES AND CERTIFICATIONS:**

None.

**OTHER REQUIREMENTS**

None.

**KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

**Knowledge of:**

Administrative principles and practices, including goal setting and program and budget development.

Principles and practices of employee supervision, including selection, training, work evaluation, and performance management.

Principles and practices of effective public relations.

Applicable local, state, and federal laws, rules and regulations.

Methods and techniques of research, statistical analysis, and report presentation.

**Skills in:**

Planning, organizing, assigning, directing, reviewing and evaluating the work of assigned staff.

Selecting and motivating staff and providing for their training and professional development.

Interpreting, explaining and applying Air District rules and regulations and local, state, and federal laws.

Representing the Air District effectively in contacts with the public, industry, and other agencies.

Analyzing complex technical, scientific, and administrative problems. Evaluating alternative solutions and adopting effective courses of action.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Preparing clear and concise reports, correspondence, and other written materials.

Exercising sound independent judgment within policy guidelines.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

### **Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Some local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Director

**Class Codes:**

**Salary Range:** 156M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under executive direction, plans, organizes, coordinates, and directs a medium or large division of the Air District.

### **DISTINGUISHING CHARACTERISTICS**

This class reports directs all activities of a medium or large division. Incumbents operate within a broad policy framework and assume sole responsibility for a functional area(s) of service. Incumbents coordinate and implement program planning, and define organizational structure, staffing requirements, resource allocation, and identification of future resource needs. Incumbents provide subject matter expertise and interface with all managerial levels within the agency and outside agencies and serve as representatives of the division in meetings involving policies, procedures, operation, and administrative systems.

The Director is distinguished from the Assistant Deputy Executive Officer in that the latter has overall managerial responsibility for a large division or area of the Air District.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Assistant Deputy Executive Officer or Deputy Executive Officer. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Directs, plans, monitors, and evaluates the goals, operations, policies, procedures, and work standards of a division.

Plans, organizes, administers, reviews, and evaluates the activities of assigned staff. Coaches assigned staff for career development and performance improvement.

Selects personnel and provides for their training and professional development.

Provides technical and managerial direction to Air District staff and others.

Directs the allocation of resources to achieve timely outcomes and measurable goals within budget. Adjusts plans and programs to meet emerging or new programs, while continuing to address major agency priorities.

Monitors and evaluates the effectiveness and efficiency of the division's operations, organizational structure, staffing levels, systems, and other internal policies and procedures. Recommends alternative approaches and implements changes.

Represents the Air District at meetings with the public, industry, and other agencies. Serves as the liaison for the agency.

Plans, develops, implements, or directs major or complex projects or programs. Directs the research of complex and highly technical issues, analyzes alternative solutions or approaches, and recommends most effective course of action.

Directs and oversees the preparation and administration of the division's budget.

Develops and presents technical, policy, operational, or administrative issues and recommendations to the Air District Board and executive management.

Reviews and analyzes division and agency reports. Directs the preparation of monthly and annual reports. Directs the gathering and analysis of information and evaluates processes.

Assists in the identification, development, and implementation of agency goals, objectives, policies, and priorities.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

A typical way to obtain the knowledge and skills is:

Bachelor's degree from an accredited college or university in job-related field and six years of professional level work experience, including three years of management experience. Some positions may require specialized training, education and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

**LICENSES AND CERTIFICATIONS:**

None.

**OTHER REQUIREMENTS**

None.

**KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

**Knowledge of:**

Administrative principles and practices, including goal setting and program and budget development.

Principles and practices of employee supervision, including selection, training, work evaluation and performance management.

Principles and practices of effective public relations.

Applicable local, state, and federal laws, rules, and regulations.

Methods and techniques of research, statistical analysis, and report presentation.

**Skills in:**

Planning, organizing, assigning, directing, reviewing and evaluating the work of assigned staff.

Selecting and motivating staff and providing for their training and professional development.

Interpreting, explaining and applying Air District rules and regulations and local, state, and federal laws.



Representing the Air District effectively in contacts with the public, industry, and other agencies.

Analyzing complex technical, scientific, and administrative problems. Evaluating alternative solutions and adopting effective courses of action.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Preparing clear and concise reports, correspondence, and other written materials.

Exercising sound independent judgment within policy guidelines.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

### **Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Some local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Assistant Deputy Executive Officer

**Class Codes:**

**Salary Range:** TBD

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under executive direction, plans, organizes, coordinates, and directs one of the largest divisions or areas of the Air District.

### **DISTINGUISHING CHARACTERISTICS**

This at-will class provides high-level technical and policy direction in the administration and management of the Air District's programs and activities. Incumbents are accountable for coordinating the accomplishment of goals and objectives of assigned areas and for furthering Air District goals and objectives in an effective and efficient manner.

The Assistant Deputy Executive Officer is distinguished from the Deputy Executive Officer in that the latter has overall management responsibility for multiple divisions and reports directly to the Executive Officer/Air Pollution Control Officer.

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Executive Officer/Air Pollution Control Officer or a Deputy Executive Officer. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Provides designated technical, administration, and policy direction and support to the Air District.

Represents the Air District in varied situations with various groups and agencies both within and outside of the Air District.

Plans, organizes, coordinates, and directs staff in the work of assigned divisions.

Directs and oversees broad policy direction.

Directs the development and implementation of goals, objectives, policies, procedures, operations, and work standards for assigned divisions.

Directs and oversees the Air District's financial activities related to assigned division.

Directs the management of and makes policy recommendations regarding assigned divisions, programs, and activities.

Organizes and coordinates the development and implementation of projects and activities with other agencies.

Supports the Air District management and interactions with the Air District Board.

Ensures conformance with program schedules, budgets, and contracts.

Develops and presents technical and policy issues and recommendations to the Air District Board and executive management.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Bachelor's degree from an accredited college or university in a job related field and six years of professional level work experience, including four years of management experience. Some positions may require specialized training, education, and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

None.

### **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

### **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 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.

### **Skills 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 rules and regulations and state and federal laws.

Representing the organization effectively in contacts with the public, industry, and other agencies.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Preparing clear and concise reports, correspondence, and other written materials.

Exercising sound independent judgment within policy guidelines.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
- View computer screens and type for prolonged periods of time.

### **Working conditions:**

- Work is primarily performed in a typical office environment.
- May be required to work outside of standard working hours.
- Occasional local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



## **CLASSIFICATION SPECIFICATION**

**Classification Specification Name:** Deputy Executive Officer

**Class Codes:**

**Salary Range:** 169M

**Bargaining Unit:**

**Established Date:**

**Revision Date:**

### **CLASSIFICATION SUMMARY**

Under executive direction, plans, organizes, coordinates, and directs multiple areas of the Air District, and develops and provides policy guidance and strategies.

### **DISTINGUISHING CHARACTERISTICS**

This at-will class provides high-level strategic, technical, and policy direction in the management of the Air District's programs and activities for multiple divisions. Incumbents are accountable for overseeing and directing the accomplishment of goals and objectives of their assigned areas and for furthering Air District goals and objectives in an effective manner.

The Deputy Executive Officer is distinguished from the Executive Officer/Air Pollution Control Officer in that the latter has overall management responsibility for the District

### **SUPERVISION RECEIVED AND/OR EXERCISED**

Supervision is provided by the Executive Officer/Air Pollution Control Officer. Responsible for direct supervision of staff.

### **EXAMPLES OF DUTIES**

*The following duties are typical for jobs in the class. They are for illustrative purposes only and do not reflect the full scope of job duties.*

Provides designated technical, administration, and policy direction and support to the Executive Officer/ Air Pollution Control Officer (APCO) and the Air District Board.

Represents the Air District in varied situations with various groups and agencies both within and outside of the Air District.

Plans, organizes, coordinates and directs staff in the work of assigned divisions.

Directs the development and implementation of goals, objectives, policies, procedures, operations, and work standards for the department.

Directs and oversees the Air District's financial activities related to assigned division.

Directs the management of and makes policy recommendations regarding assigned divisions, programs, and activities.

Organizes and coordinates the development and implementation of projects and activities with internal and external stakeholders.

Supports the Executive Officer/APCO in Air District management and interactions with the Air District Board.

Ensures conformance with program schedules, budgets, and contracts.

Develops and presents technical and policy issues and recommendations to the Air District Board and the Executive Officer/APCO.

Performs other related duties as assigned.

## **MINIMUM QUALIFICATIONS**

### **EDUCATION AND EXPERIENCE:**

*The items listed below are the minimum requirements for this classification.*

Bachelor's degree from an accredited college or university in a job-related field and six years of professional level work experience, including four years of management experience. Some positions may require specialized training, education, and experience.

Any equivalent combination of education and experience that provides the necessary qualifications to successfully perform the duties of the position will be considered.

### **LICENSES AND CERTIFICATIONS:**

None.

### **OTHER REQUIREMENTS**

None.

## **KNOWLEDGE AND SKILLS**

*The minimum knowledge and skills needed to perform the essential duties of the classification.*

### **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 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.

### **Skills 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 rules and regulations and state and federal laws.

Representing the organization effectively in contacts with the public, industry, and other agencies.

Establishing and maintaining effective working relationships to build and preserve trust and credibility with internal and external stakeholders.

Communicating effectively through excellent verbal, listening, and written communication

Preparing clear and concise reports, correspondence, and other written materials.



Exercising sound independent judgment within policy guidelines.

## **PHYSICAL DEMANDS AND WORKING CONDITIONS**

### **Physical demands:**

*Some positions in this classification may require the following:*

- Sitting for long periods of time and walking and/or standing is only required occasionally.
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### **Working conditions:**

- Work is primarily performed in a typical office environment.
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- Occasional local travel.

*This classification specification outlines the general nature and level of work performed. It is not a complete list of all duties and responsibilities.*



# Changes to Management Classifications

Finance & Administration Meeting

April 16, 2025

Lisa Baker

Human Resources Director

# Presentation Outline

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- **Classification and Compensation Study Background**
- **Classification and Compensation Study Update**
- **Classification Study Findings**
- **Proposed Management Classifications Changes**
- **Recommended Action**

# Classification and Compensation Study Background

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## Classification Study

- Conducted in response to the 2022 Human Resources Audit
- Outdated classifications
- Goal is to modernize the Air District's classification system, eliminate barriers to employment
- Focus is to align job functions with operational needs, introduce new roles, and optimize efficiency

## Compensation Study

- Compensation studies completed in 2017 and 2020
- Goal is to compare market and align with Air District Board of Directors-adopted compensation philosophy

# Classification and Compensation Study Update

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- Engaged Compensation Connections to perform Air District wide, comprehensive study in December 2023
- Compensation Philosophy adopted by Board of Directors in March 2024
- Classification Study
  - Conducted research, solicited input from leadership on operational needs, with focus on equity and aligning with strategic plan
  - Shared draft represented classifications with the Employees' Association
- Compensation Survey
  - Utilized 12 public sector comparators and three aggregated market compensation reports
  - Next Steps: Finalize compensation survey and share with the Employees' Association

# Classification Study Findings

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- **Updated Classifications:** Remove inflated and unnecessary minimum qualifications; clarified differences between classification levels
- **New Classifications:** Introduce new classifications to meet evolving needs
- **Revived Classifications:** Update and reintroduce essential classifications in Air Quality Inspection and Monitoring
- **Deleted Classifications:** Remove redundant and outdated class specs to streamline efficiency
- **Retitled Classifications:** Adjust titles for clarity and alignment with responsibilities

# Proposed Management Classifications Changes

Legal Classification	Recommendation
Staff Attorney / Staff Attorney Trainee	Revision
Assistant Counsel I/II	Revision
Senior Assistant Counsel (at will)	Revision

Management Classification	Recommendation
Manager I	New Classification
Manager II	Revision
Senior Manager	New Classification

Executive Classification	Recommendation
*Officer	New Classification
*Director	New Classification
Assistant Deputy Executive Officer (at will)	New Classification
Deputy Executive Officer (at will)	Revision

\*Note: Classification is separated into its own classification to distinguish the span of control, responsibilities, and work.

# Recommended Action

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**The Finance and Administration Committee recommend to the Board of Directors the following:**

- 1. Adopt new management classifications**
- 2. Revise existing management classifications**
- 3. Delete outdated management classifications**



# Questions & Feedback

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## **For more information:**

Hy Hinojosa, Deputy Executive Officer, Finance and Administration  
[hhinojosa@baaqmd.gov](mailto:hhinojosa@baaqmd.gov)

Lisa Baker, Director of Human Resources  
[lbaker@baaqmd.gov](mailto:lbaker@baaqmd.gov)

**BAY AREA AIR DISTRICT**  
Memorandum

To: Chairperson Lynda Hopkins and Members  
of the Finance and Administration Committee

From: Philip M. Fine  
Executive Officer/APCO

Date: April 16, 2025

Re: Recommend Candidates for Appointment to the Air District's Hearing  
Board

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board appoint candidates to the Air District's Hearing Board for two positions:

- One vacant position, Alternate A (Public Category); and
- Alternate Member (Attorney Category), whose term expires April 6, 2025.

BACKGROUND

Pursuant to Section 40801 of the California Health and Safety Code, the Air District is required to maintain a Hearing Board consisting of five members including:

- One (1) member who is a professional engineer registered as such pursuant to the Professional Engineers Act (Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code),
- One (1) member from the medical profession whose specialized skills, training, or interests are in the fields of environmental medicine, community medicine, or occupational/toxicologic medicine,
- One (1) member admitted to the practice of law in this state; and
- Two (2) public members.

The Air District Board of Directors may also appoint one alternate for each member. The alternate shall have the same qualifications, specified in Section 40801, as the member for whom such person is the alternate. The alternate may serve only in the absence of the member, and for the same term as the member. Pursuant to Health and Safety Code section 40800, the Board of Directors shall appoint a Hearing Board consisting of five members, as provided in Health and Safety Code section 40801. In filling the two seats designated for public members under Health and Safety Code section 40801(d), the Board of Directors shall give priority to applicants

who do not qualify for the seats designated for members of professions under Health and Safety Code sections 40801(a)-(c). The Hearing Board shall have the power and authority to issue variances under Health and Safety Code sections 42350 et seq., to issue orders for abatement under Health and Safety Code sections 42451 et seq., to hear appeals from decisions by the APCO to issue, deny, or suspend a permit under Health & Safety Code sections 42302 et seq.; to revoke a permit under Health and Safety Code section 42307, and to take all other actions authorized under other provisions of the Health and Safety Code and related law.

## DISCUSSION

The term of one current Hearing Board member, Alternate Member (Attorney Category), will expire on April 6, 2025. In addition, there is one vacant seat, Alternate Member A (Public Category).

At the March 19, 2025, meeting, the Committee interviewed four out of six applicants for the Alternate Member (Attorney Category) and Alternate Member A (Public Category) seats. Due to a scheduling error, one applicant was unable to attend the March 19, 2025, meeting, and committee recommendations were deferred until this applicant could be interviewed. However, on April 2, 2025, and unrelated to the scheduling error, that applicant informed staff of their official withdrawal from consideration.

At this meeting and based on application materials and the previous month's interviews, the Committee will develop recommendations for the Alternate Member (Attorney Category) and Alternate Member A (Public Category) to submit to the Board for consideration.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Joseph Huynh  
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. Hearing Board Interview Package of March 19,2025
2. Hearing Board Presentation



# HEARING BOARD INTERVIEWS

FINANCE AND ADMINISTRATION  
COMMITTEE

March 19, 2025

# HEARING BOARD INTERVIEW BINDER TABLE OF CONTENTS

March 19, 2025

- Hearing Board Vacancy Announcement
- Hearing Board Member Roster/Attendance Sheet
- Applicants' Application Materials, Interview Questions and Evaluation Forms:

## Attorney (Alternate) Category

Stephanie Oxley – Kensington, 94707  
Principal/Alternate Category

Jennifer Pierce – San Francisco, 94110  
Principal/Alternate Category

## Public B (Alternate) Category

John Dvorak – Albany, 94706  
Principal/Alternate Category

Teron McGrew – Oakland, 94609  
Principal/Alternate Category

Jennifer Pierce – San Francisco, 94110  
Principal/Alternate Category

Wayne Farrens – Sacramento, 95817  
Principal/Alternate Category

**Current Hearing Board Roster and Vacancy Status**  
*as of January 2025*

<b>Category</b>	<b>Hearing Board Position</b>	<b>Name</b>	<b>County of Residence</b>	<b>Cumulative Total Years as Principal as of Feb 2025 (15- year limit)</b>
<b>Public</b>	<b>Principal A</b>	<b>A. Timbers</b> Term expires 4/6/25	<b>Contra Costa County</b>	<b>2y, 10m</b>
	<b>Alternate A</b>	<b>VACANT</b>		
	<b>Principal B</b>	<b>B. Toole O’Neil (VC)</b> Term expires 11/1/26	<b>San Mateo County</b>	<b>7y, 9m</b>
	<b>Alternate B</b>	<b>D. Cullenward</b> Term expires 11/1/26	<b>San Francisco County</b>	<b>9 months (2020-2021)</b> <i>Appointed as Principal, then left HB for Advisory Council appointment</i>
<b>Attorney</b>	<b>Principal</b>	<b>V. Armento (Chair)</b> Term expires 4/6/25	<b>Santa Clara County</b>	<b>9y, 6m</b>
	<b>Alternate</b>	<b>J. Lee</b> Term expires 4/6/25	<b>San Francisco County</b>	<b>0</b>
<b>Professional Engineer</b>	<b>Principal</b>	<b>R. Dabir</b> Term expires 10/4/26	<b>Contra Costa County</b>	<b>1y, 4m</b>
	<b>Alternate</b>	<b>J. Maddox</b> Term expires 10/4/26	<b>Contra Costa County</b>	<b>0</b>
<b>Medical</b>	<b>Principal</b>	<b>P. Chiu</b> Term expires 4/6/25	<b>Santa Clara County</b>	<b>11y, 10m</b>
	<b>Alternate</b>	<b>S. Batra</b> Term expires 10/4/26	<b>Alameda County</b>	<b>0</b>

Name	Attorney - Principal	Attorney - Alternate	Medical - Principal	Public - Principal	Public - Alternate
Valerie Armento	X				
Peter Chiu			X		
Danny Cullenward	X			X	
John Dvorak				X	X
Wayne Farrrens				X	X
Teron McGrew				X	X
Stephanie Oxley	X	X			
Jennifer Pierce	X	X		X	X
Amelia Timbers				X	

<b>Hearing Board Positions and Upcoming Recruitment Needs</b>		
<b>Attorney Category</b>		
Principal Member	V. Armento	Term expires 4/6/25
Alternate Member	J. Lee	Term expires 4/6/25
<b>Medical Category</b>		
Principal Member	P. Chiu	Term expires 4/6/25
Alternate Member	S. Batra	Term doesn't expire till 10/4/26
<b>Professional Engineer Category</b>		
Principal Member	R. Dabir	Term doesn't expire till 10/4/26
Alternate Member	J. Maddox	Term doesn't expire till 10/4/26
<b>Public Category</b>		
Principal Member A	B. Toole O'Neil	Term doesn't expire till 11/1/26
Alternate Member A	D. Cullenward	Term doesn't expire till 11/1/26
Principal Member B	A. Timbers	Term expires 4/6/25
Alternate Member B		VACANT





**BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT**

## Bay Area Air Quality Management District Hearing Board Member

<b>SALARY</b>	\$0.00 Hourly \$0.00 Biweekly \$0.00 Monthly \$0.00 Annually	<b>LOCATION</b>	San Francisco, CA
<b>JOB TYPE</b>	Volunteer/Stipend	<b>JOB NUMBER</b>	HB300
<b>DEPARTMENT</b>	Board of Director's Councils or Boards	<b>DIVISION</b>	Hearing Board
<b>OPENING DATE</b>	01/02/2025	<b>CLOSING DATE</b>	2/10/2025 5:00 PM Pacific

### Description

The Bay Area Air Quality Management District (Air District) is a regional government agency, committed to achieving clean air to protect the public's health and the environment. The Air District accomplishes this goal through regulation of industrial facilities and various outreach and incentive programs designed to encourage clean air choices.

The Air District's jurisdiction encompasses all of seven counties - Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Napa, and portions of two others - southwestern Solano and southern Sonoma.

The Hearing Board is established by state law and consists of five members and their alternates - an attorney, a professional engineer, a member from the medical profession, and two members of the public.

The Air District is currently recruiting for the following five (5) Hearing Board seats:

- Principal A in the Public category
- Alternate A in the Public category
- Principal in the Attorney category
- Alternate in the Attorney category
- Principal in the Medical category

### Examples of Duties for this Position

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.

These are volunteer positions. There is no salary. Members of the Hearing Board receive a stipend of \$400 per meeting day, plus travel expenses, if applicable.

## Minimum Qualifications

The applicants for the Hearing Board are evaluated based on their qualifications to serve as representatives for their profession, field of endeavor, or the community, as the case may be.

Members in the Professional Engineer category must be registered as a Professional Engineer in the State of California, pursuant to the Professional Engineers Act (Chapter 7 (commencing with Section 6700) of Division 3 of the California Business and Professions Code).

Members in the Medical category must be in a medical profession whose specialized skills, training, or interests are in the fields of environmental medicine, community medicine, or occupational/toxicologic medicine.

## How to Apply & Selection Criteria

Hearing Board members serve a term of three years and may be reappointed to a maximum of fifteen consecutive years. The Hearing Board can meet as often as 1-3 times per month, depending on the volume of cases filed, usually on Tuesdays, at the Air District's office at 375 Beale Street, San Francisco, CA 94105. In-person attendance is required of Hearing Board members serving on the dais.

**Interviews are held during the Air District's Board of Director's Finance and Administration Committee Meeting.** If you are selected for an interview, our staff will contact you to request your presence at this meeting/interview.

### HOW TO APPLY & SELECTION CRITERIA:

Interested individuals must submit the following materials no later than 5:00p.m. on **Monday, February 10, 2025:**

- 1) A completed BAAQMD Hearing Board application, along with;
- 2) A chronological resume

Applications are accepted online. For an application, contact the Human Resources Office at (415) 749-4667 or you may download a copy at our website at [www.baaqmd.gov/jobs](http://www.baaqmd.gov/jobs). Completed application packets should be returned to: Bay Area Air Quality Management District, Human Resources Office, 375 Beale Street, Suite 600, San Francisco, CA 94105. Faxes will be accepted, as long as a hard copy original is submitted by mail or in person by the filing deadline.

### Agency

Bay Area Air Quality Management District

### Address

375 Beale Street Suite 600

San Francisco, California, 94105

### Phone

415-749-4980

### Website

<http://www.baaqmd.gov>

## Hearing Board Member Supplemental Questionnaire

### \*QUESTION 1

Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.

**\*QUESTION 2**

Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.

**\*QUESTION 3**

Please list relevant accomplishments, publications, or awards.

**\*QUESTION 4**

The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?

**\*QUESTION 5**

What interests you the most about the opportunity to serve on the Air District's Hearing Board?

**\*QUESTION 6**

Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?

\* Required Question



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## HEARING BOARD PUBLIC APPLICANT EVALUATION FORM

**NAME OF APPLICANT:**

Please record the extent to which you feel the applicant possesses or has demonstrated the qualities listed below.

- **This form is optional. It is considered private and will not be collected.**

**Strong  
(Yes)**

**Adequate**

**Below  
Expectations**

**No Evidence  
(No)**

1. **Geographic Diversity:** Extent to which the applicant's county of residence will add to geographic diversity among current Hearing Board Members

2. **Does not qualify for other Hearing Board Categories:** Applicant does not qualify for other Hearing Board Member categories (Legal, Medical, Professional Engineer)

3. **Diversity in Professional Experience:** Extent to which the applicant has diversity in their professional experience

4. **Dedication to Community Service:** Extent to which an applicant has demonstrated a commitment to community service

5. **Completeness of Application:** Extent to which an applicant has completed their application, including substantive answers to the supplemental questions

**COMMENTS**

## EMPLOYMENT APPLICATION



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 375 Beale Street Suite 600  
 San Francisco, California 94105  
 415-749-4980  
<http://www.baaqmd.gov>

Dvorak, John C  
 HB300 HEARING BOARD MEMBER

Received: 2/10/25 11:23 AM  
 For Official Use Only:  
 QUAL: \_\_\_\_\_  
 DNO: \_\_\_\_\_  
 Experience  
 Training  
 Other: \_\_\_\_\_

## PERSONAL INFORMATION

POSITION TITLE: HEARING BOARD MEMBER	EXAM ID#: HB300
NAME: (Last, First, Middle) Dvorak, John C	SOCIAL SECURITY NUMBER: [REDACTED]
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED] Albany, 94706	EMAIL ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]	NOTIFICATION PREFERENCE: [REDACTED]
LEGAL RIGHT TO WORK IN THE UNITED STATES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
What is your highest level of education? Bachelor's Degree	

## PREFERENCES

MINIMUM COMPENSATION: \$50.00 per hour	ARE YOU WILLING TO RELOCATE? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe
WHAT TYPE OF JOB ARE YOU LOOKING FOR? Regular	
TYPES OF WORK YOU WILL ACCEPT: Per Diem	
SHIFTS YOU WILL ACCEPT: On Call (as needed)	
OBJECTIVE: This is an application for the Hearing board and some questions above do not apply.	

## EDUCATION

DATES: From: 8/1964 To: 2/1969	SCHOOL NAME: University of California	
LOCATION: (City, State/Province) Berkeley, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Bachelor's
MAJOR: History/Chemistry		

## WORK EXPERIENCE

DATES: From: 11/2009 To: 2/2025	EMPLOYER: No Agenda Show LLCZ	POSITION TITLE: Principial/Host
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 4	
DUTIES: Produce two podcasts a week, long format.		
REASON FOR LEAVING: not leaving, still working this position.		
DATES: From: 8/1986 To: 1/2015	EMPLOYER: Ziff Davis Publishing	POSITION TITLE: Contributing Editor
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
HOURS PER WEEK: 40		
DUTIES: Writing daily, weekly and monthly articles and analysis about technology.		
REASON FOR LEAVING: Transitioned to full-time podcaster and independent publisher.		
DATES: From: 1/2005 To: 11/2009	EMPLOYER: Mevio	POSITION TITLE: Vice President of Content

ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
SUPERVISOR: Ron Bloom - CEO	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 12	
DUTIES: Developing podcasters and podcasting properties.		
REASON FOR LEAVING: Spun off as full-time podcaster and host of No Agenda Show.		
DATES: From: 1/1980 To: 8/1986	EMPLOYER: International Data Corp.	POSITION TITLE: editor/columnist/consulting editor
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 10	
DUTIES: Manage writers, write news sotires and columns, oversea publishing.		
REASON FOR LEAVING: To become contributing editor at Ziff-Davis Publishing		
DATES: From: 1/1972 To: 1/1980	EMPLOYER: BAAPCD	POSITION TITLE: Field INspector
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
HOURS PER WEEK: 40		
DUTIES: General inspection duties knowledge of air pollution.		
REASON FOR LEAVING: Went to become a newspaper publisher.		
DATES: From: 1/1970 To: 1/1972	EMPLOYER: Union Oil Refinery	POSITION TITLE: Chemist
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
HOURS PER WEEK: 40		
DUTIES: Analysis of petroleum products		
REASON FOR LEAVING: Went to work for BAAPCD		

## CERTIFICATES AND LICENSES

Nothing Entered For This Section

## Skills

Nothing Entered For This Section

## ADDITIONAL INFORMATION

Nothing Entered For This Section

## REFERENCES

REFERENCE TYPE: Professional	NAME: Adam Curry	POSITION: Entrepreneur
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]	PHONE NUMBER: [REDACTED]	
REFERENCE TYPE: Professional	NAME: Andrew Horowitz	POSITION: Professional Money Manager
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]	PHONE NUMBER: [REDACTED]	
REFERENCE TYPE: Personal	NAME: Mimi Dvorak	POSITION: Book Author

ADDRESS: (Street, City, State/Province, Zip/Postal Code)	
EMAIL ADDRESS: [REDACTED]	PHONE NUMBER: [REDACTED]

Agency-Wide Questions

1. How did you find out about this position?  
District Website
2. If other, please tell us where.
3. Are you currently legally authorized to work in the United States on a full-time basis?  
Yes
4. Are you related to any District employee or Board member?  
No
5. Do you now, or will you in the future, require sponsorship for employment visa status (e.g., H-1B visa status)?  
No
6. If related to a District employee or Board member, what is their name and their relationship to you?  
No current members working for the district.
7. Are you a current or former employee of the Air District?  
Yes



Job Specific Supplemental Questions

1. Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.  
An inspector for the district for approximately 8 years. Involved specifically in covering the Standard Oil refinery plus East Bay locations. Also media and Internet experience would be valuable.
  2. Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.  
None directly applicable.
  3. Please list relevant accomplishments, publications, or awards.  
1 Published 12 Technology books, one publishing imprint, over 4500 published articles. Also Involved in podcasting since its inception.
  4. The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?  
All Tuesdays are completely open for a full day's work. No issues at all.
  5. What interests you the most about the opportunity to serve on the Air District's Hearing Board?  
I firmly believe that my background will help guide decision-making at the hearing board level. It would be an honor to serve.,
  6. Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have a client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?  
No, I am not involved in any local industry and not involved in any advocacy group whatsoever.
- 

The following terms were accepted by the applicant upon submitting the online application:

By clicking on the 'Accept' button, I hereby certify that every statement I have made in this application is true and complete to the best of my knowledge. I understand that any false or incomplete answer may be grounds for not employing me or for dismissing me after I begin work. I understand that I will have to produce documentation verifying identity and employment eligibility in the U.S. I understand that I may be required to verify any and all information given on this application. I understand that this completed application is the property of the Air District and will not be returned. I understand that the Air District may contact prior employers and other references. I understand that I must notify the Human Resources Office at [REDACTED] of any changes in my name, address, or phone number.

This application was submitted by John C Dvorak on 2/10/25 11:23 AM

## EMPLOYMENT APPLICATION

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
375 Beale Street Suite 600  
San Francisco, California 94105  
415-749-4980  
<http://www.baaqmd.gov>



Farrens, Wayne A  
HB300 HEARING BOARD MEMBER

Received: 2/4/25 3:02 PM  
For Official Use Only:  
QUAL: \_\_\_\_\_  
DNO: \_\_\_\_\_  
 Experience  
 Training  
 Other: \_\_\_\_\_

## PERSONAL INFORMATION

POSITION TITLE: HEARING BOARD MEMBER	EXAM ID#: HB300
NAME: (Last, First, Middle) Farrens, Wayne A	SOCIAL SECURITY NUMBER: [REDACTED]
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED] Sacramento, 95817	EMAIL ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]	NOTIFICATION PREFERENCE: [REDACTED]
LEGAL RIGHT TO WORK IN THE UNITED STATES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
What is your highest level of education? Bachelor's Degree	

## PREFERENCES

MINIMUM COMPENSATION: \$110,000.00 per year	ARE YOU WILLING TO RELOCATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe
WHAT TYPE OF JOB ARE YOU LOOKING FOR? Regular	
TYPES OF WORK YOU WILL ACCEPT: Full Time	
SHIFTS YOU WILL ACCEPT: Day, Evening	

## EDUCATION

DATES: From: 3/2021 To: 6/2022	SCHOOL NAME: University of California, Los Angeles	
LOCATION: (City, State/Province) Los Angeles, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Other
MAJOR: Design Communication Arts		
DATES: From: 8/2010 To: 5/2012	SCHOOL NAME: San Francisco State University	
LOCATION: (City, State/Province) San Francisco, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Bachelor's
MAJOR: Urban Studies & Planning		UNITS COMPLETED: 128 - Semester
DATES: From: 8/2006 To: 5/2008	SCHOOL NAME: Sacramento City College	
LOCATION: (City, State/Province) Sacramento, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Associate's
MAJOR: General Education		UNITS COMPLETED: 70 - Semester

## WORK EXPERIENCE

DATES: From: 8/2022 To: 11/2024	EMPLOYER: Zoneomics	POSITION TITLE: Head of Zoning Data
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
SUPERVISOR: Matthew Player - CEO	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
HOURS PER WEEK: 32	# OF EMPLOYEES SUPERVISED: 5	

DUTIES:  
Served as Urban Planning subject matter expert and as a senior member of the leadership team  
Interpreted and analyzed zoning ordinances, comprehensive plans, form-based codes, subdivision ordinances, and other land use documents for municipalities throughout the United States and Canada  
Created and delivered presentations on complex land use concepts to both internal and external stakeholders  
Managed and mentored multiple teams in a fast paced, start-up environment with frequently changing priorities  
Worked closely with the machine learning team to develop several innovations, including standardized zoning districts and standardized land use classifications that can be applied accurately across all municipalities in the United States and Canada  
Helped to define our company culture by building trust and communication across teams, being aware of and celebrating achievements and

holidays, and developing a performance review system focused on individual growth  
 Worked independently and autonomously in a fully remote environment  
 Played an essential role in securing many high-value contracts

**REASON FOR LEAVING:**

Employer failed to honor the terms of my contract

<b>DATES:</b> From: 10/2017 To: 4/2021	<b>EMPLOYER:</b> Seattle Department of Construction and Inspections	<b>POSITION TITLE:</b> Land Use Planner II
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Bruce Rips - Land Use Supervisor	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

Project manager for development proposals from pre-application through final site inspection  
 Analyzed proposed architectural designs and provided detailed feedback to improve the quality and functionality of the design  
 Research, analysis, and decision writing for land use entitlements, including Conditional Use authorizations and Variance requests  
 Managed a portfolio averaging 70 active projects, including several high-rise developments  
 Selected as department liaison for affordable housing projects, a top priority of the Mayor  
 Conducted environmental review for consistency with the Washington State Environmental Policy Act (SEPA)  
 Facilitated public hearings and community meetings  
 Entrusted with authority to approve or deny land use entitlements eligible for administrative review

**REASON FOR LEAVING:**

Relocated out-of-state.

<b>DATES:</b> From: 1/2015 To: 6/2017	<b>EMPLOYER:</b> City and County of San Francisco - Planning Department	<b>POSITION TITLE:</b> Planner II
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> David Lindsay - Senior Planner	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

Interpreted and applied the Planning Code, General Plan, and other policy documents  
 Guided architectural design to comply with design principles and local design guidelines  
 Managed a diverse portfolio of projects, averaging 100 concurrent projects  
 Conducted environmental review for consistency with the California Environmental Quality Act (CEQA)  
 Prepared and presented staff reports to decision makers at televised public hearings  
 Provided public counter assistance and responded to inquiries from applicants, the general public, and other governmental agencies  
 Initiated team building efforts, including highly successful events outside of the office

**REASON FOR LEAVING:**

Relocated out-of-state

<b>DATES:</b> From: 11/2014 To: 1/2015	<b>EMPLOYER:</b> City of South San Francisco - Planning Department	<b>POSITION TITLE:</b> Associate Planner
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Susy Kalkin - Chief Planner	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

Responsible for implementation of the City's Climate Action Plan  
 Development review, including site visits, plan checks, and preparation of staff reports  
 Interfacing with the public: providing patient, thorough service that respects each individual's communication style and barriers to understanding (language, education level, etc)

**REASON FOR LEAVING:**

Left for a better opportunity

<b>DATES:</b> From: 10/2013 To: 11/2014	<b>EMPLOYER:</b> Metropolitan Planning Group (M-Group)	<b>POSITION TITLE:</b> Assistant Planner
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Emily Lipoma (City of San Jose) - Senior Planner	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 0	

<b>DUTIES:</b> Worked on-site for the City of San Jose in the equivalent of a Planner I role Reviewed development proposals for consistency with General Plan, Zoning Code, and City Council Policies Prepared and presented detailed staff reports to decision makers and community members Evaluated requests for a wide variety of Use and Development permits, including changes to Zoning and General Plan designations Served as single point of contact between developer and other government agencies Managed the city's urban forest preservation program Provided information to the public regarding development regulations		
<b>REASON FOR LEAVING:</b> Left for employment closer to home.		
<b>DATES:</b> From: 11/2012 To: 10/2013	<b>EMPLOYER:</b> Premium Retail Services	<b>POSITION TITLE:</b> Market Manager
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		<b>COMPANY URL:</b> premiumretail.com
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Patty Zambo-Gordon - Regional Manager	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 50	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> This was an extension of my role with Creative Channel Services; duties remained the same. <ul style="list-style-type: none"> <li>Generated interest and loyalty between thousands of retail partners and our client</li> <li>Translated technical information into the appropriate language depending on audience</li> <li>Built strong business relationships with clients and sales staff</li> <li>Created marketing materials, incentives, and training tools using a limited budget</li> <li>Collected and interpreted market intelligence data; submitted daily reports to senior executives</li> <li>Represented the client at trade shows, trainings, and public relations events</li> <li>Responded immediately to changes in client's needs</li> <li>Recognized frequently as a top performer and most valuable employee</li> <li>Worked remotely via home office</li> </ul>		
<b>REASON FOR LEAVING:</b> Began career in Planning		
<b>DATES:</b> From: 8/2011 To: 12/2011	<b>EMPLOYER:</b> City and County of San Francisco	<b>POSITION TITLE:</b> Intern: Human Rights Commission
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		<b>COMPANY URL:</b> www.sfgov.org
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Beverly Popek - Certification Unit Representative	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 15	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> <ul style="list-style-type: none"> <li>Created print media and email blasts using Constant Contact and Event Brite</li> <li>Drafted letters and other official communications to be sent on behalf of the executive director</li> <li>Created and maintained databases</li> <li>Assisted applicants with the certification process</li> <li>Conducted site visits and desk audits</li> </ul>		
<b>REASON FOR LEAVING:</b> Internship program ended		
<b>DATES:</b> From: 8/2008 To: 10/2011	<b>EMPLOYER:</b> Creative Channel Services	<b>POSITION TITLE:</b> Field Marketing Representative
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		<b>COMPANY URL:</b> www.creativechannel.com
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Patty Zambo-Gordon - West Regional Manager	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 45	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> <ul style="list-style-type: none"> <li>Generated interest and loyalty between thousands of retail partners and our client</li> <li>Translated technical information into the appropriate language depending on audience</li> <li>Built strong business relationships with clients and sales staff</li> <li>Created marketing materials, incentives, and training tools using a limited budget</li> <li>Collected and interpreted market intelligence data; submitted daily reports to senior executives</li> <li>Represented the client at trade shows, trainings, and public relations events</li> <li>Responded immediately to changes in client's needs</li> <li>Recognized frequently as a top performer and most valuable employee</li> <li>Worked remotely via home office</li> </ul>		
<b>REASON FOR LEAVING:</b> To focus on my final year at San Francisco State University.		
<b>DATES:</b> From: 7/2004 To: 8/2008	<b>EMPLOYER:</b> Best Buy	<b>POSITION TITLE:</b> Sales
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		<b>COMPANY URL:</b> www.bestbuy.com

PHONE NUMBER: [REDACTED]	SUPERVISOR: Laura Schirmer - Sales Supervisor	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 0	
DUTIES: <ul style="list-style-type: none"> <li>• Worked directly with customers to identify their needs and provide complete solutions</li> <li>• Wrote and updated department business plans</li> <li>• Trained new employees</li> <li>• Consistently exceeded sales goals</li> <li>• Provided top-quality customer service including 100% Mystery Shop score</li> <li>• Balanced cash drawer</li> </ul>		
REASON FOR LEAVING: Moved to San Francisco to pursue degree in Urban Planning from San Francisco State University.		
DATES: From: 6/2003 To: 8/2004	EMPLOYER: Cary House Hotel	POSITION TITLE: Concierge
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		COMPANY URL: www.caryhouse.com
PHONE NUMBER: [REDACTED]	SUPERVISOR: Michelle Wren - Hotel Manager	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 30	# OF EMPLOYEES SUPERVISED: 0	
DUTIES: <ul style="list-style-type: none"> <li>• Provided excellent customer service</li> <li>• Assisted management with group events</li> <li>• Served as concierge to hotel guests</li> <li>• Balanced cash drawer</li> </ul>		
REASON FOR LEAVING: Moved to Sacramento to begin at Sacramento City College.		

## CERTIFICATES AND LICENSES

Nothing Entered For This Section

## Skills

Nothing Entered For This Section

## ADDITIONAL INFORMATION

Nothing Entered For This Section

## REFERENCES

REFERENCE TYPE: Professional	NAME: Emily Lipoma	POSITION: Senior Planner
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Lisa Rutzick	POSITION: Design Review Program Manager
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Liz Watty	POSITION: Director of Current Planning
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]

Agency-Wide Questions

1. How did you find out about this position?  
Job board/website (list specific under "other")
2. If other, please tell us where.
3. Are you currently legally authorized to work in the United States on a full-time basis?  
Yes
4. Are you related to any District employee or Board member?  
No
5. Do you now, or will you in the future, require sponsorship for employment visa status (e.g., H-1B visa status)?  
No
6. If related to a District employee or Board member, what is their name and their relationship to you?  
NA
7. Are you a current or former employee of the Air District?  
No

Job Specific Supplemental Questions

1. Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.  
My background in urban planning including environmental review has familiarized me with some aspects of air quality management. I have presented dozens if not hundreds of projects to commissions and boards throughout my career. In addition, in my role as Design Review Planner for the City of Seattle, I sat on the Design Review Board as the department's representative.
  2. Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.  
I am applying for the Public position, which does not seem to have any specific requirements regarding professional associations.
  3. Please list relevant accomplishments, publications, or awards.  
I have extensive experience in urban planning, but no relevant publications or awards.
  4. The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?  
Yes.
  5. What interests you the most about the opportunity to serve on the Air District's Hearing Board?  
I am always looking for new ways to serve my community. Air quality is important to me, particularly as it relates to our most vulnerable populations and historically disadvantaged communities.
  6. Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?  
No.
- 

The following terms were accepted by the applicant upon submitting the online application:

By clicking on the 'Accept' button, I hereby certify that every statement I have made in this application is true and complete to the best of my knowledge. I understand that any false or incomplete answer may be grounds for not employing me or for dismissing me after I begin work. I understand that I will have to produce documentation verifying identity and employment eligibility in the U.S. I understand that I may be required to verify any and all information given on this application. I understand that this completed application is the property of the Air District and will not be returned. I understand the the Air District may contact prior employers and other references. I understand that I must notify the Human Resources Office at [REDACTED] of any changes in my name, address, or phone number.

This application was submitted by Wayne A Farrens on 2/4/25 3:02 PM

## SUMMARY OF QUALIFICATIONS

Nine years experience as an urban planner in both public and private sectors  
Advanced knowledge of land use regulations across a wide variety of municipalities, including firsthand experience working for the cities of Seattle, San Francisco, and San José  
Strong research, analysis, and decision writing skills  
Demonstrated history of successfully managing multiple, complex projects simultaneously while consistently meeting deadlines  
Creative problem-solver with a keen eye for design and details  
Skilled leader who takes pride in mentoring and helping others reach their goals and do their best work  
Highly adaptable, reliable, and cool in a crisis  
Extensive experience reviewing development proposals from simple over-the-counter permits to new construction of high-rise buildings  
Confident and persuasive public speaker with a talent for explaining complex concepts  
A mission-driven person dedicated to improving the lives of others

## RELEVANT WORK EXPERIENCE

### Head of Zoning Data

*Zoneomics*

08/22—11/24

Served as Urban Planning subject matter expert and as a senior member of the leadership team

Interpreted and analyzed zoning ordinances, comprehensive plans, form-based codes, subdivision ordinances, and other land use documents for municipalities throughout the United States and Canada

Created and delivered presentations on complex land use concepts to both internal and external stakeholders

Managed and mentored multiple teams in a fast paced, start-up environment with frequently changing priorities

Worked closely with the machine learning team to develop several innovations, including standardized zoning districts and standardized land use classifications that can be applied accurately across all municipalities in the United States and Canada

Helped to define our company culture by building trust and communication across teams, being aware of and celebrating achievements and holidays, and developing a performance review system focused on individual growth

Worked independently and autonomously in a fully remote environment

Played an essential role in securing many high-value contracts



## EDUCATION

### San Francisco State University

BA: Urban Studies and Planning

### University of California, Los Angeles

Certificate: Design Communication Arts

## SOFTWARE

Accela

Adobe:

AfterEffects

Illustrator

InDesign

Photoshop

Amanda

ArcGIS

Bluebeam

ePlan

Microsoft:

Excel

PowerPoint

Word

## Design Review Planner

City of Seattle

10/17–03/21

Project manager for development proposals from pre-application through final site inspection  
Analyzed proposed architectural designs and provided detailed feedback to improve the quality and functionality of the design

Research, analysis, and decision writing for land use entitlements, including Conditional Use authorizations and Variance requests

Managed a portfolio averaging 70 active projects, including several high-rise developments

Selected as department liaison for affordable housing projects, a top priority of the Mayor

Conducted environmental review for consistency with the Washington State Environmental Policy Act (SEPA)

Facilitated public hearings and community meetings

Entrusted with authority to approve or deny land use entitlements eligible for administrative review

## City Planner

City of San Francisco

01/15–06/17

Interpreted and applied the Planning Code, General Plan, and other policy documents

Guided architectural design to comply with design principles and local design guidelines

Managed a diverse portfolio of projects, averaging 100 concurrent projects

Conducted environmental review for consistency with the California Environmental Quality Act (CEQA)

Prepared and presented staff reports to decision makers at televised public hearings

Provided public counter assistance and responded to inquiries from applicants, the general public, and other governmental agencies

Initiated team building efforts, including highly successful events outside of the office

## City Planner

City of San José

08/13–11/14

Reviewed development proposals for consistency with General Plan, Zoning Code, and City Council Policies

Prepared and presented detailed staff reports to decision makers and community members

Evaluated requests for a wide variety of Use and Development permits, including changes to Zoning and General Plan designations

Served as single point of contact between developer and other government agencies

Managed the city's urban forest preservation program

Provided information to the public regarding development regulations

## Samsung

Market Manager

08/08–10/13

Transformed an underperforming market to the highest performing in the country, where it remained for five consecutive quarters

Collected and interpreted market intelligence data; submitted daily summary reports to senior executives

Understood the complexities of our product and translated technological information into appropriate language depending on audience

Created marketing materials, incentives, and training tools using a limited budget

Built strong business relationships with clients and sales associates

## EMPLOYMENT APPLICATION



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 375 Beale Street Suite 600  
 San Francisco, California 94105  
 415-749-4980  
<http://www.baaqmd.gov>

McGrew, Teron M  
 HB300 HEARING BOARD MEMBER

Received: 1/30/25 2:13 PM  
 For Official Use Only:  
 QUAL: \_\_\_\_\_  
 DNO: \_\_\_\_\_  
 Experience  
 Training  
 Other: \_\_\_\_\_

## PERSONAL INFORMATION

POSITION TITLE: HEARING BOARD MEMBER	EXAM ID#: HB300
NAME: (Last, First, Middle) McGrew, Teron M	SOCIAL SECURITY NUMBER: [REDACTED]
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED] Oakland, 94609	EMAIL ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]	NOTIFICATION PREFERENCE: [REDACTED]
LEGAL RIGHT TO WORK IN THE UNITED STATES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
What is your highest level of education? Master's Degree	

## PREFERENCES

MINIMUM COMPENSATION: \$14,400.00 per year	ARE YOU WILLING TO RELOCATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe
WHAT TYPE OF JOB ARE YOU LOOKING FOR? Regular, Temporary, Seasonal, Internship	
TYPES OF WORK YOU WILL ACCEPT: Full Time, Part Time, Per Diem	
SHIFTS YOU WILL ACCEPT: Day, Evening, Night, Rotating, Weekends, On Call (as needed)	
OBJECTIVE: I am applying for the Hearing Board Member position to bring my expertise in community development, environmental justice, climate adaptation, and regulatory compliance to contribute to fair, transparent, and equitable decision-making. With significant experience in public proceedings, overseeing grant allocations, and engaging with diverse communities, I am dedicated to ensuring compliance with environmental regulations while advocating for marginalized groups.	

## EDUCATION

DATES: From: 9/2022 To: 1/2023	SCHOOL NAME: UC Agriculture and Natural Resources	
LOCATION: (City, State/Province) Berkeley, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Other
MAJOR: Climate Stewardship		
DATES: From: 9/2017 To: 7/2019	SCHOOL NAME: University of California Berkeley Extension Program Certificate	
LOCATION: (City, State/Province) Berkeley, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Other
MAJOR: Costruction & Sustainability Management		
DATES: From: 9/1991 To: 6/2000	SCHOOL NAME: University of California Los Angeles	
LOCATION: (City, State/Province) Los Angeles, California	DID YOU GRADUATE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	DEGREE RECEIVED: Doctorate
MAJOR: Urban Planning		UNITS COMPLETED: 135 - Quarter
DATES: From: 9/1989 To: 6/1991	SCHOOL NAME: University of California Davis	
LOCATION: (City, State/Province) Davis, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Master's
MAJOR: Community Development		UNITS COMPLETED: 121 - Quarter
DATES: From: 9/1982 To: 6/1989	SCHOOL NAME: University of California Davis	
LOCATION: (City, State/Province) Davis, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Bachelor's
MAJOR: Applied Behavioral Science		

<b>DATES:</b> From: 8/1978 To: 6/1982	<b>SCHOOL NAME:</b> Holy Names High School	
<b>LOCATION:</b> (City, State/Province) Oakland , California	<b>DID YOU GRADUATE?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>DEGREE RECEIVED:</b> High School Diploma

#### WORK EXPERIENCE

<b>DATES:</b> From: 9/2014 To: Present	<b>EMPLOYER:</b> Teron Marie McGrew & Associates, LLC	<b>POSITION TITLE:</b> CEO
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Teron M McGrew - CEO	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 3	
<b>DUTIES:</b> Regenerative Housing and Community Development planning with a focus on climate adaptation presentation at the Climate Change & Environmental Justice Conference, webinars, podcasts, and training Research and writing contract development & negotiations-budget, Integrated Project Delivery (IPD) G Suite (Docs, Keynote, Sheets, Gmail), Microsoft Suite (Excel, Word, PowerPoint, Access, Outlook) Consulting on strategic evaluative reports, surveys, data administration, project management & property management services Consulting on strategic research, creating & designing climate adaptation solutions for marginalized communities		
<b>REASON FOR LEAVING:</b> N/A		
<b>DATES:</b> From: 9/2022 To: 8/2024	<b>EMPLOYER:</b> CCAC/BACR	<b>POSITION TITLE:</b> CCAC Fellow
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Ken Gonzales - Program Supervisor	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40		
<b>DUTIES:</b> California Climate Action Corps, AmeriCorps Fellowship Californians Volunteers, Office of the Governor San Francisco, Ca September 2023-August 2024 Fellow at City & County of San Francisco Environment Department (SFE) Perform research and create a collaborative environmental education design at SFE Conduct community engagement outreach and engagement Presentation on "Community-led Agreements, Engagement & Community Change" Approaches Devise Proposal for Earth Day, Collaborative Environmental Education Provider Design, exploring Artificial Intelligence (AI) and Solutionist Presentation in San Francisco, CA. California Climate Action Corps, AmeriCorps Fellowship Californians Volunteers, Office of the Governor Oakland, Ca. September 2022-August 2023 Fellow at Higher Ground Neighborhood Development Corps (NDC), advancing AB 617 Creating & Developing Community Engagement & Community-led Peer to Peer Workshops on Climate Change, Climate Justice, and Improving Air Quality in Deep East Oakland Organizing and coordinating Day of Service with community partnership to plant trees at the Brookfield Greenway Project Survey creation and writing report of community responses and results for the Bay Area Air Quality Management District (BAAQMD)		
<b>REASON FOR LEAVING:</b> The 11-month fellowship ended.		
<b>DATES:</b> From: 4/2021 To: 10/2022	<b>EMPLOYER:</b> West Oakland Environmental Indicators Project (WoeIP)	<b>POSITION TITLE:</b> Community Engagement Manager
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Brian Beveridge - Co Executive Director	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 20	<b># OF EMPLOYEES SUPERVISED:</b> 3	
<b>DUTIES:</b> Assisting in the development and implementation of the organization's Community Outreach, Engagement, and Training Plan. This task includes, but is not limited to managing contact lists, emails to relevant stakeholders for all projects, direct outreach and presentations to stakeholder groups, developing newsletters and social media channels. Coordination with, and supporting all other program staff, in outreach to the organization's target populations as determined by project needs. Perform special projects as directed by the Co-Directors. Develop and manage a Volunteer Management process and policies. Manage volunteers and interns as needed for project support.		
<b>REASON FOR LEAVING:</b> CCAC Fellowship		
<b>DATES:</b> From: 4/2020 To: 6/2020	<b>EMPLOYER:</b> University of California Berkeley, Division of Computing, Data Science & Society	<b>POSITION TITLE:</b> Grant Project Analyst
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		

PHONE NUMBER: [REDACTED]	SUPERVISOR: Rebecca Miller - Chief Administrative Officer/Chief of Staff	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 20	# OF EMPLOYEES SUPERVISED: 0	
DUTIES: Research and analyze the University of California Office of the President (UCOP) 2019-2020 Advancing Faculty Diversity (AFD) proposals, for departmental granting writing efforts. Represented the Division in the Graduate Professional Community Diversity of Practice group		
REASON FOR LEAVING: Contractual agreement ended-COVID-19		
DATES: From: 2/2019 To: 4/2020	EMPLOYER: University of California Berkeley/Berkeley Regional Services	POSITION TITLE: Facilities & Operation Management
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
PHONE NUMBER: [REDACTED]	SUPERVISOR: Michael Thompson - Facilities & Operation Manager	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 20	# OF EMPLOYEES SUPERVISED: 1	
DUTIES: Assist Facilities & Operation Manager, in the operation and management of UCB off-campus property Administer and updates emergency preparedness plan, exercise, and committee meetings Administered and implemented UCB sustainability 2020 goals Managed and developed policy & procedures for access security badges, supplies, facilities maintenance and administration, with Newmark Knight property management company Co-Chair, "4th Street Black History Program		
REASON FOR LEAVING: Contractual agreement ended-COVID-19.		
DATES: From: 1/2005 To: 9/2014	EMPLOYER: AT&T Inc.	POSITION TITLE: Service Representative
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
PHONE NUMBER: [REDACTED]	SUPERVISOR: Kimberly Adams - Coach Leader	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 12	
DUTIES: Assisted Coach Leader in leading a team of 12 service representatives Developed and conducted training in customer service techniques Developed Rohnert Park Human Resource Campaign.		
REASON FOR LEAVING: Founder/CEO, McGrew & Associates, an executive housing and sustainability management consulting company.		
DATES: From: 4/2000 To: 3/2003	EMPLOYER: City of Oakland	POSITION TITLE: Program Analyst
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
PHONE NUMBER: [REDACTED]	SUPERVISOR: Rick Nemik-Cruz - Manager	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 36	# OF EMPLOYEES SUPERVISED: 0	
DUTIES: Analyzed petitions, and coordinated assigned arbitration cases with hearing officers Developed a template for draft rental decisions Assisted tenants and landlords in interpreting the rental ordinance		
REASON FOR LEAVING: Budgetary cuts and program reduction.		
DATES: From: 9/1998 To: 4/2000	EMPLOYER: Black Scholar Publications	POSITION TITLE: Subscription Coordinator
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
PHONE NUMBER: [REDACTED]	SUPERVISOR: Marsha Carter - Manager	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 20	# OF EMPLOYEES SUPERVISED: 2	
DUTIES: Managed direct mail campaigns which resulted in \$50,000 for publication operations. Organized, reported, and deposited weekly subscription revenue		
REASON FOR LEAVING: Better job opportunity with the City of Oakland Rent Adjustment Program.		

**CERTIFICATES AND LICENSES**

TYPE: Certificate, Construction & Sustainability Management	
LICENSE NUMBER:	ISSUING AGENCY: University of California Berkeley Extension Program
TYPE: Climate Stewardship Certificate	
LICENSE NUMBER:	ISSUING AGENCY: University of California Agriculture and Natural Resources

**Skills**

OFFICE SKILLS: Typing: 55 Data Entry: 13500
OTHER SKILLS: Microsoft Suite, Google G-suite, MailChimp, Zoom - Expert - 20 years and 10 months Revit, Autodesk, NavisWork, Sketch-up - Intermediate - 0 years and 6 months ProCore - Beginner - 0 years and 3 months ChapGPT 4.0 - Beginner - 1 years and 1 months
LANGUAGE(S): English - <input type="checkbox"/> Speak <input type="checkbox"/> Read <input type="checkbox"/> Write

**ADDITIONAL INFORMATION**

Nothing Entered For This Section

**REFERENCES**

REFERENCE TYPE: Professional	NAME: Phoenix Armenta	POSITION: Climate and Community Equity Manager
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Bernard Ashcraft	POSITION: CEO
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Mandy Lee	POSITION: Senior Program Manager
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Khariyyah Shabazz	POSITION: Deputy Executive Director
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]

Agency-Wide Questions

1. How did you find out about this position?  
District Website
2. If other, please tell us where.
3. Are you currently legally authorized to work in the United States on a full-time basis?  
Yes
4. Are you related to any District employee or Board member?  
No
5. Do you now, or will you in the future, require sponsorship for employment visa status (e.g., H-1B visa status)?  
No
6. If related to a District employee or Board member, what is their name and their relationship to you?  
N/A
7. Are you a current or former employee of the Air District?  
No

Job Specific Supplemental Questions

1. Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.

I have a background in environmental justice, air quality, and community engagement, which directly aligns with the work of the Bay Area Air Quality Management District (Air District). My research and professional experience have centered on the disproportionate impact of air pollution on marginalized communities, and I have collaborated extensively with public agencies to address these disparities.

As a former Community Engagement Manager at the West Oakland Environmental Indicators Project (WOEIP), I helped share the successful "Owning Our Air," a co-developed plan in collaboration with the Air District under Assembly Bill 617. This publication outlines community-driven strategies for reducing air pollution in overburdened communities. In this role, I engaged with regulatory agencies, industry representatives, and community members in formal and public settings, advancing environmental justice by presenting and analyzing health data and emissions reduction plans.

Additionally, I have served on the University of California, Davis Cal Aggie Alumni Association (CAAA), and the African and African-American Board of Directors, including my current role as Vice Chair of the DEI Committee for the CAAA Board of Directors. I am also committed to supporting initiatives focused on equity, serving with the NAACP and the Emerald Cities Collaborative (ECC) Center for Equity & Sustainability in the Building Sector (CESBS), where I contribute to awarding \$150k to equity and environmentally focused projects supporting women and climate initiatives. In these roles, I engage in decision-making processes and work to ensure compliance with regulations that promote equitable outcomes.

My combination of air quality expertise, experience in formal public proceedings, and engagement with regulated entities makes me well-equipped to contribute to the Air District's Hearing Board.

2. Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.

I am applying for the Principal A and Alternate A positions in the Public category on the Hearing Board. Below are the professional and trade associations I am involved with that directly relate to the Hearing Board category:

Cal Aggie Alumni Association (CAAA): Currently serving as Vice Chair of the DEI Committee for the CAAA Board of Directors, focusing on equity-driven policy initiatives.

Urban Land Institute (ULI): Member of the inaugural Developer of Color Cohort (2022-2023), promoting inclusive real estate, urban development, and equitable community growth.

Climate Reality Project: Former Chapter Co-Chair for the Bay Area Climate Reality Chapter, focusing on climate justice and community engagement.

In addition to these affiliations, my experience in community development, environmental justice, and regulatory engagement further supports my qualifications for this role. For instance, I chaired the Community Development Block Grant (CDBG) Committee for District 1, in Oakland, California from 2020 to 2022, overseeing grant allocations and ensuring compliance with federal regulations. Yet, as a California Climate Action Corps (CCAC) fellow, I worked on implementing air quality monitoring and emissions reduction strategies under Assembly Bill 617 in deep East Oakland, and advanced environmental education programs at the San Francisco Environment Department (SFE).

Through these roles, I have gained valuable insights into public decision-making, regulatory compliance, and community advocacy—critical aspects for serving effectively on the Hearing Board.

3. Please list relevant accomplishments, publications, or awards.

Relevant Accomplishments, Publications, and Awards:

Publications:

McGrew, Teron. "A Long Walk to Freedom: From Voting Rights to Environmental Justice" – UC Davis, February 2022.

McGrew, Teron. "The History of Residential Segregation in the U.S., Title VI, and the Homeownership Remedy" – Wiley Online Library, October 2018.

Affiliations:

Emerald Cities Collaborative (ECC) Centering Equity in the Sustainable Building Sector (CESBS) Initiative – Governance Team

The Association of Women in Water, Energy, and Environment (AWWEE) – Member.

Urban Land Institute (ULI) – San Francisco Developers of Color Fellowship Program, Fellow.

California Climate Action Corps – Fellow.

Presentations:

San Francisco Bay Conservation & Development Commission – "Stories of Climate Change."

San Francisco Environment Department – "Belonging, Racial Equity & System Change."

Getting to Net Zero Forum – "Equity & Equitable Decarbonization."

California Land Recycling Conference – Fireside Chat at "Women Visionaries" plenary panel.

Recognitions:

Othring & Belonging Institute Scholarship Recipient – April 2024.

Urban Land Institute Scholarship Recipient – April 2024.

USGBC Scholarship Recipient – Greenbuild International Conference, November 2022.

4. The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?

Yes, I have sufficient time to devote to the Hearing Board activities. I am fully prepared to attend in-person meetings as required, dedicate time to reviewing materials in advance, and actively participate in the decision-making process.

5. What interests you the most about the opportunity to serve on the Air District's Hearing Board?

I am deeply committed to environmental justice, and a just transition which is why I am particularly interested in serving on the Air District's Hearing Board. My work in fair housing legislation, and community development with a focus on climate adaptation, has reinforced my understanding of how environmental decisions disproportionately impact marginalized communities. I am passionate about ensuring that regulatory processes are both equitable and transparent, prioritizing public health while addressing the challenges of climate change.

The Hearing Board's role in upholding air quality standards while considering the needs of both industry and communities presents a unique opportunity to contribute to a just transition—where environmental regulations support economic resilience and equity. My experience engaging with both regulated entities and the public in formal proceedings has prepared me to navigate complex discussions that balance environmental protection with social and economic considerations. I am eager to apply my expertise in climate adaptation and community engagement to ensure that the Hearing Board's decisions advance clean air solutions that benefit all communities, especially those historically burdened by pollution.

6. Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?

I have no relationship with any agency, facility permitted by the District, or air quality advocacy organization that could potentially bring a case to the Hearing Board. Therefore, I do not anticipate any conflicts of interest that would affect my ability to serve on the Hearing Board.

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The following terms were accepted by the applicant upon submitting the online application:

By clicking on the 'Accept' button, I hereby certify that every statement I have made in this application is true and complete to the best of my knowledge. I understand that any false or incomplete answer may be grounds for not employing me or for dismissing me after I begin work. I understand that I will have to produce documentation verifying identity and employment eligibility in the U.S. I understand that I may be required to verify any and all information given on this application. I understand that this completed application is the property of the Air District and will not be returned. I understand the the Air District may contact prior employers and other references. I understand that I must notify the Human Resources Office at [REDACTED] of any changes in my name, address, or phone number.

This application was submitted by Teron M McGrew on 1/30/25 2:13 PM





**TERON MCGREW**

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**EDUCATION**

B.S. Applied Behavioral Science, University of California Davis, Davis, CA  
M.S., Urban and Community Development, University of California Davis, Davis, CA  
Ph.D., Candidate, Urban Planning, University of California Los Angeles, Los Angeles, CA  
Certification, Sustainability Management, University of California Berkeley Extension, Berkeley, CA  
Certificate, Climate Steward, University of California, Agriculture and Natural Resources, Berkeley, CA

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**CORE COMPETENCIES**

**•Climate Adaptation Strategies • Regenerative Housing & Community Development • Team Leadership & Training • Policy & Procedure Administration • Strategic Planning • Sales & Marketing • Customer Service • Project Management • Diversity, Equity & Inclusion**

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**PROFESSIONAL EXPERIENCE**

**Teron Marie McGrew & Associates, LLC Oakland, CA. September 2012-Present**  
**CEO/Development Consultant**

- Regenerative Housing & Community Development planning with focus on climate adaptation presentation at Climate Change & Environmental Justice Conference, webinars, podcasts, and trainings
- Research and writing contract development & negotiations-budget, Integrated Project Delivery (IPD)
- G Suite (Docs, Keynote, Sheets, Gmail), Microsoft Suite (Excel, Word, PowerPoint, Access, Outlook), and GIS
- Consulting on strategic evaluative reports, surveys, data administration, project management & property management services
- Consulting on strategic research, creating & designing climate adaptation solution for marginalized communities

California Climate Action Corps, AmeriCorps Fellowship

Californians Volunteers, Office of the Governor San Francisco, Ca September 2023-August 2024

- Fellow at City & County of San Francisco Environment Department (SFE)
- Perform research and create a collaborative environmental education design at SFE
- Conduct community engagement outreach and engagement
- Presentation on “Community-led Agreements, Engagement & Community Change” Approaches
- Devise Proposal's for Earth Day, Collaborative Environmental Education Provider Design,

exploring Artificial Intelligence (AI) and Solutionist Presentation in San Francisco, CA.

California Climate Action Corps, AmeriCorps Fellowship

Californians Volunteers, Office of the Governor Oakland, Ca. September 2022-August 2023

- Fellow at Higher Ground Neighborhood Development Corps (NDC), advancing AB 617
- Creating & Developing Community Engagement & Community-led Peer to Peer Workshops on Climate Change, Climate Justice, and Improving Air Quality in Deep East Oakland
- Organizing, Coordinating Day of Service with community partnership to plant trees at the Brookfield Greenway Project
- Survey creation and writing report of community responses and results for the Bay Area Air Quality Management District (BAAQMD)

San Francisco Urban Land Institute & Mayor's Office of Housing & Community Development (MOHCD)

Developers of Color Fellowship San Francisco, Ca September 2022-August 2023

- Collaborated with ULI & MOHCD community partners cohort- -Eden Housing, Tenderloin Neighborhood Development Corps (TNDC), & RBA Creative for the development and presentation of a Mock Notice of Funding Availability (NOFA )
- Attended the ULI Meeting in Toronto, Canada
- Customized curriculum to increase knowledge, build skills and learn about Bay Area real estate development

**Tishman Environmental and Design Center**

**The New School** (Remote) New York, New York

September 2021-April 2023

- Inaugural 2021-2023 Ripe for Creative Disruption EJ Fellowship
- Cohort of 6 groups and 21 leaders from across Turtle Island to include Indigenous Territories, as well as the Territories and Nations of Puerto Rico and Guam
- Area of Study Just Transition, Energy Democracy, Environmental Health and Climate Justice problems

**West Oakland Environmental Indicators Project Oakland, Ca**

**April 2021-October 2022**

**Community Engagement/General Management**

- Directing, managing, and supervising four graduate students on research project
- Managing the expenditure goals of the organization and environmental projects
- Community engagement presentations to local neighborhood groups to forge collaboration and activities that inform about the environmental work of WOEIP-AB 617

**University of California Berkeley, Berkeley Regional Service Berkeley, Ca April 2019-June 2020**

**Facilities & Operation Management**

- Assist Facilities & Operation Manager, in the operation and management of UCB off-campus property
- Administer and update emergency preparedness plans, exercises, and committee meetings
- Administered and implemented UCB Sustainability 2020 goals
- Managed and developed policy & procedures for access security badges, supplies, facilities maintenance and administration, with Newmark Knight property management company
- Co-Chair, "4th Street Black History Program

**University of California Berkeley, Computing, Data Science & Society April 2020-June 2020**

**Strategy & Planning**

- Represented the Division in the Graduate Professional Community Diversity of Practice group

**University of California Berkeley, Computing, Data Science & Society April 2020-June 2020**

**Strategy & Planning**

- Represented the Division in the Graduate Professional Community Diversity of Practice group

**AT&T Incorporation, Rohnert Park, CA.**

**2005-2014**

**Service Representative**

## City of Oakand, CA

- Service Representative in the Retention Relation Management Department & Project Lead for the Rohnert Park Human Resource Campaign
- Analyzed AT&T customer's inquiries about their products and services in a timely resolve manner, process complex work orders, and track department progress for evaluative purposes
- Assisted in leading a team of 12 service representatives
- Trained service representatives on "How to provide Excellent Customer Service"
- Recipient of company awards for sales volume, customer retention and customer satisfaction and presentation skills
- Graduate of Coach Readiness Program
- Spearheaded Microsoft "Trilogy" course for Coach Readiness Candidate

## City of Oakand, CA

### Program Analyst

- Assisted manager in preparing arbitration cases
- Analyzed petitions, scheduled hearings maintained arbitration cases
- Developed policies and procedures

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## TEACHING EXPERIENCE

### Howard University

National Fair Housing Training Academy, Washington, D.C.

2003-2005

#### Adjunct Professor

- Trained practitioners and fair housing investigators on a variety of issues including the cumulative impact of racial discrimination on individuals, their families and communities

### Hayward Unified School District, Hayward, CA

1999-2000

#### Substitute Teacher

- Taught Special Education and Advance Placement English, and American Government courses which examined the American Constitution

### New College Weekend Program, San Francisco, CA

1998-1999

#### Guest Lecturer, English Literature Department

- Lectured undergraduates on social location, capitalism and their influence on the novel by Sandra Cisneros, entitled, "The House on Mango Street"
- Engaged students in a collaborative interdisciplinary inquiry

### University of California (UCLA), Los Angeles, CA

1993-1995

#### Teaching Assistant

- Assisted Professors in women studies and political science classes by leading discussions and lecturing 40 undergraduates on social, economic and political issues, as they pertain to race, gender, class and sexuality dynamics
- Committee Member- Women's Studies Department
- Consistently received a rating of "Outstanding" on teaching assistant evaluations

## EMPLOYMENT APPLICATION



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 375 Beale Street Suite 600  
 San Francisco, California 94105  
 415-749-4980  
<http://www.baaqmd.gov>

Oxley, Stephanie L  
 HB300 HEARING BOARD MEMBER

Received: 1/18/25 1:13 PM  
 For Official Use Only:  
 QUAL: \_\_\_\_\_  
 DNO: \_\_\_\_\_  
 Experience  
 Training  
 Other: \_\_\_\_\_

## PERSONAL INFORMATION

POSITION TITLE: HEARING BOARD MEMBER	EXAM ID#: HB300
NAME: (Last, First, Middle) Oxley, Stephanie L	SOCIAL SECURITY NUMBER: [REDACTED]
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED] Kensington, 94707	EMAIL ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]	NOTIFICATION PREFERENCE: [REDACTED]
LEGAL RIGHT TO WORK IN THE UNITED STATES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
What is your highest level of education? Doctorate	

## PREFERENCES

MINIMUM COMPENSATION: \$0.00 per year	ARE YOU WILLING TO RELOCATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe
WHAT TYPE OF JOB ARE YOU LOOKING FOR? Regular	
TYPES OF WORK YOU WILL ACCEPT: Full Time, Part Time, Per Diem	
SHIFTS YOU WILL ACCEPT: Day, Evening, Night, Rotating, Weekends, On Call (as needed)	
OBJECTIVE: Hearing Board Member	

## EDUCATION

DATES: From: 1/2020 To: 5/2022	SCHOOL NAME: Lewis & Clark Law School	
LOCATION: (City, State/Province) Portland, Oregon	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Master's
MAJOR: Environmental/Energy/Natural Resources Law		UNITS COMPLETED: 26 - Semester
DATES: From: 8/2003 To: 5/2006	SCHOOL NAME: University of San Francisco School of Law	
LOCATION: (City, State/Province) San Francisco, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Professional
MAJOR: Law		UNITS COMPLETED: 87 - Semester
DATES: From: 8/1983 To: 5/1987	SCHOOL NAME: Oberlin College	
LOCATION: (City, State/Province) Oberlin, Ohio	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Bachelor's
MAJOR: Philosophy/Geology		UNITS COMPLETED: 112 - Semester

## WORK EXPERIENCE

DATES: From: 1/2024 To: 12/2024	EMPLOYER: California Air Resources Board	POSITION TITLE: Senior Attorney
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		COMPANY URL: <a href="https://ww2.arb.ca.gov/">https://ww2.arb.ca.gov/</a>
PHONE NUMBER: [REDACTED]	SUPERVISOR: Shannon Dilley - Assistant Chief Counsel	MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
HOURS PER WEEK: 40	# OF EMPLOYEES SUPERVISED: 0	

<b>DUTIES:</b> Provide written and oral legal advice to CARB's executives, management, and staff on complex legal issues across CARB's programs. Develop strategy and tactics in disputes, negotiation, and in implementing and enforcing regulations. Work with CARB management and staff, and as needed, officials from other federal and State government agencies, and the California Attorney General's Office on enforcement matters relating to CARB's programs. Review reports, settlement agreements, letters, guidance, and other documents for potential legal issue. Provide legal assistance on incentives, general law topics, grants, and other programs. •Negotiated settlements in high-profile cases exceeding \$1 million and helped negotiate terms in \$82 million settlement.		
<b>REASON FOR LEAVING:</b> Travel policy change.		
<b>DATES:</b> From: 3/2020 To: 11/2021	<b>EMPLOYER:</b> San Francisco Bay Bird Observatory	<b>POSITION TITLE:</b> Board Member (volunteer)
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>SUPERVISOR:</b> Marty Michael - Chair of the Board	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>HOURS PER WEEK:</b> 2	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> •Worked cooperatively with board members to define SFBBO's mission and set policies and priorities; established organizational goals; monitored and evaluated organizational performance; established financial policies; monitored budgets and assured financial accountability; and created fundraising strategies. Advocated and promoted awareness of SFBBO's mission. •Prepared legal research and advice regarding scientifically-based conservation activities and the operations of a nonprofit. Reviewed contracts regarding conservation, investment services, and nonprofit activities.		
<b>REASON FOR LEAVING:</b> Master of Laws Program.		
<b>DATES:</b> From: 1/2015 To: 11/2019	<b>EMPLOYER:</b> Oxley Law Office	<b>POSITION TITLE:</b> Attorney
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Self-employed - Attorney/Client	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 20	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> •Provided litigation services to public interest firms with environmental cases in state and federal court. Worked on matters involving the Endangered Species Act, the California Environmental Quality Act, the Clean Water Act, private and public nuisance, toxic products, stormwater runoff, civil procedure, real estate, and local land use codes. Collaborated with attorneys engaged in trial preparation and adapted quickly to matters already in progress. •Drafted legal motions and briefs; and assisted in drafting pleadings, oppositions to amicus curiae, and oppositions to summary judgment motions. Prepared and drafted state and federal public records requests and discovery documents. Drafted cease and desist letters, and agreements. Provided legal research and analysis, collected and organized evidence, reviewed and analyzed documents, outlined material facts, and initiated contact with experts. Drafted direct and cross-examination questions to be posed to expert witnesses by the trial attorney in a successful Endangered Species Act case, Wishtoyo Foundation v. United Water Conservation District. •Also conducted legal research on copyright law and health law issues; drafted landlord/tenant agreements, vendor agreements, and a management and operations agreement for a publishing endeavor.		
<b>REASON FOR LEAVING:</b> Entered Master of Laws program.		
<b>DATES:</b> From: 12/2015 To: 1/2017	<b>EMPLOYER:</b> Families for Clean Air	<b>POSITION TITLE:</b> Advocate and Board Member (volunteer)
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		<b>COMPANY URL:</b> <a href="http://www.familiesforcleanair.org/">http://www.familiesforcleanair.org/</a>
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Susan Goldsborough - Executive Director	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 2	<b># OF EMPLOYEES SUPERVISED:</b> 0	
<b>DUTIES:</b> •Advocated orally at public hearings before the Bay Area Air Quality Management District Board for regional regulatory changes concerning wood smoke. Analyzed technical and scientific evidence concerning the health and climate effects of wood smoke, and the environmental benefits and energy efficiency of electric heat pumps. Group efforts and collaborations with partner organizations culminated in changes to local regulations. •Provided FCA with research and analysis on legal questions concerning the California Administrative Procedures Act and the Clean Air Act.		
<b>REASON FOR LEAVING:</b> Campaign ended and activities became dormant.		
<b>DATES:</b> From: 2/2008 To: 7/2014	<b>EMPLOYER:</b> California Department of Health Care Services	<b>POSITION TITLE:</b> Attorney A-D
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>SUPERVISOR:</b> Michael Kilpatrick-retired (Denise Ackerman) - Assistant Chief Counsel	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

- Represented the DHCS, a state-administered federal program, in defense and enforcement matters at formal administrative hearings. Handled matters concerning financial audits, health law, benefits, administrative policy, and employment matters. Supplied in-house counsel to program employees at all levels on these issues, as well as issues of federal and state privacy law, conflicts of interest, public records requests, and intellectual property law. Responsibility and complexity progressively increased with promotion through the A-D series.
- Developed excellent organizational, time management, and litigation skills while independently managing, preparing, and bringing a busy caseload of matters to hearing. Propounded and responded to administrative discovery requests; evaluated evidence; developed successful legal theories and strategies grounded in statute, regulations, and case law; prepared witnesses and experts for hearing; presented cases orally to formal tribunals; drafted relevant pretrial motions; authored closing briefs; and negotiated and drafted settlement agreements.
- Maintained good relationships and worked cooperatively with diverse clients, stakeholders, paralegals, and legal assistants preparing cases for hearings. Mentored new attorneys, collaborated with the administrative litigation team on group efforts, and presented training materials. Assisted privacy office in negotiating contract terms with outside vendors. After working hours, directed employees and produced a dual-agency fundraiser talent show and created it to be inclusive and diverse.
- Litigation efforts resulted in an exceptional record on my team of achieving favorable case outcomes through settlement and hearings.

**REASON FOR LEAVING:**

Expand legal practice.

<b>DATES:</b> From: 9/2005 To: 12/2005	<b>EMPLOYER:</b> Office of the San Francisco City Attorney	<b>POSITION TITLE:</b> Legal Intern
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>SUPERVISOR:</b> Susan Cleveland-Knowles	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>HOURS PER WEEK:</b> 16	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

Researched and drafted legal memoranda analyzing intergovernmental immunities, construction equipment emissions, earthquake safety regulations, land development, and park regulations. Summarized state legislation, and helped draft local environmental legislation.

**REASON FOR LEAVING:**

End of semester internship

<b>DATES:</b> From: 7/2004 To: 9/2004	<b>EMPLOYER:</b> California Coastal Commission	<b>POSITION TITLE:</b> Intern
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>SUPERVISOR:</b> Nancy Cave	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>HOURS PER WEEK:</b> 20	<b># OF EMPLOYEES SUPERVISED:</b> 0	

**DUTIES:**

Investigated unpermitted coastal obstructions. Examined aerial photos to identify coastal obstructions. Once identified, located property lot number on housing maps and researched whether there was a permit filed for the obstruction. If obstruction was unpermitted, drafted letter to the landowner informing them of their responsibilities under the California Coastal Act.

**REASON FOR LEAVING:**

School resumed.

<b>DATES:</b> From: 12/1997 To: 10/2002	<b>EMPLOYER:</b> KnitMedia/Knitting Factory	<b>POSITION TITLE:</b> Vice President, Recording Label Group
<b>ADDRESS:</b> (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
<b>PHONE NUMBER:</b> [REDACTED]	<b>SUPERVISOR:</b> Michael Dorf - President and Owner	<b>MAY WE CONTACT THIS EMPLOYER?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>HOURS PER WEEK:</b> 40	<b># OF EMPLOYEES SUPERVISED:</b> 8	

**DUTIES:**

- Independently directed and managed the operations of four recording labels, wearing many hats in a start-up environment. Supervised, hired, and trained a close-knit label team. Coordinated and oversaw recording, manufacturing, marketing, and publicity efforts. Responsible for creating marketing plans, developing project strategies, and overseeing implementation with budgets ranging from \$1,000-\$100,000. Monitored and tracked implementation of plans
- Initiated partnerships with domestic and international distributors, vendors, and artists. Negotiated contracts and licensing agreements with partners. Coordinated and collaborated with domestic and international partners on marketing efforts.
- Represented company at domestic and international conferences.
- Restructured and directed operations in the European Office, resolved issues with Dutch Tax Authorities, vendors, and in the collection of delinquent receivables.
- Led team to achieve increased revenues, distribution, and brand recognition.

**REASON FOR LEAVING:**

Change in ownership.

**CERTIFICATES AND LICENSES**

<b>TYPE:</b> California State Bar	
<b>LICENSE NUMBER:</b> [REDACTED]	<b>ISSUING AGENCY:</b> California State Bar
<b>TYPE:</b> Certificate in International and Comparative Law	

LICENSE NUMBER:	ISSUING AGENCY: University of San Francisco School of Law
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## Skills

OFFICE SKILLS: Typing: 50 Data Entry: 0
OTHER SKILLS: Microsoft Office - Intermediate - 15 years and 0 months Adobe - Intermediate - 2 years and 0 months Google Docs - Intermediate - 2 years and 2 months Dropbox - Intermediate - 1 years and 4 months Microsoft Outlook - Expert - 6 years and 4 months Clio - Intermediate - 0 years and 4 months Photoshop - Beginner - 2 years and 0 months Excel - Intermediate - 6 years and 0 months PowerPoint - Intermediate - 3 years and 0 months
LANGUAGE(S):

## ADDITIONAL INFORMATION

Honors & Awards Awarded certificate in international and comparative law with honors from University of San Francisco School of Law. Graduated Magna Cum Laude, Lewis & Clark Law School.
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## REFERENCES

REFERENCE TYPE: Professional	NAME: Derek Backus	POSITION: Administrative Law Judge II
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Daniel Rohlf	POSITION: Professor
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Shannon Dilley	POSITION: Assistant Chief Counsel
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]

Agency-Wide Questions

1. How did you find out about this position?  
Job board/website (list specific under "other")
2. If other, please tell us where.  
linkedIn
3. Are you currently legally authorized to work in the United States on a full-time basis?  
Yes
4. Are you related to any District employee or Board member?  
No
5. Do you now, or will you in the future, require sponsorship for employment visa status (e.g., H-1B visa status)?  
No
6. If related to a District employee or Board member, what is their name and their relationship to you?  
n/a
7. Are you a current or former employee of the Air District?  
No



Job Specific Supplemental Questions

1. Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.

I am a practicing state and environmental public interest attorney with experience related to air quality issues. During the last twelve months, I worked as a Senior Attorney at the California Air Resources Board (CARB) where I have provided counsel to program staff, drafted high-level documents on complicated and sensitive issues, conducted and participated in settlement negotiations on enforcement matters, and reviewed grant agreements and incentive programs. I have been deeply involved with a variety of air-quality issues, including researching the reportage of wildfire greenhouse gases in international, national, and state emissions inventories; helping negotiate terms for a high-profile \$82 million settlement with an oil refinery; and analyzing a lawsuit filed against a CARB program and writing the referral of the matter to the attorney general. I productively managed work flow, helped lead projects to completion, and identified strategies and solutions creatively, while being enthusiastic, congenial, and collaborative. I have been a board member for two organizations. I was an executive board member for the San Francisco Bay Bird Observatory (SFBBO). SFBBO is a science-led conservation organization and its board is active and formal. The board met monthly and worked cooperatively to define SFBBO's mission and set policies and priorities for the staff; establish organizational goals; monitor and evaluate organizational performance; establish financial policies; monitor budgets and assure financial accountability; and create fundraising strategies. In addition, I provided legal research and advice regarding nonprofit operations and helped in the review of conservation and investment contracts.

I had earlier been a board member for Families for Clean Air (FCA), an advocacy organization of which the board members were the advocates. At FCA, the board met less formally to discuss strategies and progress regarding a campaign to seek tighter regulations of regional wood smoke regulations. As a board member at FCA, I researched cold-climate electric heat pumps and the harms of wood smoke to human health and the climate and condensed the research into short statements that I presented at public hearings before the Bay Area Air Quality Management District.

2. Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.

Member of the State Bar of California, member number [REDACTED]

3. Please list relevant accomplishments, publications, or awards.

I earned a Master of Laws in environmental, natural resources, and energy law from Lewis & Clark Law School, magna cum laude.

4. The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?

Yes.

5. What interests you the most about the opportunity to serve on the Air District's Hearing Board?

I am interested in this opportunity to serve and to gain experience making decisions with other hearing board members on matters relevant to the public interest.

6. Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?

No, not presently. I was formally involved with Families for Clean Air, but I am no longer actively engaged with the organization. It is my understanding that it is no longer active.

The following terms were accepted by the applicant upon submitting the online application:

By clicking on the 'Accept' button, I hereby certify that every statement I have made in this application is true and complete to the best of my knowledge. I understand that any false or incomplete answer may be grounds for not employing me or for dismissing me after I begin work. I understand that I will have to produce documentation verifying identity and employment eligibility in the U.S. I understand that I may be required to verify any and all information given on this application. I understand that this completed application is the property of the Air District and will not be returned. I understand the the Air District may contact prior employers and other references. I understand that I must notify the Human Resources Office at [REDACTED] of any changes in my name, address, or phone number.

This application was submitted by Stephanie L Oxley on 1/18/25 1:13 PM

# Stephanie L. Oxley Resume

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## LEGAL EXPERIENCE

### California Air Resources Board (CARB) Senior Attorney

Remote-Sacramento, CA  
January 2024-December 2024

Provided written and oral legal advice to CARB's executives, management, and staff on complex legal issues across CARB's programs. Developed strategy and tactics in disputes, negotiation, and in implementing and enforcing regulations. Worked with CARB management and staff, and as needed, officials from other federal and State government agencies, and the California Attorney General's Office on enforcement matters relating to CARB's programs. Reviewed reports, settlement agreements, letters, guidance, and other documents for potential legal issue. Provided legal assistance on incentives, general law topics, grants, and other programs.

- Negotiated settlements in high-profile cases exceeding \$1 million and helped negotiate terms in \$82 million settlement.

### San Francisco Bay Bird Observatory (SFBBO) Board Member (volunteer)

Remote-Milpitas, CA  
March 2020 - November 2021

Worked cooperatively with board members to define SFBBO's mission and set policies and priorities; established organizational goals; monitored and evaluated organizational performance; established financial policies; monitored budgets and assured financial accountability; and created fundraising strategies. Conducted and prepared legal research and advice regarding conservation activities and nonprofit operations. Reviewed conservation and investment contracts.

### Oxley Law Office

Kensington, CA

### Freelance/Contract Environmental Public Interest Attorney

January 2015 - November 2019

Provided litigation services to public interest firms with environmental cases in state and federal court. Worked on matters involving the endangered species, private and public nuisance, toxic products, stormwater runoff, civil procedure, real estate, and local land use codes. Conducted legal research and analysis, collected and organized evidence, reviewed and analyzed documents, outlined material facts, and initiated contact with experts. Drafted discovery requests, discovery motions, motions in limine, public records requests, and letters. Assisted in composing and editing parts of a pleading, an opposition to a summary judgment motion, an adjudication motion, and an amicus brief. Prepared and drafted direct and cross-examination questions posed to expert witnesses at trial in a successful Endangered Species Act case, *Wishtoyo Foundation v. United Water Conservation District*.

### Families for Clean Air (FCA) Board Member (volunteer)

Remote-Mill Valley, CA  
January 2015 - January 2017

Advocated orally at public hearings before the Bay Area Air Quality Management District Board for regional regulatory changes concerning wood smoke. Analyzed technical and scientific evidence concerning the health and climate effects of wood smoke, and the environmental benefits and energy efficiency of electric heat pumps. Provided FCA with research and analysis on legal questions concerning the California Administrative Procedures Act and the Clean Air Act.

- Efforts and collaborations with partner organizations culminated in changes to local regulations.

### State of California Department of Health Care Services (DHCS) Administrative Litigation Attorney & House Counsel

Sacramento, CA  
February 2008 - June 2014

Represented the DHCS in defense and enforcement matters at formal administrative hearings concerning financial audits, health law, benefits, administrative policy, and employment matters. Provided written and oral counsel to executive managers and staff on the same matters and federal and state privacy law, conflicts of interest, public records requests, and intellectual property law. Responsibility and complexity progressively increased with promotion through the A-D series.

- Developed excellent organizational, time management, and litigation skills while independently managing, preparing, and bringing a busy caseload of matters to hearing. Propounded and responded to administrative discovery requests; evaluated evidence; developed successful legal theories and strategies grounded in statute, regulations, and case law; prepared witnesses and

experts for hearing; presented cases orally to formal tribunals; drafted relevant pretrial motions; authored closing briefs; and negotiated and drafted settlement agreements.

- Maintained good relationships and worked cooperatively with diverse clients, stakeholders, paralegals, and legal assistants. Mentored new attorneys, provided trainings, and collaborated with team. Assisted privacy office negotiating contract terms with outside vendors. Directed employees and produced a dual-agency fundraiser talent show and created it to be inclusive and diverse.
- Maintained exceptional record on team of favorable outcomes through settlement and hearings.

### LEGAL INTERNSHIPS

**Office of the San Francisco City Attorney** **San Francisco, CA**  
**Legal Intern, Land Use and Environmental Division** **September - December 2005**  
Provided legal research in memoranda, summarized legislation, and helped draft local legislation.

**California Coastal Commission** **San Francisco, CA**  
**Intern (Enforcement Division)** **July - August 2004**  
Analyzed evidence of violations of the California Coastal Act and drafted pre-enforcement letters.

### PROJECT & BUSINESS MANAGEMENT EXPERIENCE

**KnitMedia, Inc.** **New York City, NY /Amsterdam, Netherlands**  
**Vice-President and Director, European Office** **2001 - 2002**  
**Vice President, KnitMedia Label Group** **1998 - 2002**  
**Label Manager, Shimmy-Disc** **1997 - 2000**  
**Label Manager, Knitting Factory Records** **1993 - 1995**

Independently directed and managed the operations of four recording labels, wearing many hats in a start-up environment. Supervised, hired, and trained a close-knit label team. Coordinated and oversaw recording, manufacturing, marketing, and publicity efforts. Responsible for creating marketing plans, developing project strategies, and overseeing implementation with budgets ranging from \$1,000-\$100,000. Monitored and tracked implementation of marketing plans. Initiated partnerships with domestic and international distributors, vendors, and artists. Negotiated contracts and licensing agreements with partners. Coordinated and collaborated with domestic and international partners on marketing efforts. Represented company at domestic and international conferences. Restructured and directed operations in the European Office, resolved issues with Dutch Tax Authorities, vendors, and in the collection of delinquent receivables.

- Led team to achieve increased revenues, distribution, and brand recognition.

### EDUCATION

**Lewis & Clark Law School** **Portland, OR, January 2020 - May 2022**  
**Master of Laws (LL.M.) in Environmental, Natural Resources, and Energy Law - magna cum laude**

- **Relevant Course Work:**
  - U.S. Climate Change Law
  - International Climate Change Law
  - International Wildlife Law
  - International Environmental Law
  - Ocean and Coastal Law
  - Administrative Law
  - Public Lands Law
  - Biodiversity and forest conservation: Wildlife Corridor Acts, 30x30 Policy, & United Nations REDD+
- **Global Law Alliance for Animals and the Environment, law clinic-independent study (2022).** Helped prepare international legal guidance documents outlining: 1) human rights provisions within the environmental assessment laws of two African nations, and 2) potential land use mechanisms supporting connectivity conservation projects. Outlined emerging climate policies at World Heritage sites for text.

**University of San Francisco School of Law** **San Francisco, CA, May 2006**  
**Juris Doctor**

- Awarded Certificate in International and Comparative Law, *with honors*.
- Environmental Law Society, speaker series organizer.

**Oberlin College** **Oberlin, OH, May 1987**  
**Bachelor of Arts in Philosophy and minor in Geology**

- Elected Station Manager of WOBC-FM, a community/college radio station in Oberlin, OH.

### PROFESSIONAL MEMBERSHIPS

Member, State Bar of California, # [REDACTED] **2006 - Current**

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## RESEARCH EXPERIENCE

University of California at Berkeley, Western Consortium for Public Health, Berkeley, CA, University of California at Davis, Davis, CA 1990-1998 Research Assistant

*Planned research projects, conducted research, interviews, analyzed statistical data, and wrote reports on findings.*

- ◆ Conducted research and interviews for the Oral History Project at the University of California, Berkeley
- ◆ Conducted interviews with a cross section of the African-American Health Care Service providers in Oakland, CA
- ◆ Analyzed and interpreted information on an anti-smoking campaign and wrote a report on my findings for the Western Consortium for Public Health
- ◆ Extracted raw data from a mailing survey on “Sustainable Agriculture,” and set up the format to perform analysis of findings for the Environmental Design Department at the University of California Davis

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## PUBLICATIONS

McGrew, Teron. February 14, 2022. “A Long Walk to Freedom: From Voting Rights to Environmental Justice.” One Aggie Network, UC Davis Alumni and Affiliate Relations.  
<https://alumni.ucdavis.edu/news/a-long-walk-to-freedom>

McGrew, Teron. October 29, 2018. “The History of Residential Segregation in the United States, Title VII, and the Homeownership Remedy.” [www.onlinelibrary.wiley.com/doi/10.1111/ajes.12243](http://www.onlinelibrary.wiley.com/doi/10.1111/ajes.12243)

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## AFFILIATIONS, PRESENTATIONS & RECOGNITIONS

Facilitator, Urban Land Institute (ULI) UrbanPlan December 4, 2024	Speaker, San Francisco Bay Conservation & Development Commission. San Francisco Leadership Academy, "Stories of Climate Change: Exploring Causes, Impacts, and Community Solutions" January 15, 2025
Speaker, San Francisco Environment Department (SFE), “Belonging, Racial Equity & System Change & Research on Environmental Educator in San Francisco.” August 6, 2024	Center for Equity in the Sustainability Sector (CESBS) Governance Team, Emerald Cities Collaborative (ECC) September 2022-present
Othering & Belonging Institute Scholarship Recipient, Conference, April 25-27, 2024, Oakland, California	Cal Aggie Alumni Association (CAAA) Board of Directors’ Diversity, Equity & Inclusion (DEI), Vice Chair, July 2024-present

Speaker, UC Davis Global Learning Conference, ‘Leaders in Government’, April 5, 2024	Urban Land Institute, Scholarship Recipient, Spring Meeting, April 9-11, 2024 New York City, New York
Speaker, San Francisco Environment Department (SFE), Community Partnership & Engagement Team, “Community-led Approaches,” February 14, 2024	Speaker, San Francisco Environment Department (SFE), Black History Month Showcase, “Storytelling for Climate Adaptation & Empowerment,” February 15, 2024
Speaker, Getting to Net Zero Forum. “The Nuts & Bolts: Equity & Equitable Decarbonization,” May 12, 2023, Minneapolis, Minnesota	Speaker, Pathway to Equity: “Application & Strategies for Equity.” June 6, 2023
Speaker, NBC Universal Black Employee Network (BEN), “Extreme Weather and the Impacts on Black & Brown Communities.” April 17, 2023	Invitation to First Partner Jennifer Siebel Newson Earth Day, April 22, 2023
Speaker, Californians Climate Action (CCAC) Day of Service December 10, 2022	Invitation to Governor Gavin Newsom Inauguration, January 6, 2023
Urban Land Institute (ULI) San Francisco & San Francisco Mayor Office of Housing & Community Development Bay Area Developers of Color Fellowship Program, Fellow October 2022-August 2023	California Climate Action Corps, Fellow Office of Governor Gavin Newsom September 2022-2023
Speaker: Fireside Chat at the “Women Visionaries” plenary panel at the 2022 California Land Recycling Conference, “Reuse, Rebuild, Revitalize,” June 21-23i, Carson, CA.	USGBC Scholarship Recipient, Greenbuild International Conference + Expo, November 1-3, 2022
Presenter, University of California Davis, Global Learning Conference- Navigating Challenges & Strengths Through Collaboration Action: “Speaking as a First-Generation Student and Passion about Solving Global Challenges-Climate Change.” April 2, 2022.	Fellow, Ripe for Creative Disruption Environmental Justice Movement Fellowship, The Tishman Environment and Design Center, The New School, NYC, November 2021- June, 2023.
San Francisco State University: Professor Sharon Jones: “Climate change and Climate Justice in the United States: Impacts & Adaptation Solutions.” September 27, 2021	Oakland Shoreline Leadership Academy: Presentation- “Climate Change & Environmental Justice” July 24, 2021
Climate Reality Project-Youth Training Series: “Environmental Justice from the Grassroots.” August 22, 2021	Unitarian Universalist Church of Berkeley” Owning and Building Environmental Justice Consciousness”. August 15, 2021
University of California Davis, Cal Aggie Alumni Association (CAAA) Board of Directors, July 1, 2021	Climate Reality Project- Chapter Training Series: Establishing Climate Justice Priorities- June 16, 2021
United States Green Building Council (USGBC) LEED AP with Specialty Scholarship, March 31, 2021	Climate Reality Bay Area Chapter: the 1st Annual Black History Month Program: An evening with UC Davis Vice Chancellor Renetta Garrison

	Tull, Office of Diversity, Equity, and Inclusion. February 24, 2021
Chapter Co-Chair, San Francisco/Bay Area Climate Reality Chapter, February 1, 2021	Member, The Association of Women in Water, Energy and Environment (AWWEE), January 2021
Presentation, The Climate Reality Project, Unity in Community, December 12, 2020, “Environmental Justice, Leaning into Approaches to Redress Racism.”	NAACP’s Centering Equity in the Sustainable Building Sector Environmental and Climate Justice Program (CESBS) Initiative-Build Codes and Standards Working group. October 2020-present
Ellen Kim, San Mateo Office of Sustainability Youth Ambassadorship Program Now Panel Series: “Environmental Justice & Intersectional Environmentalism” <a href="https://www.youtube.com/watch?v=KXvHwsxMZw&amp;t=30s&amp;ab_channel=SanMateoCounty%2COfficeofSustainability">https://www.youtube.com/watch?v=KXvHwsxMZw&amp;t=30s&amp;ab_channel=SanMateoCounty%2COfficeofSustainability</a> October 17, 2020.	Climate Changers with Ryan Flavie, Racial Justice, Climate Justice and Equity with Teron McGrew <a href="https://climate-changers.simplecast.com/episodes/racial-justice-climate-justice-and-equity">https://climate-changers.simplecast.com/episodes/racial-justice-climate-justice-and-equity</a> October 8, 2020
West Oakland Benefits for Equity (WOBE), January 2020-present	Berkeley Climate Action Coalition (BCAC) Electrification Working Group-April 2019-present
Mentor, Climate Reality Global Activist Training 1 & 3, July & August 2020	City of Berkeley’s Technical Advisory Committee (TAC), September -present
Creator, Climate Reality Bay Area Chapter (CRBA) Climate Justice Virtual Salon Series: Carl Anthony & Paloma Pavel, PhD Action Strategies for Collaboration and Coalition and Interconnection: Black Lives Matter, Just Transition & A Green Economic Recovery.” August 5, 2020. <a href="https://www.climate reality bay area.org/events/2020/8/5/monthly-climate-justice-team-meeting">https://www.climate reality bay area.org/events/2020/8/5/monthly-climate-justice-team-meeting</a>	Creator, Climate Reality Bay Area Chapter (CRBA) Climate Justice Virtual Salon Series: Lisa Ferguson PhD: A Discussion with Lisa Ferguson: Climate Justice and Anti-Racism. July 15, 2020. <a href="https://www.climate reality bay area.org/events/2020/7/15-salon-series-event#">https://www.climate reality bay area.org/events/2020/7/15-salon-series-event#</a>
Jessica Hamilton, Climate Reality Project Communication Manager, Climate Reality Project, Climate Reality Leader Spotlight: Climate Champion Teron McGrew and The Quest for Climate Justice in Reality” June 30, 2020	KQED: Featuring Teron McGrew John Upton, Climate Central: Tear Gas, Pollution, Wildfire Smoke: A Triple Threat to Your Lungs, June 10, 2020. Featuring Teron McGrew

	<a href="https://www.kqed.org/science/1965688/tear-gas-pollution-wildfire-smoke-a-triple-threat-to-your-lungs">https://www.kqed.org/science/1965688/tear-gas-pollution-wildfire-smoke-a-triple-threat-to-your-lungs</a>
<p>Creator, Climate Reality Bay Area Chapter (CRBA) Climate Justice Virtual Salon Series: A Discussion with Crystal Huang of People Power Solar Cooperative: People Power: A Worker-Led, Grassroots-Led, Decentralized, Change-Making Organization.</p> <p>June 3, 2020  <a href="https://www.climate reality bay area.org/events/2020/6/3-salon-series-event">https://www.climate reality bay area.org/events/2020/6/3-salon-series-event</a></p>	<p>Creator, Climate Reality Bay Area Chapter (CRBA) Climate Justice Virtual Salon Series: A Discussion Jeremy Lent: How Did We Get Here? How Different Ideas of The Universe Shaped History- And Could Shape a Better Future.”</p> <p>May 12, 2020.</p> <p>KQED:  <a href="https://www.climate reality bay area.org/events/2020/5/12-salon-series-event">https://www.climate reality bay area.org/events/2020/5/12-salon-series-event</a></p>
Co-Chair, Climate Justice, Climate Reality Project Bay Area Chapter, February 2020-present	Chair, Community Development Block Grant (CDBG), Board, District 1, March 6, 2020-2022
Secretary, Community Development Block Grant (CDBG) Board, District 1 January 2017-present	Board Member, UC Davis, African and African-American Alumni Association 2016-present California Aggie Alumni Association (Lifetime member) 2018
Certified Disaster Service Worker, City of Oakland June 2013-present	Cohort, City of Oakland, Port of Oakland, Oakland A’s, West Oakland Environmental Indicator Project (WOEIP), “A’s Howard Terminal Community Building Agreement (CBA), Cohort, January 2020-present
Presentation, The Climate Reality Project Leader, Wells Fargo, CleanTech Division, Presentation: The Impacts of Climate Change on Marginalized Communities” January 2019	Presentation, Climate Reality Leader, National Forum for Black Public Administrators (NFBPA), Orlando, Florida, March, 2019, “Climate Change & Marginalized Communities”
Climate Reality Mentor, Climate Reality Leadership Corps, Atlanta, Georgia April 2019	Climate Reality Mentor, Climate Reality Leadership Corps, St. Paul Minneapolis August 2019
Delegate, Silicon Smart Cities Conference April 2018	Advocate, The Dellums Institute for Social Change, \$2.2 million anti-displacement and homelessness funds, May 2018

## EMPLOYMENT APPLICATION



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 375 Beale Street Suite 600  
 San Francisco, California 94105  
 415-749-4980  
<http://www.baaqmd.gov>

PIERCE, Jennifer A.  
 HB300 HEARING BOARD MEMBER

Received: 2/9/25 12:30 PM  
 For Official Use Only:  
 QUAL: \_\_\_\_\_  
 DNO: \_\_\_\_\_  
 Experience  
 Training  
 Other: \_\_\_\_\_

## PERSONAL INFORMATION

POSITION TITLE: HEARING BOARD MEMBER	EXAM ID#: HB300
NAME: (Last, First, Middle) PIERCE, Jennifer A.	SOCIAL SECURITY NUMBER: [REDACTED]
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED] San Francisco, 94110	EMAIL ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]	NOTIFICATION PREFERENCE: [REDACTED]
LEGAL RIGHT TO WORK IN THE UNITED STATES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
What is your highest level of education? Master's Degree	

## PREFERENCES

ARE YOU WILLING TO RELOCATE? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe
WHAT TYPE OF JOB ARE YOU LOOKING FOR? Regular
TYPES OF WORK YOU WILL ACCEPT: Full Time, Part Time
SHIFTS YOU WILL ACCEPT: Day

## EDUCATION

DATES: From: 8/2014 To: 5/2017	SCHOOL NAME: University of California, Berkeley, School of Law	
LOCATION: (City, State/Province) Berkeley, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Professional
MAJOR: Law		
DATES: From: 8/2007 To: 5/2011	SCHOOL NAME: University of California, Berkeley	
LOCATION: (City, State/Province) Berkeley, California	DID YOU GRADUATE? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	DEGREE RECEIVED: Bachelor's
MAJOR: History / German		

## WORK EXPERIENCE

DATES: From: 4/2021 To: 5/2022	EMPLOYER: US EPA Region 2	POSITION TITLE: Assistant Regional Counsel, Clean Air Act Branch
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		
MAY WE CONTACT THIS EMPLOYER? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
HOURS PER WEEK: 40		
DUTIES: Acted as co-counsel on significant environmental enforcement matter brought under the Clean Air Act (CAA), including project managing team response; prepared legal documents, letters, and negotiation strategy; provided FOIA and confidential business information counseling; prepared clients for and attended public meetings Commented on permit issuance decisions, counseled clients on an array of administrative law matters		
REASON FOR LEAVING: Left to start a family.		
DATES: From: 3/2019 To: 3/2021	EMPLOYER: US EPA	POSITION TITLE: Assistant Regional Counsel, Water and General Law Branch
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]		



SUPERVISOR: Ivan - Lieben		MAY WE CONTACT THIS EMPLOYER? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
HOURS PER WEEK: 40		# OF EMPLOYEES SUPERVISED: 0	
DUTIES: Acted as lead counsel on enforcement matters brought pursuant to federal water protection statutes (SDWA and CWA), including successful negotiation to settlement with respondents Counseled clients on agency final actions, including close review of controversial SDWA and CWA permit decision documents; prepared clients for public meetings; provided tailored advice on environmental justice and financial assurance considerations; analyzed litigation risk and prepared research memoranda Developed presentations for agency clients on regulatory changes for cross-cutting legal issues, such as agency consultation regulations under the Endangered Species Act, National Historic Preservation Act, and others			
REASON FOR LEAVING: Relocated to New York.			
DATES: From: 9/2017 To: 2/2019		EMPLOYER: Kirkland & Ellis LLP	POSITION TITLE: Associate, Environmental Transactions
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]			
MAY WE CONTACT THIS EMPLOYER? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
HOURS PER WEEK: 40			
DUTIES: - Conducted environmental legal due diligence for complex merger and divestiture transactions in a wide range of industries; supervised environmental consultants during all phases of diligence process - Drafted and negotiated environmental provisions in purchase and sale, credit, and lease agreements - Prepared legal research and formal memoranda on behalf of environmental restructuring clients - Maintained an active pro bono practice, including serving as pro bono counsel in a veteran's case that was adjudicated in my client's favor			
REASON FOR LEAVING: Started job at EPA Region 9.			
DATES: From: 5/2016 To: 8/2016		EMPLOYER: Kirkland & Ellis	POSITION TITLE: Summer Associate, Environmental Transactions
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]			
MAY WE CONTACT THIS EMPLOYER? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
HOURS PER WEEK: 40			
DUTIES: Assisted with environmental legal due diligence for complex merger and divestiture transactions in a wide range of industries			
REASON FOR LEAVING: I worked at the firm as a summer associate during law school.			
DATES: From: 5/2015 To: 7/2015		EMPLOYER: U.S. Dept. of Health and Human Services	POSITION TITLE: Legal Intern
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]			
SUPERVISOR: Michael Cabotaje - Administrative Law Judge (no longer with HHS)		MAY WE CONTACT THIS EMPLOYER? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
HOURS PER WEEK: 40			
DUTIES: - Assisted attorneys in providing legal advice to sub-agencies, including Indian Health Services (IHS) - Drafted motions and litigation reports for Equal Employment Opportunity Commission cases			
REASON FOR LEAVING: I worked at HHS as a summer extern during law school.			
DATES: From: 6/2011 To: 5/2014		EMPLOYER: Fragomen, Del Rey, Bernsen & Loewy, LLP	POSITION TITLE: Paralegal
ADDRESS: (Street, City, State/Province, Zip/Postal Code) [REDACTED]			
SUPERVISOR: Paul Hejinian - Managing Partner		MAY WE CONTACT THIS EMPLOYER? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
HOURS PER WEEK: 40			
DUTIES: - Assisted in the representation of corporate clients, corresponded daily with client contacts, and prepared presentations for meetings with corporate clients - Under supervision of attorneys, developed all aspects of clients' case strategy - Drafted employment-based visa filings, including immigrant and nonimmigrant petitions - Prepared visa petitions for pro bono clients including Violence Against Women Act petition, re-entry waivers and deferred action cases; monitored approximately 60-80 cases at all times			
REASON FOR LEAVING: I left the firm to attend law school.			

## CERTIFICATES AND LICENSES

TYPE: Recipient, Environmental Law Certificate	
LICENSE NUMBER:	ISSUING AGENCY:
TYPE: California Bar	
LICENSE NUMBER: [REDACTED]	ISSUING AGENCY: State Bar of California

## Skills

OFFICE SKILLS: Typing: Data Entry:
OTHER SKILLS:
LANGUAGE(S): German - <input type="checkbox"/> Speak <input type="checkbox"/> Read <input type="checkbox"/> Write

## ADDITIONAL INFORMATION

Nothing Entered For This Section

## REFERENCES

REFERENCE TYPE: Professional	NAME: Claudia Polsky	POSITION: Director, Environmental Law Clinic
ADDRESS: (Street, City, State/Province, Zip/Postal Code)		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Ivan Lieben	POSITION: Supervisor, EPA Region 9
ADDRESS: (Street, City, State/Province, Zip/Postal Code)		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]
REFERENCE TYPE: Professional	NAME: Laurie Kermish	POSITION: Manager, EPA Region 9
ADDRESS: (Street, City, State/Province, Zip/Postal Code)		
EMAIL ADDRESS: [REDACTED]		PHONE NUMBER: [REDACTED]

Agency-Wide Questions

1. How did you find out about this position?  
District Website
2. If other, please tell us where.
3. Are you currently legally authorized to work in the United States on a full-time basis?  
Yes
4. Are you related to any District employee or Board member?  
No
5. Do you now, or will you in the future, require sponsorship for employment visa status (e.g., H-1B visa status)?  
No
6. If related to a District employee or Board member, what is their name and their relationship to you?  
N/A
7. Are you a current or former employee of the Air District?  
No

Job Specific Supplemental Questions

1. Please describe any experience or education that directly relates to air quality. Also describe any experience on Boards or Commissions, or in other similar settings where you have interacted with regulated entities and the public in a formal public proceeding.
- I previously practiced law at EPA, in both the water and air divisions. While at EPA Region 9 (San Francisco), I primarily worked under the Clean Water Act and Safe Drinking Water Act, but I believe my experience is still relevant to the position with the Board. During my tenure, I led enforcement cases and supported clients on sometimes-contentious permit applications, including preparing them for and attending public comment proceedings. I routinely met with both private and public entity respondents and resolved numerous conflicts to mutual satisfaction. I also cross-collaborated with state and local government representatives. At EPA Region 2 (New York), I worked collaboratively with a team on a significant enforcement matter that resulted in an emergency order to close an oil refinery for significant violations of the Clean Air Act. That matter required that I attend and/or lead a number of meetings with regulated parties, and I also routinely attended and participated in meetings with concerned members of the public. At Region 2, I also supported clients in other air enforcement matters and in permitting matters. I routinely corresponded with state and territory representatives regarding ongoing programmatic projects, including substantive and procedural disagreements over NAAQS requirements.
2. Please list professional, trade, or business associations held which relate to the Hearing Board category for which you are applying.
- None.
3. Please list relevant accomplishments, publications, or awards.
- I was part of a team of other lawyers and enforcement personnel on a refinery enforcement matter brought by US EPA Region 2. In 2021, our team was awarded a Regional Excellence in Enforcement award.
4. The Hearing Board's workload varies, but it can meet as often as two or three times a month in person, almost always on Tuesdays. Meetings are often completed within three hours, but sometimes they can run all day. In addition, Hearing Board members may spend two hours or more reviewing materials in advance of a hearing. Given this schedule, do you believe that you have sufficient time to devote to the Hearing Board activities?
- Yes.
5. What interests you the most about the opportunity to serve on the Air District's Hearing Board?
- My work at EPA has given me a deep appreciation for the complexity and importance of the regulatory decision-making process, particularly in the context of permitting under the Clean Air Act. I find the balancing of competing factors in issuing permits both challenging and rewarding. I am currently seeking part-time opportunities that allow me to give back to my community, and serving on the Board would be an excellent way to apply my skills and knowledge while contributing to the public good. I would be honored to support the Board's adjudicatory efforts and help ensure that decisions are made in a fair, transparent, and informed manner.
6. Is there anything in your personal or professional background that would conflict with serving on the Hearing Board? For example, do you have client relationship with a facility permitted by the District? Or do you have a relationship with an air quality advocacy organization that could potentially bring a case to the Hearing Board?
- None.

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The following terms were accepted by the applicant upon submitting the online application:

By clicking on the 'Accept' button, I hereby certify that every statement I have made in this application is true and complete to the best of my knowledge. I understand that any false or incomplete answer may be grounds for not employing me or for dismissing me after I begin work. I understand that I will have to produce documentation verifying identity and employment eligibility in the U.S. I understand that I may be required to verify any and all information given on this application. I understand that this completed application is the property of the Air District and will not be returned. I understand that the Air District may contact prior employers and other references. I understand that I must notify the Human Resources Office at [REDACTED] of any changes in my name, address, or phone number.

This application was submitted by Jennifer A. PIERCE on 2/9/25 12:30 PM

# Jenny Pierce

## EXPERIENCE

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### **U.S. Environmental Protection Agency**

*Assistant Regional Counsel*, Clean Air Act Branch, New York, NY, March 2021 – May 2022

- × Acted as co-counsel on significant environmental enforcement matter brought under the Clean Air Act (CAA), including project managing team response; prepared legal documents, letters, and negotiation strategy; provided FOIA and confidential business information counseling; prepared clients for and attended public meetings
- × Commented on permit issuance decisions, counseled clients on an array of administrative law matters

*Assistant Regional Counsel*, Water and General Law Branch, San Francisco, CA, June 2020 – March 2021

- × Acted as lead counsel on enforcement matters brought pursuant to federal water protection statutes (SDWA and CWA), including successful negotiation to settlement with respondents
- × Counseled clients on agency final actions, including close review of controversial SDWA and CWA permit decision documents; prepared clients for public meetings; provided tailored advice on environmental justice and financial assurance considerations; analyzed litigation risk and prepared research memoranda
- × Developed presentations for agency clients on regulatory changes for cross-cutting legal issues, such as agency consultation regulations under the Endangered Species Act, National Historic Preservation Act, and others
- × Attended a week-long intensive trial course

*Honors Fellow*, Water and General Law Branch, San Francisco, CA, March 2019 – June 2020

### **Kirkland & Ellis LLP**, San Francisco, CA

*Associate, Environmental Transactions*, September 2017 – February 2019

- × Conducted environmental legal diligence for complex merger and divestiture transactions for clients in range of industries; managed consultants on environmentally-intensive deals
- × Drafted and negotiated environmental provisions in purchase and sale, credit, and lease agreements
- × Prepared legal research and formal memoranda, including CERCLA liability analysis, for bankruptcy/restructuring clients
- × Maintained active pro bono practice; served as counsel in a veteran's case that was successfully remanded by the Board of Veteran's Appeals; prepared formal research memoranda on behalf of pro bono clients

*Summer Associate, Environmental Transactions*, May 2016 – August 2016

### **Tuolumne River Trust**, San Francisco, CA

*Advisory Board Member*, September 2017 – March 2019

### **U.S. Dept. of Health and Human Services, Office of the General Counsel**, San Francisco, CA

*Legal Intern*, May 2015 – August 2015

### **Fragomen, Del Rey, Bernsen & Loewy, LLP**, San Francisco, CA

*Immigration Paralegal*, June 2011 – May 2014

### **UC Hastings Justice and Diversity Center Clinic**, San Francisco, CA

*Referral Volunteer*, December 2012 – April 2014

## EDUCATION

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### **University of California, Berkeley, School of Law**

Juris Doctor, May 2017

Admitted to practice law in California, Bar Number: [REDACTED]

*Honors:* American Jurisprudence Award (First in Class), Negotiations Recipient, Environmental Law Certificate

*Activities:* Human Rights Clinic; Environmental Law Clinic; *Ecology Law Quarterly*; *Ecology Law Quarterly Currents*; Boalt Hall Women's Association

### **University of California, Berkeley**

B.A., *High Distinction*, in History, May 2011

*Honors:* Dean's Honors List (7 semesters), History Department Thesis Research Grant, Phi Alpha Theta History Honors Society, Deutscher Akademischer Austauschdienst Study Abroad Fellowship

*Semester Abroad:* Freie Universität, Berlin, Spring 2010

## SPEAKING ENGAGEMENTS, AWARDS, AND ADDITIONAL SKILLS

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### **U.S. Environmental Protection Agency, 2021 Regional Excellence in Enforcement Award**

*St. Croix Refinery Enforcement Matter*

### **Mapistry 2019 Pollution Prevention Conference**, Berkeley, CA

*Invited Speaker*, October 2019

*Fluent in spoken German*

Climate Leader, Founder & Former United States Vice President Al Gore, Climate Reality Leadership Corps, Los Angeles, Ca. August 2018	Invitation to the Global Climate Action Summit Affiliate Event: 100% Committed County Climate Coalition Launch hosted by former United States Vice President Al Gore and Supervisor Dave Cortese, October 2018
Delegate, Groundbreaking Women in Construction (GWIC) April 2017	Written report on participatory budgeting process for the Department of Housing & Urban Development (HUD), the City of Oakland Council and the City of Oakland's Housing and Community Development. April 2017
Chair, National Night Out, Bushrod Recreation Center, August 2016-2019	Presentation, American Association of University Women (AAUW) Tech Trek Program on "Why Young Ladies in the Tech Trek Program Should Continue to Pursue Careers in Science: A Personal Perspective" August 2016
Invited by U.C Davis President Janet Napolitano & Mayor of Oakland, Libby Schaaf, to participate in a discussion on the role of the Cal Aggie Alumni Association (CAAA) in the Oakland Promise for Education October 2016	Scholarship, "2014 University of California Los Angeles (UCLA) Updates on Land Use Law and Planning Conference" January 2014
Diversity Chair/ Co-Vice President of American Associate of University Women (AAUW) 2007-2010	U.S. Delegate, "Women in Higher Education," South Africa October 2010
Presentation at the U.S. Department of Housing and Urban Development, National Fair Housing Conference & Housing Policy Summit 2004	Co-Chair, Budget & Finance, Women of Color Action Network (WCAN) 2003-2004



# Recommend Candidates for Appointment to the Air District's Hearing Board

## Finance & Administration Committee

**April 16, 2025**

**Hyacinth Hinojosa  
Deputy Executive Officer  
Finance and Administration**

# Background

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- On March 19, 2025, the Finance and Administration Committee recommended to reappoint the three incumbent members to the Principal Member (Attorney Category), Principal Member (Medical Category), and Principal Member A (Public Category). The Board of Directors approved the recommendation on April 2, 2025.
- On March 19, 2025, the Finance and Administration Committee interviewed four out of six applicants for the Alternate Member (Attorney Category) and Alternate Member A (Public Category) seats.
- On April 2, 2025, an applicant interested in interviewing for both the Alternate Member (Attorney Category) and Alternate Member A (Public Category) seats officially withdrew.
- Today, the Finance and Administration Committee will consider recommendations for the Alternate Member (Attorney Category) and Alternate Member A (Public Category).





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# DISCUSSION

**BAY AREA AIR DISTRICT**  
Memorandum

To: Chairperson Lynda Hopkins and Members  
of the Finance and Administration Committee

From: Philip M. Fine  
Executive Officer/APCO

Date: April 16, 2025

Re: Air District Financial Audit Report for Fiscal Year Ending (FYE) 2024

RECOMMENDED ACTION

None; the Committee will discuss this item, but no action is requested at this time.

BACKGROUND

Pursuant to Section 9.2 of the Administrative Code, the Air District is required to have an annual independent financial audit. The Independent Auditor, Simpson & Simpson, LLP completed the Financial Audit Report of the Air District's Financial Statements for the Fiscal Year Ending (FYE) 2024. The Independent Auditor also completed the Financial Audit Report of the Office of Management and Budget (OMB) Circular A-133 for FYE 2024.

DISCUSSION

The Air District's independent auditor completed their audit of the Air District's financial records and activities for the year ended June 30, 2024, and issued an "unqualified opinion" or clean opinion on the financial statements. Attached are the audit reports being presented along with a brief summary:

1. Statement of Auditing Standards (SAS) 114 Letter

This letter is provided to ensure that you, the Air District's governing body, receive sufficient information regarding the scope and results of the audit in order to provide you with timely observations arising from the audit that are relevant to your responsibilities in overseeing the financial reporting process for which management is responsible.

## 2. Audit Management Letter

The management letter is to provide observations identified during the audit in areas where the internal control procedures can be strengthened. These comments are discussed by the auditor with the individual Air District divisions for concurrence with the stated recommendations and for the preparation of the Air District's management response for improvements.

## 3. Basic Financial Statements

The statements are prepared in conformity with generally accepted accounting principles. The purpose of the statements is to convey financial information to external customers/users. The statements report the Air District's annual operations and demonstrate financial compliance with legal requirements. The report on the basic financial statements is unqualified with no reportable conditions, no instances of non-compliance, and no financial statement findings noted. While the independent auditor issued a clean opinion, as discussed in Note 15 to the basic financial statements, the 2023 financial statements have been restated to correct a misstatement. The beginning net position and fund balance as of July 1, 2023, have been restated accordingly. The independent auditor's opinion is not modified with respect to this matter.

## 4. Single Audit Report (Financial Report of the Office of Management and Budget (OMB) Circular A-133)

This report addresses the auditors' consideration of the Air District's internal control over financial reporting and the results of auditor's tests of the Air District's compliance with provisions of laws, regulations, contract and grant agreements, and other areas in accordance with Government Auditing Standards. As noted on pages 9 through 15 of the Schedule of Audit Findings and Questioned Costs, there was one federal compliance finding followed by management's response to the finding. A member of the independent audit firm, Simpson & Simpson LLP, will be at the meeting to present audited reports to the Committee.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

The cost for the Fiscal Year Ending June 30, 2024, was \$58,583 and is included in the Finance Office program 701 budget.

Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Stephanie Osaze  
Reviewed by: Hyacinth Hinojosa

ATTACHMENT(S):

1. Attachment 1 FY-24 BAAQMD SAS 114 Letter
2. Attachment 2 FY-24 BAAQMD Management Letter
3. Attachment 3 FY-24 BAAQMD Financial Audit Report
4. Attachment 4 FY-24 BAAQMD Single Audit Report
5. Attachment 5 FY-24 - BAAQMD Audit Presentation



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
BRANARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

March 31, 2025

To the Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California

We have audited the financial statements of the governmental activities, and each major fund of the Bay Area Air Quality Management District (the District) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 10, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during Fiscal Year 2024.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s financial statements were:

Management’s estimate of deferred outflows/inflows of resources, net pension liability, net OPEB liability/asset, pension expense, and OPEB expense is based on estimates that are prepared by the California Public Employees’ Retirement System’s (CalPERS) actuary based on information provided by participating employers, and MacLeod Watts, Inc. based on information provided by management.

Management’s estimate of the useful life of capital assets used for depreciation that are prepared by the District based on information from management’s capitalization policy.

We evaluated the methods, assumptions, and data used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.





### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were none noted.

The following material misstatements detected as a result of audit procedures were corrected by management:

During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund balance. It was found that contributions to the CEPPT had been recorded as an expense in the prior period. The account should have been reported as restricted cash and restricted fund balance. The beginning balance has been adjusted in the amount of \$10.2M to reflect the initial funding and activities for the prior period.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 31, 2025.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Other Matters

We applied certain limited procedures to management's discussion and analysis on pages 4 through 13 and the information on pages 50 through 56, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the supplementary information on pages 57 to 61 which accompany the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Simpson and Simpson, LLP

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**





SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
BRANARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

March 31, 2025

The Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California

Members of the Board:

In planning and performing our audit of the financial statements of the **Bay Area Air Quality Management District** (the District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Although not considered to be significant deficiencies or material weaknesses, we also noted certain items during our audit, which we would like to bring to your attention. These comments are summarized in the following report to management on page 2. Our observations and recommendations have been discussed with appropriate members of management and are intended to strengthen internal controls and operating efficiency.

This communication is intended solely for the information and use of the Board of Directors, District management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



## **Current Year Management Letter Comments**

### **ML-2024-001 – Overtime Authorization**

#### **Condition**

The District's Administrative Code, section 8.4, stipulates the following regarding overtime authorization:

“For definitional purposes, overtime is the necessary, assigned and authorized time worked in excess of 40 hours in a seven day week or 8 hours worked in a 24 hour day.

For the purposes of overtime assignments, a notice to an employee to work overtime is a notice in advance if the assignment is given more than 24 hours prior to the beginning of the work to be performed. Such assignments will be considered "scheduled" overtime. An assignment given less than 24 hours in advance will be considered an “unscheduled” assignment for call-back purposes. A call-back is the unscheduled, emergency, and authorized call-back to return to work after a regular shift has been completed.”

Each division within the District is responsible for maintaining supporting documentation for the authorization and pre-approval of overtime hours to be worked by its respective employees.

We sampled and tested overtime authorizations of 20 employees for select pay periods in Fiscal Year 2024.

For 20 of the employees sampled, we noted that authorization of overtime before the employee incurring the hours was not properly documented, as follows:

- For 3 employees and a total of 57.5 overtime hours, a supervisor granted authorization via email for the employees to work overtime on stipulated days but did not include the total overtime hours the employees were pre-approved to work.
- For 17 employees and a total of 285 overtime hours, there was no documented authorization on file pre-approving the overtime hours worked by the employee. The division where the employees work adopts a method in which overtime requests are verbally approved, not documented.

For 2 of the employees sampled, we noted that authorization of overtime after the employee incurring the hours was not properly documented, as follows:

- For 2 employees and a total of 26.5 overtime hours, there was no documented authorization in the time-recording system approving the overtime hours worked by the employee.

## **Current Year Management Letter Comments**

### **Recommendation**

We recommend that the District strengthen controls regarding overtime authorizations by incorporating specific policies and procedures requiring the documentation and retention of authorizations in its Administrative Code, in addition to stipulating that preapproved overtime must specify the days and total hours involved.

### **Management Response**

The Air District is working with a third-party consultant to update Human Resources policies and procedures, including the overtime policy. The full set of updated policies and procedures is expected to be completed in FYE 2025.

To improve oversight and documentation of overtime requests, the following steps have been taken:

- **Dayforce Overtime Request Form:** Employees now submit overtime requests through a designated form in the Dayforce system. The request is completed by the employee, approved by the immediate supervisor, and saved in Dayforce as a formal record.
- **Training on Overtime Protocol:** The overtime request process will be incorporated into Quarterly Orientation training for new employees and supervisors, as well as the broader training rollout on updated policies and procedures.
- **Job Aid for Employees:** A "job aid" has been created to guide employees on how to correctly fill out the overtime request form in Dayforce.

The Air District remains dedicated to continuous improvement and will monitor the effectiveness of these measures to prevent future errors and ensure compliance.

**Current Year Management Letter Comments**

**ML-2024-002 – Maximum Accumulation and Payout of Annual Leave**

**Condition**

The Memorandum of Understanding between the Bay Area Air Quality Management District and Bay Area Air Quality Management District Employees' Association, Inc. (MOU), section 12.01, item 9, stipulates the following regarding the maximum accumulation of annual leave:

“The maximum accumulation of annual leave is four hundred and sixty (460) working hours as of the end of the calendar year. After reaching that limit, no further hours shall be accumulated until the employee reduces the balance below four hundred and sixty (460) hours. On a one-time basis, the maximum accumulation of annual leave will increase to five hundred (500) hours. This provision will expire on December 31, 2024.”

The maximum accumulation (cap) of annual leave per the MOU was also extended to non-represented employees by the District's Board of Directors on December 21, 2022.

We sampled and tested annual leave payouts for a total of 10 employees who separated from the District in Fiscal Year 2024. And we noted the following.

For 2 of the sampled employees, we noted annual leave payouts that exceeded the cap of 500 hours of annual leave per the MOU, as follows:

- 1 employee was paid for a total annual leave balance of 543 hours.
- 1 employee was paid for a total annual leave balance of 556 hours.

It was determined that elements of how the cap is applied are not stipulated in the MOU, as follows:

- Employees who accumulate an annual leave balance of more than 500 hours will not have their balance adjusted down to the 500-hour cap. At the end of the calendar year, if their balance is over the cap, they will not be allowed to accumulate additional leave hours until their balance falls below the cap. Further, employees may maintain an annual leave balance over the cap throughout the calendar year, which will not be evaluated until the end of the calendar year.

Accordingly, the 2 employees identified were allowed to maintain and be paid for a total leave balance exceeding the CAP stipulated in the MOU.

For 1 of the sampled employees, we noted the employee was overpaid by 20.00 hours at an hourly rate of \$77.4890, resulting in annual leave overpayment of \$1,549.78.

## **Current Year Management Letter Comments**

### **Recommendation**

We recommend that the District strengthen controls regarding the oversight and application of the maximum accumulation of annual leave by updating the MOU to reflect the manner in which these policies and procedures are applied. We also recommend that the District strengthen controls regarding payout of annual leave at employee termination by incorporating specific policies and procedures requiring the re-calculation and documentation and retention of authorizations in its Administrative Code.

### **Management Response**

The Air District acknowledges the audit findings and is committed to addressing the identified issues. Regarding the maximum accumulation of leave, the Air District will engage in contract negotiations in FYE 2025 and collaborate with the Employees' Association to revise the Memorandum of Understanding (MOU). This revision will clarify the vacation accrual cap that applies at the end of each calendar year.

In response to the audit recommendation concerning the overpayment of annual leave, we acknowledge that the miscalculation error led to an overpayment. Since December 2023, the Air District has taken significant corrective actions:

- **Payroll Staffing:** An additional payroll staff member has been hired to strengthen capacity.
- **Approval Process Enhancements:** The payroll approval process has been modified to require oversight by two dedicated staff members.
- **Internal Controls:** The Air District has reinforced internal control procedures, ensuring that all payroll transactions, including annual leave payouts for employee terminations, undergo thorough review.
- **Accuracy Verification:** Another payroll employee now conducts a recalculation to verify the accuracy of leave payouts before processing.
- **Policy Integration:** These enhanced review processes will be formally incorporated into the Air District's policies and procedures to ensure long-term accuracy and compliance.

The Air District remains committed to continuous improvement and will monitor the effectiveness of these measures to prevent future errors.

## **Current Year Management Letter Comments**

### **ML-2024-003 – Timesheet Approvals**

#### **Condition**

The District’s Administrative Code, section 8.3, stipulates the following regarding hours of work and attendance:

“Supervisors will be responsible for the daily attendance record of each employee.”

We sampled and tested the approval of hours of work in the Ceridian Payroll System (Ceridian) of select District employees and determined whether supervisors authorized the employee’s timesheet prior to payroll process.

As a result of our review, we identified the following:

- a. For one (1) employee, the hours on the timesheet were not authorized as the employee’s manager had retired and was unable to approve the employee's timesheets.
- b. For one (1) employee, the hours on the timesheet were authorized due to manager turnover.
- c. For two (2) employees, the hours on the timesheet were not authorized. We obtained an email from the employees’ manager confirming his/her approval of the employees’ hours on the dates, representing an after-the-fact approval.

#### **Recommendation**

We recommend that the District strengthen controls regarding working hours authorizations by increased monitoring and supervisory level training to ensure compliance with the District’s Administrative Code.

#### **Management Response**

Management agrees with the recommendation to enhance controls over timesheet approvals and is committed to ensuring compliance with the Air District’s Administrative Code. To support this effort:

- **Training and Guidance:** Additional training and guidance will be provided to supervisors and management.
- **Policy Updates:** The Air District is updating its policies and procedures to strengthen oversight.
- **Reinforced Compliance Measures:** Further guidance and training will be incorporated to reinforce accuracy and compliance in timesheet approvals.

The Air District remains dedicated to continuous improvement and will monitor the effectiveness of these measures to prevent future errors.

**Status of Prior Year Management Letter Comments**

**ML-2023-001 – Third-Party Service Provider Security**

**Recommendation**

We recommend that District management:

- Request IDEAL COMP have a SSAE SOC1 Type 2 audit performed and the report provided to the District if IDEAL Computer Services continues to provide computer operation services to the District.
- Require IT general controls and applicable application system controls be covered in SSAE SOC report(s) when the District contracts with a third-party service provider of IT services. These SOC reports should be annually requested and reviewed by the District. Applicable complementary user entity controls should be implemented by the District.

**Current Status**

Not applicable. IRIS was removed from production use in 2024 and replaced by NPS.

**ML-2023-002 – Overtime Authorization**

**Recommendation**

We recommend that the District strengthen controls regarding overtime authorizations by incorporating specific policies and procedures requiring the documentation and retention of authorizations in its Administrative Code, in addition to stipulating that preapproved overtime must specify the days and total hours involved.

**Current Status**

Partially implemented.

The Air District is engaged with a third-party consultant to update the Human Resources policies and procedures, including the overtime policy. The Air District expects all the policies and procedures to be completed in FYE 2025.

Air District staff created a form in the Dayforce system where employees may request overtime. This form is completed by the employee in Dayforce and is approved by the immediate supervisor. The form is saved in Dayforce as a record. The overtime protocol will be part of Quarterly Orientation training for new employees and supervisors, and it will also be included in the training we roll out on the new policies and procedure. Additionally, we have also created a “job aid” for employees to help them understand how to fill out the form.

**Status of Prior Year Management Letter Comments**

**ML-2023-003 – Maximum Accumulation of Annual Leave**

**Recommendation**

We recommend that the District strengthen controls regarding the oversight and application of the maximum accumulation of annual leave by updating the MOU to reflect the manner in which these policies and procedures are applied.

**Current Status**

Not implemented.

The Air District will enter into contract negotiations in FYE 2025 and will collaborate with the Employees' Association to revise the language in the MOU that will provide a clearer language regarding the vacation accrual cap that is applied at the end of each calendar year. In Calendar Year 2024, we did hold all employees to the 460-hour cap, not the 500 cap which was a point of contention with our Employee Association.

**ML-2023-004 – Personnel Action Forms**

**Recommendation**

We recommend the following, in line with the above findings:

- a. The District should implement the following actions pertaining to proper complete authorization of PAFs
  - i. In instances where a position associated with a necessary authorization is vacant, the District should establish a position to act as a replacement to maintain the integrity of the required authorizations. Additionally, the PAF should clearly document this as the case.
  - ii. In instances where a position associated with a necessary authorization is the position of the employee for which the PAF is being issued, the District should establish a position to act as a replacement to maintain the integrity of the required authorizations. Additionally, the PAF should clearly document this as the case.
  - iii. The District must reevaluate policies and procedures for which merit increases, which are subject to the provisions of the MOU, are reviewed and authorized, as unauthorized PAFs for such occurrences do not prevent the District from moving forward with the payroll action.
- b. The District must reevaluate policies and procedures regarding the use of PAFs for Board-Appointed positions to ensure that payroll actions for those positions are not initiated prior to Board approval.
- c. The District must reevaluate policies and procedures regarding the authorization of executive-level PAFs to ensure that such authorizations are not limited to one or two authorized personnel and to maintain the integrity of the required authorizations.
- d. The District must reevaluate policies and procedures regarding the issuance of PAFs for acting position approvals and establish a requirement that such payroll actions use the Acting Assignment Request form and maintain the integrity of the required authorizations.



**Status of Prior Year Management Letter Comments**

**ML-2023-004 – Personnel Action Forms** (*continued*)

**Current Status**

Not implemented.

The Air District is engaged with a third-party consultant to update the Human Resources policies and procedures, including the Personnel Action Forms. The Air District expects all the policies and procedures to be completed in FYE 2025.

**ML-2022-001 – IRIS User Access**

**Recommendation**

IRIS user accounts assigned to terminated employees be deleted/removed in timely manner subsequent to the user's termination.

**Current Status**

Not applicable. IRIS was removed from production use in 2024 and replaced by NPS.

**ML-2022-002 – Databank and IRIS Password Security**

**Recommendation**

District management formally assess the feasibility of implementing password security controls, e.g., failed password attempt account lockout, be implemented for Databank and IRIS. Such a control may be, depending upon considering any technical limitations, designed within Databank and IRIS program functionality (i.e., native) or an interface with AD (Active Directory).

**Current Status**

Not applicable. Databank and IRIS were removed from production use in 2024 and replaced by NPS.

**ML-2022-005 – Information Security Function**

**Recommendation**

An independent information security function be implemented, organized and assigned to personnel at a reporting level commensurate with the level of risk and sensitivity associated with BAAQMD's mission critical systems and IT infrastructure. Such an information security function will help ensure sufficient independence, resources and visibility are given to information security matters.

**Current Status**

Implemented. A manager of Cyber Security was hired as of November 14, 2024.

**BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT**

**Basic Financial Statements  
With Independent Auditor's Report**

**For the Year Ended June 30, 2024**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Basic Financial Statements  
For the Year Ended June 30, 2024

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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Basic Financial Statements  
For the Year Ended June 30, 2024

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SIMPSON & SIMPSON  
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## Independent Auditor's Report

The Board of Directors of  
Bay Area Air Quality Management District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, and each major fund of the **Bay Area Air Quality Management District** (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Bay Area Air Quality Management District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Restatement of Previously Issued Financial Statements*

As discussed in Note 15 to the basic financial statements, the 2023 financial statements have been restated to correct a misstatement. The beginning net position and fund balance as of July 1, 2023, have been restated accordingly. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 13 and the required supplementary information on pages 50 to 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprise the supplementary information on pages 57 to 61 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Simpson &amp; Simpson".

Los Angeles, California  
March 31, 2025

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

This discussion and analysis of the Bay Area Air Quality Management Air District (Air District) financial performance provides an overview of the Air District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the accompanying basic financial statements and notes.

### A. Financial Highlights

- At the close of the fiscal year 2023-2024, the Air District's net position is \$356,072,502. The total net position includes \$47.5 million for net investment in capital assets, \$231.9 million for restricted net position and \$76.7 million for the unrestricted net position.
- The assets and deferred outflows of resources of the Air District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2022-24, increasing the Air District's overall (net position) by \$66 million or 23.0%.
- The Air District's governmental funds reported a total fund balance of \$381,907,267; \$208,505,827 for the Special Revenue Fund and \$173,401,440 for the General Fund. The entire fund balance of the Special Revenue Fund in the amount of \$208,505,827 is reserved for air quality grants and projects. The \$173,401,440 General Fund balance consists of \$78,137,841 representing the committed fund balance, \$23,407,162 restricted, \$387,826 non-spendable and the remaining balance of \$71,468,611 unassigned.
- In May 2024, the Board of Directors adopted the Community Benefit Penalty Funds Policy, aiming to reinvest penalty funds from air quality violations into the communities most affected by them. This policy ensures that significant portions of collected penalties are allocated to local projects designed to reduce pollution and enhance public health. Of the \$24 million collected, \$3 million was allocated to the General Fund to support the fiscal year 2023-2024 general operations and the remaining \$21.3 million will support the local and regional communities' projects with up to 9% to support the Community Investment Office to develop manage and administer the program.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

**A. Financial Highlights Continued**

Table 1 presents the General Fund detail of fund balances as of June 30, 2024, and June 30, 2023.

**Table 1. General Fund Balances as of June 30, 2024, and 2023**

Category	General Fund June 30, 2024	General Fund (Restated) June 30, 2023	Increase/ (Decrease)
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid Expenses	\$ 387,826	\$ 478,672	\$ (90,846)
<b>Restricted:</b>			
Air Quality Grants and Projects	639,505	639,505	-
Post-Employment Benefits	3,775,374	3,687,792	87,582
Debt service	3,012,050	2,846,666	165,384
Pension Prefunding Trust	15,980,233	10,245,573	5,734,660
<b>Assigned:</b>			
Air Quality Grants and Projects	18,571,659	20,492,622	(1,920,963)
Other Assigned	38,312,398	32,500,196	5,812,202
Local Benefit Fund	16,869,990	-	16,869,990
Regional Benefit Fund	4,383,794	-	4,383,794
<b>Unassigned:</b>	<u>71,468,611</u>	<u>57,837,667</u>	<u>13,630,944</u>
<b>Total Fund Balance</b>	<b><u>\$ 173,401,440</u></b>	<b><u>\$ 128,728,693</u></b>	<b><u>\$ 44,672,747</u></b>

**B. Overview of the Financial Statements**

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

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

## B. Overview of the Financial Statements (continued)

### *Government-Wide Financial Statements*

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

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

The Statement of Net Position reports all assets, deferred outflows of resources, liabilities owed by the Air District, and deferred inflows of resources on a full accrual basis. The difference between the assets held and deferred outflows of resources, and the liabilities owed and deferred inflows of resources, is reported as Net Position. The net position total is comparable to total stockholder's equity presented on the balance sheet of a private enterprise. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Air District is improving or deteriorating. The Statement of Net Position as of June 30, 2024, is presented on page 14.

The Statement of Activities reports the net cost of the Air District's activities by category and is also prepared on a full accrual basis. Under the full accrual basis of accounting, revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of the related cash flows. The focus of the Statement of Activities is on the cost of various work programs performed by the Air District. The statement begins with a column that identifies the total cost of these programs followed by columns that summarize the Air District's program revenues by major category. The difference between expenses and revenues represents the net cost or benefit of the Air District's work programs. General revenues are then added to the net cost/benefit to calculate the change in net position. The Statement of Activities is presented on page 15.

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

### *Fund Financial Statements*

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

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

## B. Overview of the Financial Statements (continued)

### *Governmental Funds*

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

Balance Sheets prepared under the modified accrual basis of accounting have a short-term emphasis and, for the most part, measure and account for cash and other assets that can be easily converted to cash. Specifically, cash and receivables that are deemed collectible within a very short period of time are reported on the balance sheet. Capital assets such as land and buildings are not reported in governmental fund financial statements. Fund liabilities include amounts that will be paid within a very short period of time after the end of the fiscal year. Long-term liabilities such as outstanding bonds are not included. The difference between a fund's total assets, deferred outflow of resources, total liabilities, and deferred inflows of resources represents the fund balance. The unassigned portion of fund balance represents the amount available to finance future activities. The Air District's governmental funds balance sheets can be found on page 16.

The Statement of Revenues, Expenditures, and Changes in Fund Balance include only revenues and expenditures that were collected in cash or paid with cash during the fiscal year or very shortly after the end of the fiscal year. The governmental funds Statements of Revenues, Expenditures, and Changes in Fund Balances can be found on page 18.

Since a different basis of accounting is used to prepare these statements, reconciliation is required to facilitate the comparison between the government-wide statements and the fund financial statements. The reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position is on page 17. The reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities can be found on page 19.

### *Notes to the Basic Financial Statements*

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 20 to 49.

### *Required and Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Air District's other post-employment benefit (OPEB) liabilities, retirement pension liabilities held by California Public Employees Retirement System (PERS), general fund and special revenue fund budget comparison schedules, and supplementary information concerning the Air District's TFCA and Carl Moyer program expenditures, services area and division, schedule of expenditures, indirect cost schedule, and penalty assessment allocation schedule on pages 50 to 61.

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

### C. Government-Wide Financial Analysis

The government-wide financial analyses focus on net position and changes in net position of the Air District's governmental activities. Table 2 below shows a condensed Statement of Net Position as of June 30, 2024, compared to the fiscal year ended June 30, 2023.

**Table 2. Statement of Net Position as of June 30, 2024, and June 30, 2023**

	<b>Governmental Activities June 30, 2024</b>	<b>Governmental Activities (Restated) June 30, 2023</b>	<b>Increase/ (Decrease)</b>
Current & Other Assets	\$ 618,777,716	\$ 482,232,292	\$ 136,545,424
Capital Assets	66,914,568	68,356,920	(1,442,352)
<b>Total Assets</b>	<b><u>685,692,284</u></b>	<b><u>550,589,212</u></b>	<b><u>135,103,072</u></b>
Deferred Outflows of Resources	<u>50,405,422</u>	<u>51,020,301</u>	<u>(614,879)</u>
Current Liabilities	236,137,170	168,812,538	67,324,632
Noncurrent Liabilities	128,404,042	126,405,353	1,998,689
Net OPEB Liability	6,283,387	7,242,660	(959,273)
<b>Total Liabilities</b>	<b><u>370,824,599</u></b>	<b><u>302,460,551</u></b>	<b><u>68,364,048</u></b>
Deferred Inflows of Resources	<u>9,200,605</u>	<u>9,029,817</u>	<u>170,788</u>
Net Position			
Invested in Capital Assets	47,450,794	47,569,253	(118,459)
Restricted	231,912,989	201,635,425	30,277,564
Unrestricted net position	<u>76,708,719</u>	<u>40,914,467</u>	<u>35,794,252</u>
<b>Total Net Position</b>	<b><u>\$ 356,072,502</u></b>	<b><u>\$ 290,119,145</u></b>	<b><u>\$ 65,953,357</u></b>

On June 30, 2024, the Air District's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$356.1 million, an increase of \$70 million over the previous fiscal year.

As noted earlier, total net position may serve over time as a useful indicator of the Air District's financial position. Restricted net position is to be used for specific programs and purposes according to legal terms and conditions. The remaining portion of the Air District's net position is unrestricted and at the end of the fiscal year had a positive balance of \$76.7 million. This change results from an overall increase in total assets driven by various sources, including permit fees, penalty assessment, property taxes, investment gains, and grant funding. Additionally, deferred inflows of resources contributed to the increase. However, these gains were partially offset by pension liability, deferred outflows of resources and other post-employment benefit (OPEB) liabilities, reflecting continued contributions, investment earnings, and changes in actuarial assumptions

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

**C. Government-Wide Financial Analysis (continued)**

Table 3 below provides changes in net position for the fiscal year ending June 30, 2024, compared with the fiscal year ended June 30, 2023.

**Table 3. Statement of Activities for Fiscal Years 2023-24 and 2022-23**

	<b>Governmental Activities FY 2023-24</b>	<b>Governmental Activities (Restated) FY 2022-23</b>	<b>Dollar Increase / (Decrease)</b>	<b>Percentage Increase / (Decrease)</b>
<b>Revenues:</b>				
Program Revenue:				
Charges for services	\$ 94,301,662	\$ 75,066,319	\$ 19,235,343	26%
Operating grants and contributions	102,936,759	90,279,732	12,657,027	14%
Total Program Revenue	<u>197,238,421</u>	<u>165,346,051</u>	<u>31,892,370</u>	<u>19%</u>
General Revenues:				
County Apportionments	47,524,893	45,219,314	2,305,579	5%
Investment income not restricted for a specific program	12,679,747	2,210,991	10,468,756	473%
Other	2,879,522	241,141	2,638,381	1094%
Total General Revenues	<u>63,084,162</u>	<u>47,671,446</u>	<u>15,412,716</u>	<u>32%</u>
<b>Total Revenues</b>	<b><u>260,322,583</u></b>	<b><u>213,017,497</u></b>	<b><u>47,305,086</u></b>	<b><u>22%</u></b>
<b>Expenses:</b>				
General Government	121,668,458	110,715,737	10,952,721	10%
California Goods Movement Program	2,912,105	1,347,965	1,564,140	116%
Vehicle Settlement	3,278,117	3,548,194	(270,077)	-8%
Debt Service	773,437	618,261	155,176	25%
TFCA/MSIF & Other Program	36,769,870	36,678,305	91,565	0%
Carl Moyer Program	28,967,239	22,198,066	6,769,173	30%
Total Expenses	<u>194,369,226</u>	<u>175,106,528</u>	<u>19,262,698</u>	<u>11%</u>
<b>Change in Net Position</b>	<b><u>65,953,357</u></b>	<b><u>37,910,969</u></b>	<b><u>28,042,388</u></b>	<b><u>74%</u></b>
<b>Net Position-beginning of year</b>	<b><u>290,119,145</u></b>	<b><u>252,208,176</u></b>	<b><u>37,910,969</u></b>	<b><u>15%</u></b>
<b>Net Position-ending of year</b>	<b><u>\$ 356,072,502</u></b>	<b><u>\$ 290,119,145</u></b>	<b><u>\$ 65,953,357</u></b>	<b><u>23%</u></b>

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

## C. Government-Wide Financial Analysis Continued

### *Governmental Activities*

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

The Statement of Activities presents information showing how the Air District's net position changed during the fiscal year 2023-2024. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

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

On June 30, 2024, the Air District's governmental activities reported ending net position of \$356,072,502, an increase of \$65,953,357 in comparison to the prior year. The primary reason is due to increases in both program revenues and general revenues. Program revenues include grant incentive funds and charges for services mainly relates to permit fees and general revenues includes penalty assessment, property taxes revenues, and investment gains from market fluctuations related to the San Mateo County's investment pool.

- Overall governmental revenues are \$260,322,583; an increase of \$47,305,086 from the prior year. This growth is driven by a \$38.4 million increase in program revenue and a \$15.4 million increase in general revenue. The rise in program revenue is primarily attributed to a \$22 million increase in penalty assessments, along with additional funding from the Transportation Fund for Clean Air (TFCA), the Carl Moyer Program, and other state grants. General revenue growth is primarily due to a \$2.3 million increase in county apportionment revenue (property tax), a \$2.5 million rise in interest revenue, and a \$7.9 million fair market value adjustment in the San Mateo County investment pool to reflect market fluctuations and lower investment earnings. These gains were partially offset by a \$664,496 decline in federal grant revenue and a \$110,957 decrease in asbestos fee revenue.
- Overall governmental expenditures are \$194,369,226; an increase of \$19,262,698 over the prior year. Of the \$19 million increase, approximately \$8.4 million is attributed to higher grant incentive activities for programs such as the Carl Moyer AB134 Community Incentive Program, the California Goods Movement Program, and TFCA and Mobile Source Incentive Funds. This increase was partially offset by a \$270,077 decrease in Vehicle Settlement. Additionally, an \$11 million increase in the General Government Program was driven primarily by changes in GASB 68 pension valuation, rising personnel costs, and increased expenditures for services and supplies. Debt Service also increased by \$152,520.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

## D. General Fund Financial Analysis

Figure 1 below provides a pie chart of the Air District's General Fund revenues (net of other financing sources) for fiscal year 2023-2024. The General Fund recognized total revenue of \$161,518,462 in fiscal year 2023-24, an increase of \$29.9 million over the fiscal year 2022-23. This growth is primarily driven by a \$22 million increase in penalty assessments, a \$2.3 million rise in property tax revenue, a \$3.7 million gain from interest earnings and investment valuation, and a \$2.5 million increase in other revenue, partially offset by a slight decline in federal grant revenue.

Program revenue sources include Permit, AB2588, Title V, and Asbestos fees. In fiscal year 2023-24, permit/fee revenue represented the largest share of General Fund revenue at \$65.2 million, followed by property tax revenue at \$47.5 million, grants at \$12.5 million, other revenues at \$12.2 million, and penalty assessment at \$24.1 million.

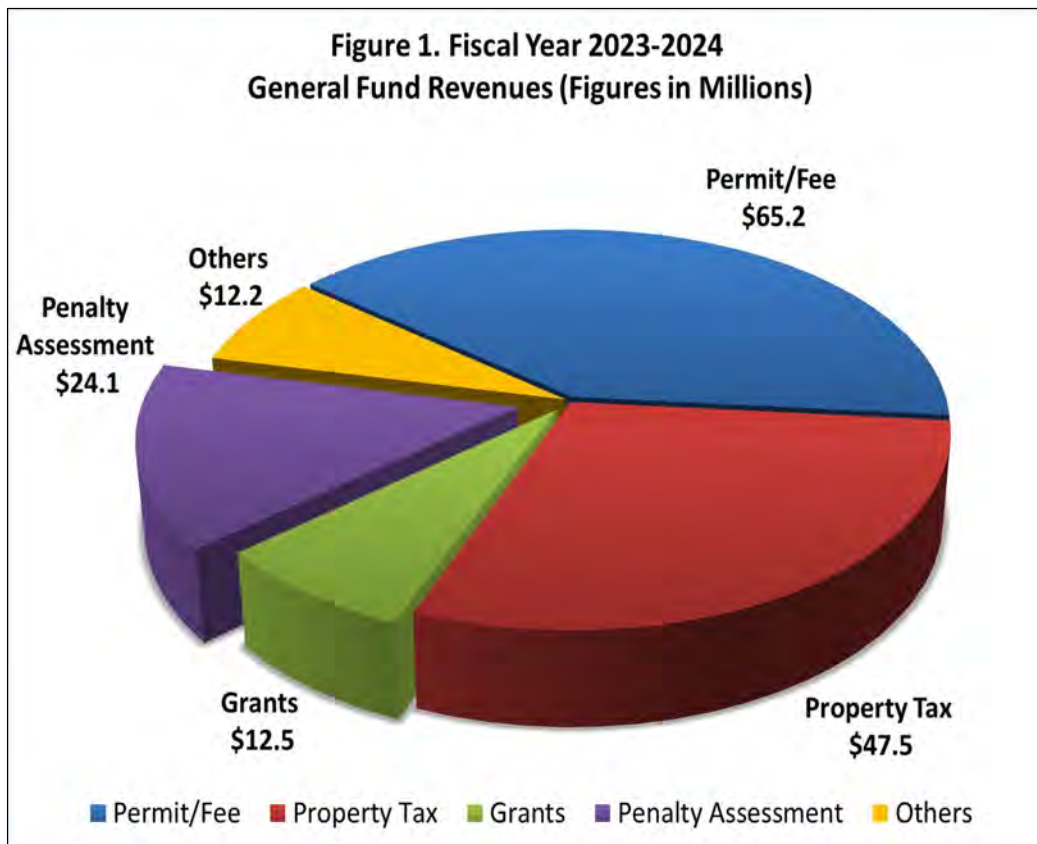


Figure 2 below provides a graph of General Fund operating expenditures (net of other financing uses) for fiscal year 2023-24. General Fund operating expenditures totaled \$119,088,400 which is an increase of \$7.8 million over fiscal year 2022-23. This increase is mainly due to increased personnel and benefit costs, increased activities related various programs service and supplies costs, offset by decrease in capital expenditures, and program distribution.

General Fund expenditures represent the Air District's general government operating costs categorized: Salaries & Benefits (85.7 million), Services & Supplies (25.2 million), Capital Outlay (\$4.3 million), Debt Service Payments (\$2.1 million) and Program Distribution (\$1.8 million) are not operating divisions, but rather categories capturing expenditures related to capital assets, certificate of participation notes (COP) financing, and special projects, respectively.

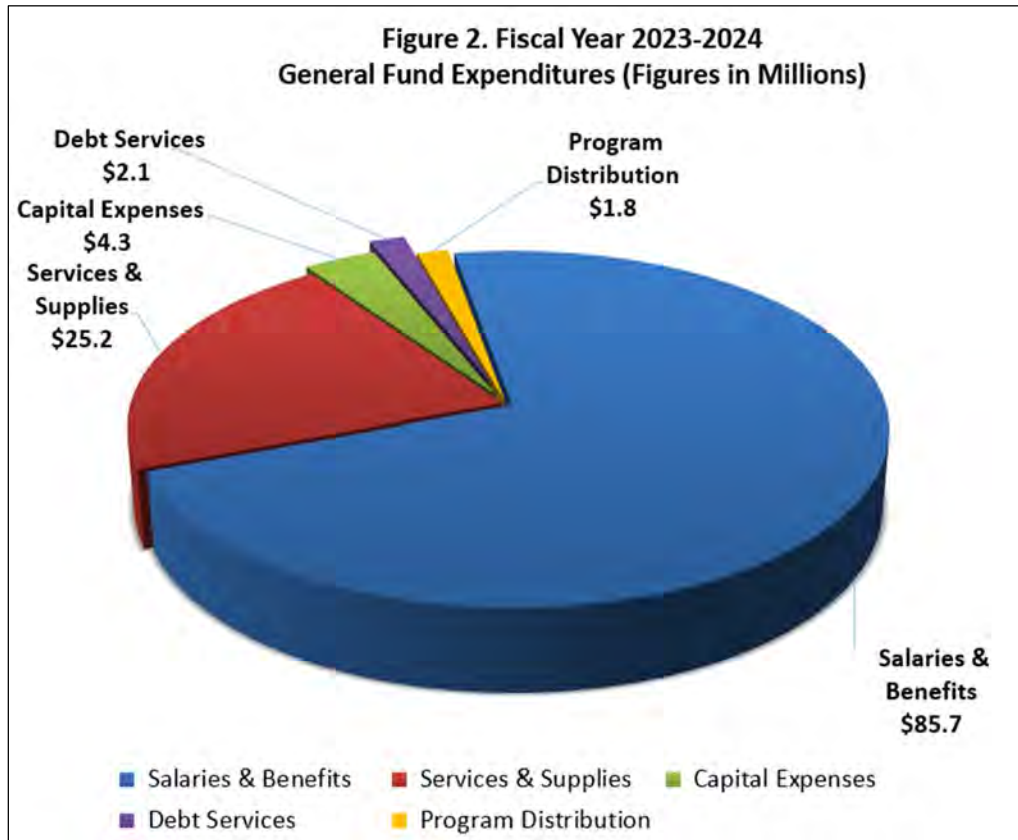
# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

## D. General Fund Financial Analysis Continued



General Fund operating revenues exceeded operating expenditures by \$42.4 million in fiscal year 2023-24.

The General Fund is the operating fund of the Air District and at the end of the fiscal year, the total fund balance of the General Fund was \$173.4 million. The committed fund balance was \$78.1 million, restricted \$23.4 million, non-spendable \$0.4 million, and the remaining \$71.5 million is unassigned. The unassigned fund balance represents 60.0% of the total General Fund expenditures, while the total fund balance represents 145.6% of the total General Fund expenditures. The Air District has available funds for unanticipated emergencies.

The FY 2023-24 amended budget compared to the adopted budget reflect an increase in appropriations of \$22.2 million (expenditures). The budget increase reflects the Governing Board's approval to carry over prior year appropriations for multi-year projects and obligations into the current fiscal year. The FY 2023-24 actual revenues were above the final budget by \$23.7 million resulting in additional revenues related to penalty assessment, property tax, permit-related fees, and interest earned.



## **BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Management's Discussion and Analysis

Year Ended June 30, 2024

(Unaudited)

### **E. Capital Assets**

Capital assets include land, buildings, lab equipment, air monitoring stations, computers, office furniture and fleet vehicles of the Air District. As of June 30, 2024, the Air District's investment in capital assets was \$66.9 million net of accumulated depreciation, a decrease of \$1.4 million or 2.1% from the prior year. This decrease in the combination of \$5.7 million is depreciation expense; offset by approximately \$4.3 million in additional assets consisting of enterprise application, lease assets, and equipment purchases.

### **F. Long-Term Liabilities**

At the end of the current fiscal year, the Air District had total long-term liabilities of \$134.7 million. Of this amount, \$109.3 million comprises of the Air District's Net Pension Liability, \$6.3 million is related to Net OPEB Liability; 16.2 million pertains to the Air District's outstanding Certificate of Participation (COPs); \$0.7 million is related to compensated absences; and the remaining balance of \$2.2 million is related to lease obligations. The net increase in long term liability is 1.3 million. It mainly related to increases in the Net Pension Liability 3.1 million and offset by decrease Net OPEB Liability, COPS. Capital lease obligation (total together \$1.8 million) based on changes in the actuarial assumptions, investment earnings and contributions.

### **G. Economic Factors and Next Year's Budget**

The fiscal year 2024-25 approved General Fund Budget of \$154 million is balanced, reflecting a \$9.7 million transfer from General Fund reserves for capital project/equipment and one-time contracts. The FY 2024-2025 Budget includes funding for 19 additional Full-Time Equivalent (FTE) positions to strengthen critical programs and improve service delivery. This expansion is supported by additional penalty revenue and short-term use of General Fund reserves. The Air District's Five-Year Strategic Plan goals have been established, and the budget recommendations demonstrate a commitment to aligning resources with strategic priorities. The Air District is in the process of developing strategies to align with each of the four goals in the Strategic Plan.

The Air District receives approximately 30% of its General Fund revenue from property taxes levied in nine Bay Area counties and 43% of permit fees charged to local businesses. Consequently, the Air District revenues are impacted by changes in the state and local economy. The Air District follows a fiscally conservative approach to budgeting, ensuring that expenditures align with available current revenues. It maintains a healthy reserve balance and, as part of the budget process, has adopted a new reserve policy establishing a target range of 25% to 35%. Consequently, the economic contingency reserves were increased from 20% to 25% for the fiscal year 2024-25 budget.

### **H. Request for Information**

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Statement of Net Position

June 30, 2024

**Governmental  
Activities**

Assets:	
Cash and cash equivalents	\$ 160,029,539
Restricted cash and cash equivalents	408,322,479
Restricted cash and cash equivalents - Pension Prefunding Trust	15,980,233
Receivables	28,640,793
Due from other governments	5,135,459
Prepays, deposits, and other assets	669,213
Capital assets:	
Non-depreciable	4,060,848
Depreciable	120,277,891
Lease asset	5,159,547
Less: accumulated depreciation	<u>(62,583,718)</u>
Total capital assets, net of depreciation	<u>66,914,568</u>
Total Assets	<u>685,692,284</u>
Deferred Outflows of Resources	<u>50,405,422</u>
Liabilities:	
Accounts payable	8,844,773
Accrued liabilities	3,236,651
Other liabilities	2,128,024
Unearned revenue	213,054,630
Long-term liabilities	
Portion due within one year:	
Compensated absences	7,762,139
Certificates of participation	500,000
Lease obligations	610,953
Portion due after one year:	
Compensated absences	771,712
Certificates of participation	16,200,000
Lease obligations	2,152,821
Net pension liability	109,279,509
Net OPEB liability	<u>6,283,387</u>
Total Liabilities	<u>370,824,599</u>
Deferred Inflows of Resources	<u>9,200,605</u>
Net Position:	
Net investment in capital assets	47,450,794
Restricted for:	
Air quality grants and projects	209,145,332
Post-employment benefits	3,775,374
Debt service	3,012,050
Pension Prefunding Trust	15,980,233
Unrestricted	76,708,719
Total Net Position	<u>\$ 356,072,502</u>

See accompanying notes to basic financial statements.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Statement of Activities  
Year Ended June 30, 2024

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Primary government	\$ 121,668,458	\$ 90,788,567	\$ 14,165,535	\$ (16,714,356)
California Goods Movement Program	2,912,105	-	2,967,355	55,250
Vehicle settlement	3,278,117	3,513,095	-	234,978
Interest expense	773,437	-	-	(773,437)
TFCA / MSIF, CPM & other programs:				
TFCA / MSIF & other program distribution	36,769,870	-	56,540,324	19,770,454
Carl Moyer Program	28,967,239	-	29,263,545	296,306
Total Governmental Activities	<u>\$ 194,369,226</u>	<u>\$ 94,301,662</u>	<u>\$ 102,936,759</u>	<u>\$ 2,869,195</u>
General revenues:				
County apportionment				47,524,893
Investment income (loss) not restricted for a specific program				12,679,747
Other				2,879,522
Total General Revenues				<u>63,084,162</u>
Change in Net Position				65,953,357
Net Position – Beginning of Year, Restated				290,119,145
Net Position – End of Year				<u>\$ 356,072,502</u>

See accompanying notes to basic financial statements.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Balance Sheet  
Governmental Funds  
June 30, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 160,029,539	\$ -	\$ 160,029,539
Restricted cash and cash equivalents	6,787,424	401,535,055	408,322,479
Restricted cash and cash equivalents - Pension Prefunding Trust	15,980,233	-	15,980,233
Receivables	18,255,992	10,384,801	28,640,793
Due from other governments	4,571,538	563,921	5,135,459
Due from other funds	9,492,950	-	9,492,950
Prepays, deposits, and other assets	614,252	54,961	669,213
Total Assets	<u>215,731,928</u>	<u>412,538,738</u>	<u>628,270,666</u>
<b>Liabilities and Fund Balances:</b>			
Accounts payable	5,817,277	3,027,496	8,844,773
Accrued liabilities	3,575,290	-	3,575,290
Due to other funds	-	9,492,950	9,492,950
Other liabilities	2,076,524	51,500	2,128,024
Unearned revenue	21,593,665	191,460,965	213,054,630
Total Liabilities	<u>33,062,756</u>	<u>204,032,911</u>	<u>237,095,667</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	9,267,732	-	9,267,732
Total Deferred Inflows of Resources	<u>9,267,732</u>	<u>-</u>	<u>9,267,732</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid items	387,826	-	387,826
<b>Restricted:</b>			
Air quality grants and projects	639,505	208,505,827	209,145,332
Postemployment benefits	3,775,374	-	3,775,374
Debt service	3,012,050	-	3,012,050
Pension Prefunding Trust	15,980,233	-	15,980,233
<b>Committed:</b>			
Air quality grants and projects	18,571,659	-	18,571,659
Other committed	38,312,398	-	38,312,398
Local Community Benefit Fund	16,869,990	-	16,869,990
Regional Community Benefit Fund	4,383,794	-	4,383,794
Unassigned	71,468,611	-	71,468,611
Total Fund Balances	<u>173,401,440</u>	<u>208,505,827</u>	<u>381,907,267</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 215,731,928</u>	<u>\$ 412,538,738</u>	<u>\$ 628,270,666</u>

See accompanying notes to basic financial statements.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2024

Total Fund balances - Governmental Funds	\$ 381,907,267
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$129,498,286 and accumulated depreciation is \$62,583,718.	66,914,568
Receivables that will be collected in the following year and therefore are not available soon enough to pay for current period's expenditures and therefore are not reported in the governmental funds.	9,267,732
Long-term liabilities, including legal settlements, compensated absences, COPs liability, and capital lease obligation are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(27,658,986)
Proportionate share of net pension liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	(72,581,635)
Net other post-employment benefits asset and related deferred inflow/outflow of resources are not reported in the governmental funds.	(1,776,444)
Total Net Position - Governmental Activities	<u>\$ 356,072,502</u>

See accompanying notes to basic financial statements.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2024

	<b>General</b>	<b>Special Revenue</b>	<b>Total Governmental</b>
<b>Revenues:</b>			
TFCA / MSIF DMV fees	\$ -	\$ 43,446,492	\$ 43,446,492
Permit fees	61,557,314	-	61,557,314
County apportionment	47,524,893	-	47,524,893
California Goods Movement	-	2,967,355	2,967,355
Carl Moyer Program	-	29,263,545	29,263,545
Federal grants	4,482,155	1,014,125	5,496,280
Penalties and variance fees	24,125,730	-	24,125,730
Asbestos fees	3,642,108	-	3,642,108
State subvention	1,692,558	-	1,692,558
State and other grants	7,990,822	12,079,707	20,070,529
Portable equipment registration program (PERP)	1,119,248	-	1,119,248
Vehicle settlement	-	3,513,095	3,513,095
Other revenues	2,743,585	135,937	2,879,522
Interest and investment gain	5,879,569	6,039,698	11,919,267
Interest and investment gain Pension Prefunding Trust	760,480	-	760,480
<b>Total Revenues</b>	<b>161,518,462</b>	<b>98,459,954</b>	<b>259,978,416</b>
<b>Administration:</b>			
Salaries and benefits	85,720,158	7,374,824	93,094,982
Services and supplies	25,167,448	3,461,011	28,628,459
Program distribution	1,834,986	61,091,496	62,926,482
<b>Debt service:</b>			
Principal	1,323,893	-	1,323,893
Interest	773,437	-	773,437
Capital outlay	4,268,478	-	4,268,478
<b>Total Expenditures</b>	<b>119,088,400</b>	<b>71,927,331</b>	<b>191,015,731</b>
Excess of Revenues Over Expenditures	42,430,062	26,532,623	68,962,685
<b>Other Financing Sources (Uses):</b>			
Transfers in	2,242,685	-	2,242,685
Transfers out	-	(2,242,685)	(2,242,685)
<b>Total Other Financing Sources (Uses)</b>	<b>2,242,685</b>	<b>(2,242,685)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>44,672,747</b>	<b>24,289,938</b>	<b>68,962,685</b>
Fund Balances, July 1, 2023, Restated	128,728,693	184,215,889	312,944,582
<b>Fund Balances, June 30, 2024</b>	<b>\$ 173,401,440</b>	<b>\$ 208,505,827</b>	<b>\$ 381,907,267</b>

See accompanying notes to basic financial statements.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures  
 and Changes in Fund Balances to the Statement of Activities  
 Year Ended June 30, 2024

Net Changes in Fund Balances - Governmental Funds	\$ 68,962,685
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	(1,442,352)
Proceeds of new debt and repayment on debt principal are reported as expenditures and other financing sources and uses in the governmental funds, but constitute reductions to liabilities in the statement of net position.	1,323,893
In the statement of activities, compensated absences are measured by the amounts the employees earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(330,074)
Because certain revenues will not be collected soon enough to be considered "available" revenues for this year.	344,167
Actuarial pension revenue is recognized in the government wide statements and actual pension contributions are reclassified in the current year as deferred outflow of resources.	(5,044,506)
Actuarial OPEB revenue is recognized in the government wide statements and actual OPEB contributions are reclassified in the current year as deferred outflow of resources.	2,139,544
Changes in Net Position of Governmental Activities	<u>\$65,953,357</u>

See accompanying notes to basic financial statements.

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

### (1) Summary of Significant Accounting Policies

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

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

#### (a) Reporting Entity

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

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

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

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

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

#### (b) Government-wide and Fund Financial Statements

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



## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

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

### (c) *Basis of Accounting*

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

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

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

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

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

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

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

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

### Notes to Basic Financial Statements

Year Ended June 30, 2024

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

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

#### **(d) Fund Accounting**

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

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

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

#### **(e) Cash and Investments**

Cash includes amounts in deposits with the San Mateo County Investment Fund (County Pool), and funded in the California Employers’ Pension Prefunding Trust (“CEPPT”).

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

#### **(f) Receivables**

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

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

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

**(h) Capital Assets**

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

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

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

Assets	Years
Buildings, grounds & improvements	15 - 20
Equipment	5 - 15

**(i) Deferred Outflows / Deferred Inflows**

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

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

**(j) Compensated Absences**

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

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

### **(k) Pensions**

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

### **(l) Use of Management Estimates**

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

### **(m) Net Position / Fund Balance**

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

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

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

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

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

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

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

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

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

Assigned Fund Balance – This category presents the portion of the fund balance that is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. For the District, balances can be assigned by management or through the budget process. As of June 30, 2024, the District had no assigned fund balance.

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

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

**(n) New Pronouncements**

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for periods after June 15, 2023. This addresses accounting and financial reporting requirements for certain types of accounting changes and error corrections. The District identified an error correction leading to the beginning net position and fund balance being restated. Refer to Note 14.

**(2) Cash, Cash Equivalents, and Investments**

Cash and Investments

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

Cash, cash equivalents, and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$	160,029,539
Restricted cash and cash equivalents		408,332,479
Restricted cash and cash equivalents - Pension Prefunding Trust		15,980,233
Total cash, cash equivalents and investments	\$	584,342,251

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Cash, cash equivalents, and investments as of June 30, 2023, consist of the following:

Cash and cash equivalents	\$	107,254,607
Restricted cash and cash equivalents		332,539,590
Restricted cash and cash equivalents - Pension Prefunding Trust		10,245,573
Total cash, cash equivalents and investments, as restated	\$	<u>450,039,770</u>

### Investment in Pension Prefunding Trust

In fiscal year 2022, the District's Board of Directors approved funding into the California Employers' Pension Prefunding Trust ("CEPPT"), an IRC Section 115 pension trust, to mitigate future budget impacts of rising pension contributions to CalPERS. The Section 115 pension trust assets are classified as restricted assets since their use is limited in scope to funding the District's CalPERS pension plan expenditures. Trust account holders can select from two strategy options for investments. The District has invested in the asset allocation for the Strategy 2 portfolio. Both portfolios seek to provide capital appreciation and income, but the Strategy 2 portfolio has a lower allocation to equities and a higher allocation to bonds and is considered the more conservative strategy.

### Cash in County Treasury

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

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

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

The District reports its investment in the County Pool at the fair value amount provided by the County. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants. As of June 30, 2024, the District recorded a total of \$7.8 million of unrealized gain to reflect investments at its fair value.

### Investments Authorized by the District's Investment Policy

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

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

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

### Investments Authorized by Debt Agreements

The District's cash, cash equivalents, and investments with fiscal agent in the General Fund in the amount of \$3,012,050 represent funds which are restricted for specific purposes under the terms of the debt agreement at June 30, 2024.

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

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

### Derivative Investments

The District did not directly enter into any derivative investments, and the County Pool was not holding derivative investments at June 30, 2024.

### Disclosures Related to Interest Rate Risk and Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the District's investment policy limit the District's investments in banker's acceptances, commercial paper, negotiable certificates of deposit collateralized certificates of deposit, and repurchase agreements to the rating of A-1/P-1/F-1 or better by two of the three nationally recognized rating services (Standard & Poor's, Moody's Investors Service, or Fitch Ratings). Corporate securities are required to have a rating of A or better at the time of purchase, and the amount invested in corporate securities in the A rating category shouldn't exceed 90% of the 30% permitted corporate allocation. U.S. government securities are required to have a rating of AA, long-term, or A-1, short-term, or better by two of the three rating services. Asset-backed securities are required to have a rating of AAA or higher by two of the three rating services.

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

The District's cash, cash equivalents, and investments were categorized as follows at June 30, 2024:

	<u>Ratings:</u>		<u>Maturities</u>	<u>Fair Value</u>
	<u>Moody's</u>	<u>S&amp;P</u>		
AIG Fixed Annuity	Not Rated	Not Rated	Current	\$ 3,775,374
Dreyfus Treasury Securities	Aaa-mf	AAAm	Current	3,012,050
Investments in San Mateo Pooled Fund Investment Program	Aaa to A3	AAA to BBB+	1.64 Years	561,564,594
Total cash, cash equivalents, and investments				<u>\$ 568,352,018</u>

### Restricted Cash, Cash Equivalents, and Investments

The District's restricted cash, cash equivalents, and investments are \$424,302,712 at June 30, 2024.

Included in this restricted balance is \$401,535,055 for air quality grants and projects, \$3,012,050 for debt service, and \$3,775,374 restricted for post-employment benefits.

Additionally, the District maintains restricted cash, cash equivalents, and investments in the Pension Prefunding Trust (CEPPT) of \$15,980,233 at June 30, 2024. This balance is restricted as funds deposited in the Pension Prefunding Trust are irrevocable and may only be used for the specific purpose for which the trust was established.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

Fair Value Measurement

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

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

**(3) Receivables**

At June 30, 2024, the District had the following accounts receivable:

**General Fund:**

Permit and other fees	\$	15,930,861	
County apportionments		759,039	
Interest		1,561,127	
Other		4,965	
		<hr/>	
Total General Fund			\$ <u>18,255,992</u>

**Special Revenue Fund**

TFCA DMV fees	\$	4,433,785	
MSIF DMV fees		2,080,651	
Interest		3,870,365	
		<hr/>	
Total Special Revenue Fund			\$ <u>10,384,801</u>

<b>Total Receivables</b>			\$ <u><u>28,640,793</u></u>
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**(4) Interfund Transactions**

Current interfund balances (due to/from other funds) arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures that are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received.

At June 30, 2024, the General Fund was owed \$9,492,950 by the Special Revenue Fund.

With Board approval, resources are transferred from one fund to another. The purpose of the majority of transfers is to move approved administrative revenue charged to restricted programs in the Special Revenue Fund to the General Fund. Interfund transfers for the year ended June 30, 2024, were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General Fund	Special Revenue Fund	\$ 2,242,685

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

**(5) Capital Assets**

The District's capital assets were comprised of the following at June 30, 2024:

	<b>Balance at 7/1/2023</b>	<b>Additions</b>	<b>Transfers / Adjustments / Deletions</b>	<b>Balance at 6/30/2024</b>
<b>Nondepreciable Assets:</b>				
Land	\$ 3,974,267	\$ -	\$ -	\$ 3,974,267
Construction in progress	1,327,856	86,581	(1,327,856)	86,581
Total nondepreciable assets	<u>5,302,123</u>	<u>86,581</u>	<u>(1,327,856)</u>	<u>4,060,848</u>
<b>Depreciable assets:</b>				
Building	36,950,205	-	-	36,950,205
Building & grounds	7,718,029	-	-	7,718,029
Leasehold improvements	2,933,740	-	-	2,933,740
Office equipment	445,678	-	-	445,678
Computer & network equipment	10,687,237	-	-	10,687,237
Enterprise application	39,122,022	3,729,997	1,191,347	44,043,366
Motorized equipment (vehicle)	445,413	-	(15,719)	429,694
Lab & monitoring equipment	12,974,546	387,118	94,374	13,456,038
Communication equipment	3,157,215	-	22,598	3,179,813
Furniture	166,395	64,782	-	231,177
General equipment	213,430	-	(10,516)	202,914
Lease assets	5,159,547	-	-	5,159,547
Total depreciable assets	<u>119,973,457</u>	<u>4,181,897</u>	<u>1,282,084</u>	<u>125,437,438</u>
Building	10,928,068	1,847,510	-	12,775,578
Building & grounds	1,768,145	426,382	-	2,194,527
Leasehold improvements	2,777,385	5,082	-	2,782,467
Office equipment	414,780	5,294	-	420,074
Computer & network equipment	9,871,697	200,633	-	10,072,330
Enterprise application	13,782,486	2,608,135	-	16,390,621
Motorized equipment (vehicle)	313,278	25,215	-	338,493
Lab & monitoring equipment	11,331,949	327,098	-	11,659,047
Communication equipment	2,979,490	23,676	-	3,003,166
Furniture	156,265	6,881	-	163,146
General equipment	206,982	-	(9,990)	196,992
Lease assets	2,388,135	199,142	-	2,587,277
Total accumulated depreciation	<u>56,918,660</u>	<u>5,675,048</u>	<u>(9,990)</u>	<u>62,583,718</u>
Total depreciable assets, net	<u>63,054,797</u>	<u>(1,493,151)</u>	<u>1,292,074</u>	<u>62,853,720</u>
Total capital assets, net	<u>\$ 68,356,920</u>	<u>\$ (1,406,570)</u>	<u>\$ (35,782)</u>	<u>\$ 66,914,568</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

Depreciation expense by function for capital assets for the year ended June 30, 2024, is as follows:

Primary Government:

Administrative services	\$ 818,307
Assessment, inventory & model	124,516
Community engagement	258,240
Communications office	60,930
Compliance & enforcement	599,402
Diversity equity & inclusion	15,584
Engineering	442,093
Executive	254,507
Finance	226,126
Human resources	68,779
Information services operations	145,316
Legal services	152,925
Legislative	18,758
Meteorology & measurement	899,616
Enterprise technology solutions	1,383,543
Planning	108,060
Rule	77,558
Strategic incentives division	6,620
Technology implementation office	14,168
Total depreciation expense	\$ 5,675,048

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

**(6) Unearned / Unavailable Revenue**

The governmental fund financial statements report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues that are not available when they are not collectible within the current period or soon enough thereafter to pay for liabilities of the current period. The District reports a liability for unearned revenue in connection with resources that have been received, but not yet earned. As of June 30, 2024, the various components of unavailable revenue and unearned revenue reported were as follows:

	<u>Unearned Revenue</u>	<u>Unavailable Revenue</u>	<u>Total</u>
<b>General Fund:</b>			
Permits and licenses	\$ -	\$ 9,267,732	\$ 9,267,732
Community Air Protection Program	21,593,665	-	21,593,665
Total General Fund	<u>21,593,665</u>	<u>9,267,732</u>	<u>30,861,397</u>
<b>Special Revenue Fund:</b>			
GMB - Administration	1,197,667	-	1,197,667
GMB - On-Road Projects	13,283,924	-	13,283,924
Shore Power Projects	6,068,200	-	6,068,200
TRUs	6,402	-	6,402
Locomotive	8,038	-	8,038
Carl Moyer Program	113,991,019	-	113,991,019
Carl Moyer Program Administration	3,839,992	-	3,839,992
Low Carbon Project Funding	6,798,124	-	6,798,124
Low Carbon Program Administration	5,004,604	-	5,004,604
Vehicle Settlement	39,704,962	-	39,704,962
Special Projects	1,558,033	-	1,558,033
Total Special Revenue Fund	<u>191,460,965</u>	<u>-</u>	<u>191,460,965</u>
Total Unearned and Unavailable Revenue	<u>\$ 213,054,630</u>	<u>\$ 9,267,732</u>	<u>\$ 222,322,362</u>

**(7) Deferred Outflows and Inflows of Resources**

District's deferred outflows and inflows of resources as of June 30, 2024 are comprised of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of assumptions - Pension	\$ 5,968,815	\$ -
Changes of assumptions - OPEB	1,822,540	2,739,026
Differences between expected and actual experience - Pension	3,204,377	-
Differences between expected and actual experience - OPEB	3,014,377	6,461,579
Net differences between projected and actual earnings on plan investments - Pension	13,620,247	-
Net differences between projected and actual earnings on plan investments - OPEB	4,629,953	-
Pension contributions subsequent to measurement date	13,904,435	-
OPEB contributions subsequent to measurement date	4,240,678	-
Total	<u>\$ 50,405,422</u>	<u>\$ 9,200,605</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

**(8) Long-Term Liabilities**

**(a) Certificate of Participation**

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

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

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

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

Total payments of principal and interest are structured as follows:

<u>Fiscal Year</u>	<u>Total Annual Payments</u>	
2025	\$	1,200,000
2026		1,200,000
2027		1,200,000
2028		1,370,000
2029		1,370,000
2030-2034		6,850,000
2035-2039		6,850,000
2040-2044		6,850,000
2045		1,370,000
	\$	<u>28,260,000</u>

Upon payment of all rental payments under the term of the sublease agreement, the title of the office space will transfer to the District. Future annual payments on COPs are as follows:

<u>Year Ending June 30</u>	<u>Certificates of Participation</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 500,000	\$ 680,400
2026	500,000	659,400
2027	500,000	638,400
2028	600,000	613,200
2029	600,000	588,000
2030-2034	3,300,000	2,536,800
2035-2039	4,000,000	1,743,000
2040-2044	4,700,000	827,400
2045-2046	2,000,000	42,000
	<u>\$ 16,700,000</u>	<u>\$ 8,328,600</u>

COPs bear a variable interest rate structure with preset interest rate caps. The interest rate is based on an agreed-upon spread of 120 basis points or 1.2% plus a commonly used interest rate index published by the Securities Industry and Financial Markets Association (SIFMA). The SIFMA index rate used to calculate the interest rate is determined by the Index Agent on (1) each Index Rate Determination Date determined by the Index Agent, plus (2) the applicable spread of 3.88%; the sum of which is subject to the preset interest rate cap as follows:

Preset Interest Rate Caps structure:

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

The District determined that the SIFMA rate as of the end of the fiscal year ending June 30, 2024 exceeds the preset interest rate cap of %, noted above. As such, the District utilized the preset interest rate cap applicable to Fiscal Year 2024 to calculate the interest based on the predetermined principal payment schedule above.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

**(b) Leases**

The District is a lessee for noncancellable leases of buildings and vehicles. The District recognizes lease liability and intangible right-to-use lease assets in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The opening balance of the lease liability was recorded in the amount of \$3.6 million. During the year, the District did not enter into new agreements or renewals. Fiscal Year 2024 amortization was \$824K. As of June 30, 2024, the total value of the lease liability was \$2.8 million.

As of June 30, 2024, the total value of the right-to-use asset was recorded at a cost of \$5.2 million with accumulated amortization of \$2.6 million.

The future lease payments under lease agreements are as follows:

<b>Year Ending June 30</b>	<b>Lease Obligations</b>	
	<b>Principal</b>	<b>Interest</b>
2025	\$ 610,953	\$ 45,112
2026	420,210	35,067
2027	393,574	25,783
2028	256,251	17,414
2029	114,463	13,796
2030-2034	563,412	45,842
2035-2038	404,911	8,064
	\$ 2,763,774	\$ 191,078

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

**(c) Summary of Long-Term Liabilities**

A schedule of changes in general long-term debt for the year ended June 30, 2024, is shown below:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Certificates of participation (COPs)	\$ 17,200,000	\$ -	\$ (500,000)	\$ 16,700,000	\$ 500,000
Compensated absences	8,130,359	6,438,950	(6,035,458)	8,533,851	7,762,139
Lease obligations	<u>3,587,667</u>	<u>-</u>	<u>(823,893)</u>	<u>2,763,774</u>	<u>610,953</u>
Total	<u>\$ 28,918,026</u>	<u>\$ 6,438,950</u>	<u>\$ (7,359,351)</u>	<u>\$ 27,997,625</u>	<u>\$ 8,873,092</u>

The certificates of participation and long-term portion of compensated absences are liquidated by the General Fund. Lease obligations is liquidated by the General Fund and Special Revenue Fund.

**(9) County Apportionment Revenue**

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

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

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

County apportionment revenue recognized as of June 30, 2024, is as follows:

<u>County</u>	<u>Amount</u>
Alameda	\$ 8,809,059
Contra Costa	5,199,972
Marin	2,060,278
Napa	1,485,462
Santa Clara	13,276,079
San Francisco	6,971,257
San Mateo	6,648,355
Solano	1,044,603
Sonoma	<u>2,029,828</u>
Total county apportionment revenue	<u>\$ 47,524,893</u>



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

**(10) Pension Plan**

**Plan Description**

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

In fiscal year 2022, the District’s Board of Directors approved funding into the California Employers’ Pension Prefunding Trust (“CEPPT”), an IRC Section 115 pension trust, to mitigate future budget impacts of rising pension contributions to CalPERS. The Section 115 pension trust assets are limited in scope to funding the District’s CalPERS pension plan expenditures.

**Benefits Provided**

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

Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits, while PEPRA members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, the Optional Settlement 2 Death Benefit, or the Special Death Benefit. The standard cost-of-living adjustment (COLA) is 2% and is applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<b>Classic</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hiring date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	52
Monthly benefit, as a % of eligible compensation	1.43% - 2.42%	1.00 % - 2.50%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	26.09%	26.09%

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

### Employees Covered

At June 30, 2024, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	357
Inactive employees entitled to but not yet receiving benefits	78
Active employees	432
<b>Total</b>	<b>867</b>

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the year ended June 30, 2024, the contributions to the Plan amounted to \$13,904,435.

### Net Pension Liability

The District's net pension liability for the Plan of \$109,279,509 at June 30, 2024, is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability of the Plan is shown below. The total pension liability in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

All other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from, including updates to salary increases, mortality, and retirement dates. The Experience Study report from November 2021 can be obtained at CalPERS' website under Forms and Publications.

### Change of Benefit Terms

The figures generally include the liability impact that resulted from voluntary benefit changes that occurred on or before the Measurement Date.

### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return <sup>(a)(b)</sup>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-Cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)
	100.00%	

<sup>(a)</sup> An expected inflation of 2.30% used for this period.

<sup>(b)</sup> Figures are based on the 2021 Asset Liability Management study.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

**Changes in the Net Pension Liability**

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2023	\$ 393,763,740	\$ 287,562,799	\$ 106,200,941
Changes recognized for the measurement period:			
Service cost	8,395,155	–	8,395,155
Interest on the total pension liability	26,960,879	–	26,960,879
Changes of benefit terms	285,870	–	285,870
Differences between expected and actual experience	2,150,563	–	2,150,563
Contributions from the employer	–	13,048,181	(13,048,181)
Contributions from employees	–	3,866,765	(3,866,765)
Net investment income	–	18,010,413	(18,010,413)
Benefit payments, including refunds of employee contributions	(19,320,750)	(19,320,750)	–
Administrative expense	–	(211,460)	211,460
Net changes	<u>18,471,717</u>	<u>15,393,149</u>	<u>3,078,568</u>
Balance at June 30, 2024	<u>\$ 412,235,457</u>	<u>\$ 302,955,948</u>	<u>\$ 109,279,509</u>

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

The following presents the District's net pension liability for the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (%) or 1-percentage-point higher (%) than the current rate:

	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
District's net pension liability	\$ 161,124,789	\$ 109,279,509	\$ 66,115,749

**Pension Plan Fiduciary Net Position**

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

For the year ended June 30, 2024, the District recognized pension expense of \$5,044,506 for the Plan. As of June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,968,815	\$ -
Differences between expected and actual experience	3,204,377	-
Net differences between projected and actual earnings on pension plan investments	13,620,247	-
District contributions subsequent to the measurement date	13,904,435	-
Total	<u>\$ 36,697,874</u>	<u>\$ -</u>

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense.

The \$13,904,435 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows Deferred Outflows of Resources</u>
2025	\$ 5,908,468
2026	4,441,534
2027	11,702,424
2028	741,013

**Payable to the Pension Plan**

The District's contribution for all members to the Plan for the fiscal year ended June 30, 2024, was in accordance with the required contribution rate calculated by the CalPERS actuary. Hence, no payable to the pension plan is recognized for the fiscal year ended June 30, 2024.

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

### (11) Postemployment Benefits – Health and Welfare for Retirees

#### Plan Description

The District contributes to an agent multiple-employer plan administered by CalPERS. The plan provides medical, dental, vision, and life insurance benefits to eligible retirees. Benefit provisions are established in accordance with the Employee Association Memorandum of Understanding (MOU) for represented employees and as adopted by Board Resolution for all other employees who retire from the District on or after attaining age 50 for classic or age 52 for PEPR with at least 5 (five) years of service, or an approved disability retirement.

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

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

Additionally, the plan maintains a closed group of retirees receiving coverage through a separate life insurance policy with American International Group, Inc. (AIG). The District makes contributions to the AIG Retiree Life Reserve Fund on an annual basis as needed to ensure that Fund's balance is equal to the present value of expected claims for the retirees covered by the policy. The AIG Retiree Reserve Fund can only be applied toward the benefits provided under the program. As of June 30, 2024, the AIG Retiree Life Insurance Fund had a total asset balance of \$330,468, making up 0.50% of the total Plan Fiduciary Net Position of \$72,816,794. All activities of the AIG Retiree Life Reserve Fund are accounted for in the measurement of the District's net OPEB liability.

#### Employees Covered

As of June 30, 2023, actuarial valuation, the following current, and former employees were covered by the benefit terms under the District's OPEB Plan:

Active employees	408
Inactive employees or beneficiaries currently receiving benefits	280
Inactive employees entitled to, but not yet receiving benefits	4
Total	<u>692</u>

#### Contributions

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

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

For fiscal year 2024, the District contributed a total of \$4,240,678 to the plan that includes \$846,090 identified as implicit contributions.

### Net OPEB Liability

The District's net OPEB liability of \$6,283,387 at June 30, 2024, is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured using an annual actuarial valuation as of June 30, 2023. The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Normal Cost, level percent of pay
Actuarial assumptions	
Discount rate	6.15%, net of plan investment expenses
Inflation	2.50%
Salary increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Investment rate of return	6.15%, net of plan investment expenses
Mortality improvement	MacLeod Watts Scale 2022 applied generationally from 2017
Healthcare trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels were derived using the Getzen model and are assumed to be effective on the dates shown below.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.80%
2025	6.50%	2044-2049	4.70%
2026	6.00%	2050-2059	4.60%
2027	5.50%	2060-2065	4.50%
2028	5.40%	2066-2067	4.40%
2029	5.30%	2068-2069	4.30%
2030	5.20%	2070	4.20%
2031	5.10%	2071-2072	4.10%
2032-2037	5.00%	2073-2074	4.00%
2038-2039	4.90%	2075 & later	3.90%

The trend shown above was developed using the Getzen Model 2023 published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2032 20%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements.

### Changes of Assumptions

Effective with the June 30, 2023, valuation date, the discount rate increased from 6.10% to 6.15% to reflect expected future CERBT returns approved by the CalPERS Board in March 2022. Demographic assumptions were updated from those in the 2017 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued in November 2021. Healthcare trends have been updated from the Getzen2021\_b to the Getzen 2023 model. The percentage of future retirees assumed to cover a spouse decreased from 65% to 60%, based on observed retiree experience over the past 6 years. Additionally, assumptions for future retirees expected to cover dependent children was updated from 35% until age 65 to 20% until age 68, based on historical election.

### Discount Rate

The discount rate used to measure the total OPEB liability is 6.15%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for currently active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

<u>Asset Classification</u>	<u>Assumed asset allocation</u>
Global equity	49.00%
Fixed income	23.00
REITs	20.00
TIPS	5.00
Commodities	3.00
Total	<u>100.00%</u>
1-5 Year Projected Compound Return <sup>1</sup>	6.10%
6-20 Year Projected Compound Return <sup>2</sup>	6.60%
1-20 Year Projected Compound Return <sup>1</sup>	6.40%
Expected Volatility (Standard Deviation)	11.50%

<sup>1</sup> Adopted by the CalPERS Board of Administration in November 2021.

<sup>2</sup> Implied Returns and Inflation for Years 6-20 are calculated from the Board Approved Values for Years 1-5 and Years 1-20.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2024

To derive the expected future trust return specifically for the District, CalPERS' future return expectations was adjusted to align with the 2.50% general inflation assumption used in the actuarial assumptions. After applying the plan specific benefit payments to CalPERS' bifurcated return expectations, the actuaries determined the single equivalent long-term rate of return to be 6.15%.

**Changes in the OPEB Liability (Asset)**

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning Balance at June 30, 2023	\$ 75,707,574	\$ 68,464,914	\$ 7,242,660
Changes recognized for the measurement period			
Service cost	2,254,825	-	2,254,825
Interest on the total OPEB liability	4,639,111	-	4,639,111
Differences between expected and actual experience	3,519,298	-	3,519,298
Change of assumptions	(3,197,828)	-	(3,197,828)
Benefit payments	(3,822,799)	(3,822,799)	-
Contributions - employer	-	3,822,799	(3,822,799)
Net investment income	-	4,371,672	(4,371,672)
Other expenses - administrative expense	-	(19,792)	19,792
Net changes	3,392,607	4,351,880	(959,273)
Balance at June 30, 2024	\$ 79,100,181	\$ 72,816,794	\$ 6,283,387

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

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability of the District if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for fiscal year ended June 30, 2024:

	1.00% Decrease (5.15%)	Current Discount Rate (6.15%)	1.00% Increase (7.15%)
Net OPEB liability (asset)	\$ 16,312,909	\$ 6,283,387	\$ (2,052,834)

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

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

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate, for measurement period ended June 30, 2024:

	1.00% Decrease	Current Trend <sup>(1)</sup>	1.00% Increase
Net OPEB liability (asset)	\$ (842,083)	\$ 6,283,387	\$ 13,644,800

<sup>(1)</sup> Refer above to actuarial assumptions for health trend rates.

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$2,139,544. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,822,540	\$ 2,739,026
Difference between expected and actual earnings on OPEB plan investments	4,629,953	—
Difference between expected and actual experience	3,014,377	6,461,579
District contributions subsequent to the measurement date	4,240,678	—
Total	\$ 13,707,548	\$ 9,200,605

The \$4,240,678 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in net OPEB liability in the year ending June 30, 2025.

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

<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ (1,014,362)
2026	(489,524)
2027	2,195,490
2028	(516,201)
Thereafter	90,860

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

**(12) Fund Balances**

The following is a summary of non-spendable, restricted, committed and unassigned fund balances at June 30, 2024:

	<b>General Fund</b>	<b>Special Revenue Fund</b>
Nonspendable:		
Prepaid items	\$ 387,826	\$ -
Total Nonspendable Balances	387,826	-
Restricted for:		
Air quality grants and projects	639,505	208,505,827
Postemployment benefits	3,775,374	-
Debt service	3,012,050	-
Pension prefunding trust	15,980,233	-
Total Restricted Balances	23,407,162	208,505,827
Committed to:		
Air quality grants and projects	18,571,659	-
Local benefit fund	16,869,990	-
Regional benefit fund	4,383,794	-
AB617 staffing contingency	7,700,000	-
Community benefits	3,000,000	-
Incident monitoring program	1,000,000	-
Limited term contract employee staffing	1,000,000	-
Outside council litigation	6,255,000	-
Pandemic contingency	2,000,000	-
Richmond improvement (HQE)	5,000,000	-
Schedule X	6,671,854	-
Spare the Air Program	1,075,000	-
Technology implementation office	3,350,000	-
Wildfire mitigation	288,782	-
Woodsmoke (SID)	473,850	-
Woodsmoke (C&E)	497,912	-
Total Committed Balances	78,137,841	-
Unassigned	71,468,611	-
Total Fund Balances	<b>\$ 173,401,440</b>	<b>\$ 208,505,827</b>

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

**Nonspendable** fund balances represent amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** fund balances represent amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** fund balances represent amounts that can be used only for specific purposes determined by a formal action of the governing board through the adoption of a resolution. The governing board is the highest level of decision-making authority for the District. These committed amounts cannot be used for any other purpose unless the governing board removes or changes the specific use through formal action. Governing board's action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30. The amount which will be committed can be determined subsequently but prior to the release of the District's financial statements.

Unassigned fund balances represent all other spendable amounts.

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

### (13) Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District manages and finances these risks by purchasing commercial insurance and has a \$1,000 to \$10,000 deductible for general and special property liability with limits of \$10 million and \$100 million, respectively.

The District has had no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the District's commercial insurance coverage. As of June 30, 2024, the District had no material claims outstanding for general liability or workers' compensation cases.

### (14) Commitments and Contingencies

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

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

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Basic Financial Statements  
Year Ended June 30, 2024

**(15) Adjustments to and Restatements of Beginning Balances**

During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund balance. It was found that contributions to the CEPPT had been recorded as an expense in the prior period. The account should have been reported as restricted cash and restricted fund balance. The beginning balance has been adjusted to reflect the initial funding and activities for the prior period as follows:

<b>Fund Balance Restatement</b>	
June 30, 2023 Fund Balance	\$ 118,483,120
CEPPT Activity:	
Cash (Contribution)	10,000,000
Investment Earnings	251,678
Administrative Expenses	(4,027)
Investment Expenses	(2,078)
Total CEPPT Activity (Restatement Total)	10,245,573
June 30, 2023 Fund Balance, <b>Restated</b>	<b>128,728,693</b>
Special Revenue June 30, 2023 Fund Balance	184,215,889
Fund Balance, <b>Restated</b>	<b>\$ 312,944,582</b>
<b>Net Position Restatement</b>	
June 30, 2023 Net Position	\$ 289,873,572
CEPPT Activity:	
Investment Earnings	251,678
Administrative Expenses	(4,027)
Investment Expenses	(2,078)
CEPPT Restatement	245,573
Restated June 30, 2023 Net Position	<b>\$ 290,119,145</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Required Supplementary Information  
Schedule of Changes in the Net OPEB Liability and Related Ratios\*  
For the Year Ended June 30, 2024  
(unaudited)

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Total OPEB Liability							
Service cost	\$ 1,531,801	\$ 1,581,585	\$ 1,801,428	\$ 1,859,816	\$ 1,915,610	\$ 2,189,150	\$ 2,254,825
Interest on the total OPEB liability	4,722,673	4,980,026	5,164,087	4,698,222	4,895,975	4,455,401	4,639,111
Changes of assumptions	-	3,506,193	175,927	-	3,275,584	-	(3,197,828)
Differences between expected and actual experience	-	-	(7,536,242)	-	(9,030,137)	-	3,519,298
Benefit payments	<u>(2,600,577)</u>	<u>(2,908,537)</u>	<u>(3,161,874)</u>	<u>(3,489,527)</u>	<u>(3,653,437)</u>	<u>(3,574,371)</u>	<u>(3,822,799)</u>
Net change in total OPEB liability	3,653,897	7,159,267	(3,556,674)	3,068,511	(2,596,405)	3,070,180	3,392,607
Total OPEB liability – beginning	<u>64,908,798</u>	<u>68,562,695</u>	<u>75,721,962</u>	<u>72,165,288</u>	<u>75,233,799</u>	<u>72,637,394</u>	<u>75,707,574</u>
Total OPEB liability – ending (a)	<u>\$ 68,562,695</u>	<u>\$ 75,721,962</u>	<u>\$ 72,165,288</u>	<u>\$ 75,233,799</u>	<u>\$ 72,637,394</u>	<u>\$ 75,707,574</u>	<u>\$ 79,100,181</u>
Plan Fiduciary Net Position							
Contributions – employer	\$ 6,600,577	\$ 6,817,699	\$ 7,161,874	\$ 3,401,469	\$ 7,653,437	\$ 7,574,371	\$ 3,822,799
Net investment income	3,304,360	3,139,604	2,802,806	1,897,992	15,526,284	(10,600,660)	4,371,672
Benefit payments	(2,600,577)	(2,908,537)	(3,161,874)	(3,489,527)	(3,653,437)	(3,574,371)	(3,822,799)
Administrative expense	<u>(17,180)</u>	<u>(73,126)</u>	<u>(9,966)</u>	<u>(26,028)</u>	<u>(21,632)</u>	<u>(19,887)</u>	<u>(19,792)</u>
Net change in plan fiduciary net position	7,287,180	6,975,640	6,792,840	1,783,906	19,504,652	(6,620,547)	4,351,880
Plan fiduciary net position – beginning	<u>32,741,243</u>	<u>40,028,423</u>	<u>47,004,063</u>	<u>53,796,903</u>	<u>55,580,809</u>	<u>75,085,461</u>	<u>68,464,914</u>
Plan fiduciary net position – ending (b)	<u>40,028,423</u>	<u>47,004,063</u>	<u>53,796,903</u>	<u>55,580,809</u>	<u>75,085,461</u>	<u>68,464,914</u>	<u>72,816,794</u>
Net OPEB liability – ending (a) - (b)	<u>\$ 28,534,272</u>	<u>\$ 28,717,899</u>	<u>\$ 18,368,385</u>	<u>\$ 19,652,990</u>	<u>\$ (2,448,067)</u>	<u>\$ 7,242,660</u>	<u>\$ 6,283,387</u>
Plan fiduciary net position as a percentage of the total OPEB liability	58.4%	62.1%	74.5%	73.9%	103.4%	90.4%	92.1%
Covered – employee payroll	\$ 35,433,438	\$ 37,405,253	\$ 40,462,747	\$ 44,766,317	\$ 48,652,158	\$ 51,700,259	\$ 53,430,405
Net OPEB liability as percentage of covered – employee payroll	80.53%	76.78%	45.40%	43.90%	-5.03%	14.01%	11.76%

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

See accompanying independent auditor's report.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**Schedule of Contributions - OPEB\***  
**For the Year Ended June 30, 2024**  
**(unaudited)**

	<b>2017-2018</b>		<b>2018-2019</b>		<b>2019-2020</b>		<b>2020-2021</b>		<b>2021-2022</b>		<b>2022-2023</b>		<b>2023-2024</b>
Actuarially determined contribution	\$ 6,081,000	\$	5,655,362	\$	4,721,343	\$	4,380,464	\$	2,080,418	\$	2,023,598	\$	3,225,403
Contributions in relation to the actuarially determined contributions	6,817,699		7,161,874		3,401,469		7,653,437		7,574,371		3,822,799		4,240,678
Contribution deficiency (excess)	<u>\$ (736,699)</u>	\$	<u>(1,506,512)</u>	\$	<u>1,319,874</u>	\$	<u>(3,272,973)</u>	\$	<u>(5,493,953)</u>	\$	<u>(1,799,201)</u>	\$	<u>(1,015,275)</u>
Covered - employee payroll	\$ 37,405,252	\$	40,734,161	\$	44,766,317	\$	48,652,158	\$	51,700,259	\$	53,430,405	\$	62,501,063
Contributions as a percentage of covered employee payroll	18.23%		17.58%		7.60%		15.73%		14.65%		7.15%		6.78%

**Notes to Schedule:**

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

	6/30/2015		7/1/2017		6/30/2019		6/30/2019		6/30/2021		6/30/2021		6/30/2023
Valuation date	6/30/2015		7/1/2017		6/30/2019		6/30/2019		6/30/2021		6/30/2021		6/30/2023
Actuarial cost method	Entry age normal		Entry age normal		Entry age normal		Entry age normal		Entry age normal		Entry age normal		Entry age normal
Amortization method	Level percentage of pay		Level percentage of pay		Level percentage of pay		Level percentage of pay		Level percentage of pay		Level percentage of pay		Level percentage of pay
Amortization period	10 years		9 years		8 years		7 years		30 years		30 years		30 years
Asset valuation method	CERBT - 5-year smoothed market AIG Fund - contract value		Market value of assets		Market value of assets		Market value of assets		Market value of assets		Market value of assets		Market value of assets
Inflation	3.00%		2.75%		2.50%		2.50%		2.50%		2.50%		2.50%
Healthcare cost trend rates	<p>Non-Med - 2015: Actual; 2016: Actual; 2017: 7.0%; 2018: 6.5%; 2019: 6.0%; 2020: 5.5%; 2021+: 5.0%</p> <p>Medicare - 2015: Actual; 2016: Actual; 2017: 7.2%; 2018: 6.7%; 2019: 6.1%; 2020: 5.6%; 2021+: 5.0%</p>		<p>Dental and vision premiums are assumed to increase by 3% per year. The PEMHCA Minimum Employer Contribution is assumed to increase at 4.5% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>		<p>Medical Premium Increase - Effective January 1: 2021: 5.40%, 2022: 5.30%, 2023-26: 5.20%, 2027-46: 5.30%, 2047: 5.20%, 2048-49: 5.10%, 2050-53: 5.00%, 2054-59: 4.90%, 2060-66: 4.80%, 2067: 4.70%, 2068: 4.60%, 2069: 4.50%, 2070-71: 4.40%, 2072: 4.30%, 2073-74: 4.20%, 2075: 4.10%, 2076 &amp; later: 4.00%</p> <p>The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>		<p>Medical Premium Increase - Effective January 1: 2021: 5.40%, 2022: 5.30%, 2023-26: 5.20%, 2027-46: 5.30%, 2047: 5.20%, 2048-49: 5.10%, 2050-53: 5.00%, 2054-59: 4.90%, 2060-66: 4.80%, 2067: 4.70%, 2068: 4.60%, 2069: 4.50%, 2070-71: 4.40%, 2072: 4.30%, 2073-74: 4.20%, 2075: 4.10%, 2076 &amp; later: 4.00%</p> <p>The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>		<p>Medical Premium Increase - Effective January 1: 2023: 5.60%, 2024: 5.50%, 2025-26: 5.40%, 2027-29: 5.30%, 2030-51: 5.20%, 2052: 5.10%, 2053-55: 5.00%, 2056-60: 4.90%, 2061-66: 4.80%, 2067: 4.70%, 2068: 4.60%, 2069: 4.50%, 2070-71: 4.40%, 2072: 4.30%, 2073-74: 4.20%, 2075: 4.10%, 2076 &amp; later: 4.00%</p> <p>The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>		<p>Medical Premium Increase - Effective January 1: 2023: 5.60%, 2024: 5.50%, 2025-26: 5.40%, 2027-29: 5.30%, 2030-51: 5.20%, 2052: 5.10%, 2053-55: 5.00%, 2056-60: 4.90%, 2061-66: 4.80%, 2067: 4.70%, 2068: 4.60%, 2069: 4.50%, 2070-71: 4.40%, 2072: 4.30%, 2073-74: 4.20%, 2075: 4.10%, 2076 &amp; later: 4.00%</p> <p>The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>		<p>Medical Premium Increase - Effective January 1: 2024: Actual, 2025: 6.50%, 2026: 6.00%, 2027: 5.50%, 2028: 5.40%, 2029: 5.30%, 2030: 5.20%, 2031: 5.10%, 2032-37: 5.00%, 2038-39: 4.90%, 2040-2043: 4.80%, 2044-49: 4.70%, 2050-59: 4.60%, 2060-65: 4.50%, 2066-67: 4.40%, 2068-69: 4.30%, 2070: 4.20%, 2071-72: 4.10%, 2073-74: 4.00%; 2075 &amp; later: 3.90%</p> <p>The PEMHCA Minimum Employer Contribution is assumed to increase at 4.0% per year. Life insurance premiums are assumed to remain fixed at current levels in all future years.</p>
Salary increases	3.25%		3.25% per year; used to determine amortization payments if developed on a level percent of pay basis		3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the actuarially determined contributions		3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the actuarially determined contributions		3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years.		3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years.		3.00% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Investment rate of return	7.25%		7.25%		6.50%		6.50%		6.10%		6.10%		6.15%
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007		The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011		The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015		The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015		The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015		The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015		The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Fully generational with Scale MP-2014 modified to converge to ultimate improvement rates in 2022 for pre and post-retirement mortality		The representative mortality rates were those published by CalPERS in their 2014 study, adjusted to back out 20 years of Scale BB to central year 2008.		The representative mortality rates were those published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.		The representative mortality rates were those published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.		The representative mortality rates were those published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.		The representative mortality rates were those published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.		The representative mortality rates were those published by CalPERS in their 2021 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015.

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

See accompanying independent auditor's report.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
 Required Supplementary Information  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 California Public Employees' Retirement System (CalPERS) – Miscellaneous Plan  
 For the Year Ended June 30, 2024  
 (unaudited)

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Total Pension Liability</b>										
Service cost	\$ 4,509,169	\$ 4,405,494	\$ 4,402,254	\$ 5,251,175	\$ 5,588,151	\$ 5,823,771	\$ 6,236,440	\$ 6,774,300	\$ 7,805,008	\$ 8,395,155
Interest on total pension liability	18,144,590	19,019,896	19,929,495	20,568,801	21,332,712	22,580,042	23,680,235	24,829,261	25,737,558	26,960,879
Changes in benefit terms	—	—	—	—	—	—	—	—	—	285,870
Changes in assumptions	—	(4,479,434)	—	16,314,523	(1,997,101)	—	—	—	10,232,255	—
Differences between expected and actual experience	—	(1,508,680)	(584,236)	(2,082,303)	(643,002)	4,336,733	2,141,716	2,420,546	781,844	2,150,563
Benefit payments, including refunds of employee contributions	(9,459,410)	(10,371,769)	(11,526,958)	(12,131,353)	(13,197,195)	(14,663,313)	(16,065,803)	(17,005,864)	(17,768,805)	(19,320,750)
Net change in total pension liability	13,194,349	7,065,507	12,220,555	27,920,843	11,083,565	18,077,233	15,992,588	17,018,243	26,787,860	18,471,717
Total pension liability – beginning	244,402,997	257,597,346	264,662,853	276,883,408	304,804,251	315,887,816	333,965,049	349,957,637	366,975,880	393,763,740
Total pension liability – ending (a)	257,597,346	264,662,853	276,883,408	304,804,251	315,887,816	333,965,049	349,957,637	366,975,880	393,763,740	412,235,457
<b>Plan Fiduciary Net Position</b>										
Contributions – employer	3,815,653	4,268,315	5,253,802	5,682,917	6,359,880	7,628,075	9,296,564	10,640,587	11,730,043	13,048,181
Contributions – employee	2,622,951	2,372,392	2,502,885	2,429,913	2,514,609	2,815,780	2,972,457	3,336,742	3,537,042	3,866,765
Net investment income	31,178,442	4,871,767	1,102,999	22,856,288	19,071,946	15,727,365	12,434,790	58,550,025	(23,840,877)	18,010,413
Plan to plan resource movement	—	—	—	—	(556)	—	—	—	—	—
Benefit payments, including refunds of employee contributions	(9,459,410)	(10,371,769)	(11,526,958)	(12,131,353)	(13,197,195)	(14,663,313)	(16,065,803)	(17,005,864)	(17,768,805)	(19,320,750)
Other miscellaneous income (expense) <sup>(1)</sup>	—	—	—	—	(667,255)	556	—	—	—	—
Administrative expense	—	(236,125)	(127,831)	(305,553)	(351,369)	(170,709)	(353,219)	(258,564)	(195,666)	(211,460)
Net change in plan fiduciary net position	28,157,636	904,580	(2,795,103)	18,532,212	13,730,060	11,337,754	8,284,789	55,262,926	(26,538,263)	15,393,149
Plan fiduciary net position – beginning	180,686,208	208,843,844	209,748,424	206,953,321	225,485,533	239,215,593	250,553,347	258,838,136	314,101,062	287,562,799
Plan fiduciary net position – ending (b)	208,843,844	209,748,424	206,953,321	225,485,533	239,215,593	250,553,347	258,838,136	314,101,062	287,562,799	302,955,948
Net pension liability – ending (a) - (b)	\$ 48,753,502	\$ 54,914,429	\$ 69,930,087	\$ 79,318,718	\$ 76,672,223	\$ 83,411,702	\$ 91,119,501	\$ 52,874,818	\$ 106,200,941	\$ 109,279,509
Plan fiduciary net position as a percentage of the total pension liability	81.07%	79.25%	74.74%	73.98%	75.73%	75.02%	73.96%	85.59%	73.03%	73.49%
Covered – employee payroll	\$ 32,010,647	\$ 33,133,499	\$ 34,119,169	\$ 35,433,438	\$ 37,405,253	\$ 40,734,161	\$ 44,766,317	\$ 48,652,158	\$ 51,700,259	\$ 53,430,405
Net pension liability as percentage of covered – employee payroll	152.30%	165.74%	204.96%	223.85%	204.98%	204.77%	203.54%	108.68%	205.42%	204.53%

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

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

**Notes to Schedule:**

**Changes in benefit terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of two years additional service credit (a.k.a. golden handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

**Changes in Assumptions:** There were no assumption changes in 2023. Effective with the June 30, 2021, valuation date (2022 measurement date, fiscal year 2023), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

See accompanying independent auditor's report.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**Required Supplementary Information**  
**Schedule of Contributions - Pension**  
**California Public Employees' Retirement System (CalPERS) – Miscellaneous Plan**  
**For the Year Ended June 30, 2024**  
**(unaudited)**

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially determined contribution	\$ 4,268,315	\$ 5,365,344	\$ 5,685,584	\$ 6,407,096	\$ 7,675,962	\$ 9,374,554	\$ 10,695,192	\$ 11,786,249	\$ 23,105,489	\$ 13,904,435
Contributions in relation to the actuarially determined contributions	(4,268,315)	(5,365,344)	(5,685,584)	(6,407,096)	(7,675,962)	(9,374,554)	(10,695,192)	(11,786,249)	(23,105,489)	(13,904,435)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered – employee payroll	\$ 33,133,499	\$ 34,119,169	\$ 35,433,438	\$ 37,405,253	\$ 40,734,161	\$ 44,766,317	\$ 48,652,158	\$ 51,700,259	\$ 53,430,405	\$ 60,198,178
Contributions as a percentage of covered – employee payroll	12.88%	15.73%	16.05%	17.13%	18.84%	20.94%	21.98%	22.80%	43.24%	23.10%

**Notes to Schedule:**

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

Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Actuarial cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Actuarial value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets
Inflation	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.50% compounded annually	2.50% compounded annually	2.50% compounded annually	2.30% compounded annually
Salary increases	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service
Payroll Growth	3.00%	3.00%	3.00%	3.00%	3.00%	2.88%	2.75%	2.75%	2.75%	2.80%
Investment rate of return	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.50% net of pension plan investment and administrative expenses; includes inflation.	7.375% net of pension plan investment and administrative expenses; includes inflation.	7.25% net of pension plan investment and administrative expenses.	7.00% net of pension plan investment and administrative expenses.	7.00% net of pension plan investment and administrative expenses.	7.00% net of pension plan investment and administrative expenses.	6.80% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2000 to 2019.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2000 to 2019.
	Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	Post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

See accompanying independent auditor's report.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - General Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permit fees	\$ 49,220,367	\$ 49,220,367	\$ 51,664,379	\$ 2,444,012
Criteria pollutant and toxics emissions	1,527,575	1,527,575	1,768,434	240,859
Title V permit fees	6,997,590	6,997,590	6,797,911	(199,679)
Asbestos fees	4,000,000	4,000,000	3,642,108	(357,892)
Penalties and variance fees	3,000,000	3,000,000	24,088,574	21,088,574
Hearing board fees	25,000	25,000	37,156	12,156
State subvention	1,750,000	1,750,000	1,692,558	(57,442)
AB 2588 income - toxic inventory fees	1,421,513	1,421,513	1,326,590	(94,923)
Miscellaneous	300,000	300,000	2,743,585	2,443,585
Federal grant -EPA	4,459,045	4,459,045	3,057,235	(1,401,810)
Federal grant - DHS	1,539,276	1,539,276	1,424,920	(114,356)
CMAQ Spare The Air	1,000,000	1,000,000	-	(1,000,000)
Other grants	9,000,000	9,000,000	7,990,822	(1,009,178)
Portable equipment registration program (PERP)/Inspection Fees	700,000	700,000	1,119,248	419,248
Interest/Investment	1,350,000	1,350,000	6,640,049	5,290,049
County apportionment	44,876,500	44,876,500	47,524,893	2,648,393
Total revenues	131,166,866	131,166,866	161,518,462	30,351,596
Expenditures:				
Administration:				
Salaries and benefits	88,460,177	89,191,288	85,720,158	(3,471,130)
Services and supplies	38,373,780	53,692,539	25,167,448	(28,525,091)
Program distribution	1,834,986	1,834,986	1,834,986	-
Total current expenditures	128,668,943	144,718,813	112,722,592	(31,996,221)
Capital outlay	6,789,377	9,473,222	4,268,478	(5,204,744)
Debt Service: Principal	1,323,893	1,323,893	1,323,893	-
Debt Service: Interest	773,437	773,437	773,437	-
Total expenditures	137,555,650	156,289,365	119,088,400	(37,200,965)
Excess of Revenues				
Over Expenditures	(6,388,784)	(25,122,499)	42,430,062	67,552,561
Other Financing Sources				
Transfers in	188,889	188,889	2,242,685	2,053,796
Total other financing sources	188,889	188,889	2,242,685	2,053,796
Net Change in Fund Balance	\$ (6,199,895)	\$ (24,933,610)	44,672,747	\$ 69,606,357
Beginning Budgetary Fund Balance, Restated			128,728,693	
Ending Budgetary Fund Balance			\$ 173,401,440	

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Special Revenue Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
TFCA/MSIF DMV fee	\$ 40,294,363	\$ 80,261,723	\$ 25,332,189	\$ (54,929,534)
Carl Moyer Program	38,612,576	40,168,831	29,263,545	(10,905,286)
Other grants/funding	33,135,752	13,835,365	12,079,707	(1,755,658)
Federal grants	944,473	1,000,000	1,014,125	14,125
California Goods Movement	2,186,517	2,851,316	2,967,355	116,039
Vehicle settlement	13,863,377	3,562,064	3,513,095	(48,969)
Total revenues	129,037,058	141,679,299	74,170,016	(67,509,283)
Expenditures:				
Administration:				
Salaries and benefits	8,146,195	8,146,195	7,374,824	(771,371)
Services and supplies	10,814,978	13,671,564	3,461,011	(10,210,553)
Program distribution	108,962,000	118,768,047	61,091,496	(57,676,551)
Total expenditures	127,923,173	140,585,806	71,927,331	(68,658,475)
Excess of Revenues				
Over Expenditures	1,113,885	1,093,493	2,242,685	1,149,192
Other Financing Uses				
Transfers out	(1,113,885)	(1,093,493)	(2,242,685)	(1,149,192)
Total other financing uses				
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Beginning Budgetary Fund Balance			-	
Ending Budgetary Fund Balance			\$ -	

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Notes to Required Supplementary Information  
Year Ended June 30, 2024

**Budgetary Principles**

Through the budget process, the Board of Directors sets the direction of the District. The annual budget assures the most efficient and effective use of the District's economic resources and establishes the priority of objectives that are to be accomplished during the fiscal year.

The annual budget covers the period from July 1 to June 30 and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees, and other public agencies. In addition, it establishes the foundation of effective financial planning by providing resource allocation, performance measures and controls that permit the evaluation and adjustment of the District's performance.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a) The Board of Directors adopts an annual budget by resolution prior to July 1 of each fiscal year. The annual budget indicates appropriations by fund and by program. The Board of Directors may also adopt supplemental appropriations during the year. At the fund level, expenditures may not legally exceed appropriations. The Air Pollution Control Officer (APCO) is authorized to transfer budgeted amounts between divisions and programs within any fund.
- b) Budgets are adopted on a basis that is consistent with Generally Accepted Accounting Principles (GAAP) with the exception of recognition of certain revenue, as discussed below. Annual appropriated budgets are adopted for the General and Special Revenue funds.
- c) Supplementary budgetary revenue and expenditure appropriations were adopted by the Board of Directors during the fiscal year. These supplemental appropriations have been included in the Budgeted Amounts - Final column of the Budgetary Comparison Schedules.

**Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances**

The District's budgetary basis is consistent with Generally Accepted Accounting Principles (GAAP), with the exception of certain revenues that are recognized when earned in the GAAP-basis financial statements but deferred until expended on the budgetary basis. Revenues in the Budget and Actual schedules have been presented on the budgetary basis to provide a more meaningful comparison of actual results with the budget. Additionally, the unrealized loss as a result of recognizing the fair value of investments held in the San Mateo County Pool has also been excluded from the budgetary basis revenues.

The following is a reconciliation between revenues on the budgetary basis and the GAAP basis reflected in the statement of revenues, expenditures, and changes in fund balance.

	<b><u>Special Revenue Fund</u></b>
Revenues - Budgetary Basis	\$ 74,170,016
Revenue recognition adjustments	18,114,303
Interest and investment gain (loss)	6,039,698
Other revenues	135,937
Revenues - GAAP Basis	<b><u>\$ 98,459,954</u></b>

**SUPPLEMENTARY INFORMATION**

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Transportation Fund for Clean Air (TFCA) Program,  
Mobile Source Incentive Fund Program & Other Programs  
Schedule of Expenditures  
Year Ended June 30, 2024  
(Unaudited)

<b>Programs</b>	<b>Salaries and Benefits</b>	<b>Services and Supplies</b>	<b>Program Distribution</b>	<b>Total</b>
Program distribution	\$ -	\$ -	\$ 29,950,876	\$ 29,950,876
Intermittent control	700,000	938,650	-	1,638,650
TFCA administration	761,755	95,284	-	857,039
Miscellaneous incentive program	7,956	-	-	7,956
Regional electric vehicles deployment	1,574,177	689,712	-	2,263,889
Enhanced mobile source inspection	-	8,583	-	8,583
Vehicle buy-back	78,386	1,587,218	-	1,665,604
Mobile source incentive	695,288	96,316	-	791,604
Total expenditures	<u>\$ 3,817,562</u>	<u>\$ 3,415,763</u>	<u>\$ 29,950,876</u>	<u>\$ 37,184,201</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Service Areas and Division

Schedule of Expenditures

Year Ended June 30, 2024

(Unaudited)

<u>General Fund Service/Non-Service Area / Division</u>	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>Actual Expenditures</u>
<u>Service Areas and Division</u>			
Engineering & Compliance Service Area			
Compliance & Enforcement	\$ 17,695,847	\$ 17,756,244	\$ 15,750,177
Engineering	15,292,502	16,300,160	12,553,759
Engineering & Compliance Service Area Total	<u>32,988,349</u>	<u>34,056,404</u>	<u>28,303,936</u>
Equity & Community Programs Service Area			
Community Engagement Division	14,956,310	18,593,076	11,157,837
Diversity Equity & Inclusion	904,413	907,824	442,192
Strategic Incentives	534,234	594,623	224,020
Technology Implementation Office	1,063,168	3,272,241	536,470
Equity & Community Programs Service Area Total	<u>17,458,125</u>	<u>23,367,764</u>	<u>12,360,519</u>
Finance & Administration Service Area			
Administrative Services	12,629,294	13,090,235	8,149,449
Enterprise Technology Solutions	8,818,166	12,008,490	5,106,489
Executive	10,136,133	11,283,746	7,687,663
Finance	5,093,944	5,310,304	4,376,466
Human Resources	7,485,521	7,630,648	6,776,233
Information Services Operations	6,781,426	8,372,881	3,459,324
Finance & Administration Service Area Total	<u>50,944,484</u>	<u>57,696,304</u>	<u>35,555,624</u>
General Counsel Service Area			
Legal Services	5,174,985	5,936,101	4,831,899
General Counsel Service Area Total	<u>5,174,985</u>	<u>5,936,101</u>	<u>4,831,899</u>
Public Affairs Service Area			
Communications Office	4,213,852	5,563,138	4,021,279
External Affairs	1,145,094	1,314,206	598,568
Legislative	657,165	698,364	660,263
Public Affairs Service Area Total	<u>6,016,111</u>	<u>7,575,708</u>	<u>5,280,110</u>
Science & Policy Service Area			
Assessment, Inventory, & Model Division	3,807,067	3,911,835	3,484,263
Meteorology & Measurement Division	19,475,002	20,611,607	14,864,733
Planning	4,467,703	5,305,727	3,934,530
Rules Division	2,507,760	2,819,556	2,271,993
Science & Policy Service Area Total	<u>30,257,532</u>	<u>32,648,725</u>	<u>24,555,519</u>
Subtotal for Service Areas and Division	<u>142,839,586</u>	<u>161,281,006</u>	<u>110,887,607</u>
<u>Non-Service Areas and Division</u>			
Program Distribution	1,834,968	1,834,968	1,834,986
Debt Service: Principle	1,163,425	1,163,425	1,323,893
Debt Service: Interest	770,781	770,781	773,437
Capital Outlay	4,268,478	4,268,478	4,268,478
Total General Fund Expenditures	<u>\$ 150,877,238</u>	<u>\$ 169,318,658</u>	<u>\$ 119,088,401</u>



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Service Areas and Division

Schedule of Expenditures

Year Ended June 30, 2024

(Unaudited)

<b>Special Revenue Fund Service Area / Division</b>	<b>Approved Budget</b>	<b>Amended Budget</b>	<b>Actual Expenditures</b>
Engineering & Compliance Service Area			
Compliance & Enforcement	\$ 26,500	\$ 27,195	\$ 8,583
Equity & Community Programs Service Area			
Strategic Incentives Division	14,603,107	15,609,969	7,038,372
Technology Implementation Office	2,935,752	3,351,037	2,179,581
Technology Implementation Office Total	17,538,859	18,961,006	9,217,953
Public Affairs Service Area			
Communication Office	2,509,694	3,923,050	1,609,299
Program Distribution	61,091,496	61,091,496	61,091,496
Total Special Revenue Fund Expenditures	\$ 81,166,549	\$ 84,002,747	\$ 71,927,331

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Indirect Cost Schedule  
Year Ended June 30, 2024  
(Unaudited)

Fund Number and Name	Allowable Cost	Grant Paid	General Fund Subsidy
3 - Transportation Fund for Clean Air	\$ 1,681,091	\$ 1,434,772	\$ 246,319
4 - Carl Moyer Program	1,398,154	475,697	922,457
8 - California Good Movement Bond	65,205	63,483	1,722
9 - Vehicle Mitigation	275,993	268,733	7,260
Total	<u>\$ 3,420,443</u>	<u>\$ 2,242,685</u>	<u>\$ 1,177,758</u>

**Notes to Schedule:**

Indirect costs are expenses that are not directly attributable to a specific project or grant but are essential for the overall operation of the organization. These costs include administrative overhead, rent, utilities, and other shared services necessary to support grant-funded activities.

Each grant may have specific guidelines on the allowable administrative and indirect cost rates that the Air District can charge against the total grant amount. In cases where the grant funding does not fully cover these indirect costs, the General Fund may subsidize the remaining administrative costs over the grant period.

This schedule presents the total allowable indirect costs, the portion covered by grant funding, and any General Fund contributions used to subsidize costs beyond the grant's allowable reimbursement.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
 Penalty Assessment Allocation Schedule  
 Year Ended June 30, 2024  
 (Unaudited)

**Total Penalty Assessment**

1) General Fund	\$	3,052,634
2) Community Benefit Fund:		21,035,940
<b>Total</b>	<b>\$</b>	<b>24,088,574</b>

**Community Benefit Fund Cost Breakdown**

	Total Penalty Assessment	Administrative Costs Amount (9%)	Project Amount
Local Benefit Fund (LBF)	\$ 16,690,075	\$ 1,502,107	\$ 15,187,968
Regional Community Benefit Fund (RCBF)	4,345,865	391,128	3,954,737
<b>Total</b>	<b>\$ 21,035,940</b>	<b>\$ 1,893,235</b>	<b>\$ 19,142,705</b>

**Local Benefit Fund (LBF) by Community**

Community	Project Amount
Richmond	\$ 15,116,078
Pleasanton	58,240
Berkeley	13,650
<b>Total</b>	<b>\$ 15,187,968</b>

**Notes to Schedule:**

In May 2024, the Bay Area Air Quality Management District (BAAQMD) Board of Directors adopted the Community Benefits Penalty Funds Policy, aiming to reinvest penalty funds from air quality violations back into the communities most affected by them. This policy ensures that significant portions of collected penalties are allocated to local projects designed to reduce pollution and enhance public health. The Board of Directors also approved allocating up to 9% of the Community Benefit Fund for administrative costs to establish the Community Investment Office, which will manage and distribute these funds to affected communities.

As of June 30, 2024, the total penalty assessment collected amounted to \$24.1 million. Of this amount, \$3.1 million has been allocated to General Fund operations, while the remaining \$21 million has been directed to the Community Benefit Fund. The Board of Directors has approved the allocation of up to 9% of the Community Benefit Fund for administrative costs to establish the Community Investment Office, which will oversee the management and distribution of these funds to affected communities. The \$21 million in the Community Benefit Fund is further allocated into two portions: the Local Benefit portion of \$16.7 million and the Regional Benefit portion of \$4.3 million. The Local Benefit portion is allocated according to the community where the violation occurred, while the Regional Benefit portion is intended to support other impacted communities within the Bay Area.

**Methodology of Penalty Fund Allocation:**

First \$100,000: Allocated to the Air District's general fund until the Fiscal Year Penalty Budget Cap is met; any excess is directed to the Regional Community Benefits Fund.

Amounts between \$100,000 and \$1,000,000: 50% is allocated to a Local Community Benefits Fund for the impacted community, and the remaining 50% goes to the General Fund or Regional Community Benefits Fund, depending on whether the budget cap has been reached.

Amounts exceeding \$1,000,000: 80% is directed to the Local Community Benefits Fund of the affected community, with the remaining 20% allocated to the General Fund or Regional Community Benefits Fund, contingent upon the budget cap status.

This structured approach ensures that communities directly impacted by air quality violations receive substantial support for local initiatives aimed at mitigating pollution and improving health outcomes.

**BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT  
Single Audit Reports  
For the Year Ended June 30, 2024  
(With Independent Auditor's Reports Thereon)**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Single Audit Reports  
For the Year Ended June 30, 2024

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors of the  
Bay Area Air Quality Management District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Bay Area Air Quality Management District** (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated March 31, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.





## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson &amp; Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California  
March 31, 2025



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

The Board of Directors of the  
Bay Area Air Quality Management District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the **Bay Area Air Quality Management District’s** (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.







## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item F-2024-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item F-2024-001 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements. We issued our report thereon dated March 31, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink, appearing to read "Simpson &amp; Simpson", written in a cursive style.

Los Angeles, California  
March 31, 2025

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grantor or Pass-Through Entity ID Number</b>	<b>Passed Through to Subrecipients</b>	<b>Program Cluster Expenditures</b>	<b>Total Federal Expenditures</b>
U.S. Environmental Protection Agency:					
Air Pollution Control Program Support	66.001	A00905623	\$ 951,271		\$ 2,562,824
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM98T037010			344,580
Inflation Reduction Act - Climate Pollution Reduction Planning	66.046	5D-98T73201			191,431
Targeted Airshed Grant - Heat Pump Project	66.956	TA-98T16101-0			14,975
Subtotal Direct Program					<u>3,113,810</u>
Total U.S. Environmental Protection Agency					<u>3,113,810</u>
U.S. Department of Homeland Security:					
Homeland Security Biowatch Program	97.091	2006-ST-091-2			1,424,920
Subtotal Direct Program					<u>1,424,920</u>
Total U.S. Department of Homeland Security					<u>1,424,920</u>
U.S. Department of Transportation:					
Passed through California Department of Transportation:					
Highway Planning and Construction	20.205	CML-6297 (009)		\$ 1,484,944	
Subtotal Pass-Through Program					<u>1,484,944</u>
Total U.S. Department of Transportation					<u>1,484,944</u>
Total Expenditures of Federal Awards			<u>\$ 951,271</u>	<u>\$ 1,484,944</u>	<u>\$ 6,023,674</u>

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

### 1. General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Bay Area Air Quality Management District (the District) for the year ended June 30, 2024. The District's reporting entity is defined in Note 1 of the District's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

### 2. Summary of Significant Accounting Policies

**Basis of Accounting** - Funds received under the various grant programs have been recorded within the general fund and the special revenue fund of the District. The accompanying SEFA is presented using the modified accrual basis of accounting for expenditures that are accounted for in the general fund and the special revenue fund, which are both governmental funds, as described in Note 1 of the District's basic financial statements.

**Relationship to Financial Statements** - Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the District's basic financial statements.

**Assistance Listing** - The Assistance Listing numbers included in the accompanying SEFA were determined based on the program name, review of grant or contract information, and the Office of Management and Budget's Compliance Supplement.

### 3. Pass-through Entities' Identifying Numbers

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

### 4. Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### 5. U.S. Environmental Protection Agency – Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act (AL No. 66.034)

Of the total \$344,580 reported, \$65,888 is related to expenditures incurred in fiscal year 2022-23, while the remaining amount was incurred within fiscal year 2023-24.

### 6. U.S. Environmental Protection Agency – Targeted Airshed Grant – Heat Pump Project (AL No. 66.956)

Of the total \$14,975 reported, \$1,939 is related to expenditures incurred in fiscal year 2022-23, while the remaining amount was incurred within fiscal year 2023-24.

### 7. U.S. Department of Transportation – Passed through the California Department of Transportation – Highway Planning and Construction (AL No. 20.205)

Of the total \$1,484,944 reported, \$470,820 is related to expenditures incurred in fiscal year 2022-23, while the remaining amount was incurred within fiscal year 2023-24.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

**Section I - Summary of Auditor's Results**

***Financial statements:***

- |  |            |
|--|------------|
| 1. Type of auditor's report issued:  | Unmodified |
| 2. Internal control over financial reporting:                                      |            |
| • Material weakness(es) identified?  | No         |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | No         |
| 3. Noncompliance material to financial statements noted?                           | No         |

***Federal Awards:***

- |  |            |
|--|------------|
| 4. Internal control over major programs:   |            |
| • Material weakness(es) identified?  | No         |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | Yes        |
| 5. Type of auditor's report issued on compliance for major programs:               | Unmodified |
| 6. Identification of major programs:   |            |

Assistance Listing Number  
97.091

Name of Federal Program  
U.S. Department of Homeland Security  
– Biowatch Program

- |   |           |
|---|-----------|
| 7. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | Yes       |
| 8. Dollar threshold used to distinguish between Type A and Type B programs:                                   | \$750,000 |
| 9. Auditee qualified as a low-risk auditee?   | Yes       |

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**Section II – Financial Statement Finding**

No matters were reported.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**Section III – Federal Award Findings and Questioned Costs**

**Program Identification**

Finding Reference Number:	<b>F-2024-001</b>
Assistance Listing Number:	97.091
Federal Program Titles:	Homeland Security Biowatch Program (Significant Deficiency)
Awarding Agency / Pass-Through Entity:	Department of Homeland Security
Award Number:	06OHBIO00002 (Formerly: 2006-ST-091-000002)
Compliance Requirement:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

**Criteria**

The criteria for the findings and questioned costs were based on 2 CFR § 200.459, Professional Service Costs, and Bay Area Air Quality Management District's ("the District") Professional Services Contract No. 2023.122.

2 CFR § 200.459, paragraph (b)(8), Professional Service Costs, requires:

*(a) Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill and who are not officers or employees of the recipient or subrecipient are allowable, subject to paragraphs (b) and (c) of this section when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government. In addition, legal and related services are limited under § 200.435.*

*(b) In determining the allowability of costs in a particular case, no single factor or any combination of factors is necessarily determinative. However, the following factors are relevant:*

*(1) The nature and scope of the service rendered in relation to the service required.*

*(2) The necessity of contracting for the service, considering the recipient's or subrecipient's capability in the particular area.*

*(3) The past pattern of such costs, particularly in the years prior to receiving a Federal award(s).*

*(4) The impact of Federal awards on the recipient's or subrecipient's business (meaning, what new problems have arisen).*

*(5) Whether the proportion of Federal work to the recipient's or subrecipient's total business influences the recipient or subrecipient in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.*



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**Criteria** *(continued)*

*(6) Whether the service can be performed more economically by direct employment rather than contracting.*

*(7) The qualifications of the individual or entity providing the service and the customary fees charged, especially on non-federally funded activities.*

*(8) Adequacy of the contractual agreement for the service (for example, description of the service, estimate of the time required, rate of compensation, and termination provisions).*

*(c) To be allowable, retainer fees must be supported by evidence of bona fide services available or rendered in addition to the factors in paragraph (b) of this section.*

In addition, the District's Professional Services Contract No. 2023.122, paragraph (8)(a) and (b), require:

*8. Payment*

*a. District shall pay Contractor for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.*

*b. Contractor shall submit invoice(s) to District for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.*

Furthermore, paragraph (12)(c) and (d) require:

*12. Employees of Contractor*

*a. Contractor shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, 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 in the Cost Schedule to perform work under this Contract. Contractor shall not assign different employees to perform this work 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 work of 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, which District will not unreasonably withhold.*

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**Criteria** *(continued)*

Regarding direct costs and expenses, Attachment B (“Cost Schedule”) of the District’s professional services contract, further requires:

*District will also reimburse Contractor for reasonable and necessary expenses incurred in conjunction with the work performed under this Contract (e.g., hardware parts and supplies), including reasonable travel expenses in accordance with the District’s travel reimbursement policy attached hereto as Attachment C, and any administrative costs and expenses (e.g., rent and utility costs for office space). Reimbursable expenses such as project specific supplies and materials will be charged at cost. Contractor’s invoices shall include a line item reflecting all direct costs and expenses.*

**Condition**

As part of our compliance review over program expenditures, we selected a sample of expenditures to determine whether costs were allowable under program regulations, accurately charged, and appropriately supported in accordance with 2 CFR § 200.459, paragraph (b)(8), and the District’s Professional Services Contract No. 2023.122, Attachment B (“Cost Schedule”).

In our sample of twelve (12) expenditures, we identified eight (8) discrepancies in the eleven (11) contractor-submitted invoices when compared to the approved cost schedule per the Agreement with the contractor, as follows:

1. Professional service fees were charged for two (2) positions not listed in the cost schedule, and
2. Professional service fees were charged for six (6) positions in excess of the hourly rate established in the cost schedule.

The identified discrepancies resulted in an overstatement of program expenditures, amounting to \$9,316 of the \$1,387,774 sampled, from a total of \$1,424,920 in program expenditures.

Additionally, the contractor received reimbursement for travel and supplies without providing sufficient documentation to the District to demonstrate compliance with 2 CFR § 200.459, paragraph (b)(8), the District’s Professional Services Contract No. 2023.122, Attachment B (“Cost Schedule”), and Attachment C (“Contractor Travel Policy”). The reimbursements lacked adequate support to verify that the expenses were reasonable, necessary, and directly related to the contracted professional services.

As a result of our inquiry, the District obtained documentation supporting all travel and supply reimbursements associated with the submitted invoices by the contractor during Fiscal Year 2024. Based on the submitted documentation, the District concluded that the support was sufficient to demonstrate compliance with the noted requirements.

Our samples were statistically valid and representative of the overall expenditures.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**Cause and Effect**

The deviations from the approved cost schedule indicate that the contractor did not adhere to the District's professional services contract. Charges for professional services did not align with the cost schedule outlined in the professional services contract, resulting in unallowable and excessive costs due to insufficient review of the contractor invoices prior to payment.

Changes to the cost schedule should be pre-approved by the District; however, the required approvals were not obtained before payments were processed.

Further, the District lacked adequate oversight to ensure that contractor reimbursements for travel and supplies were properly supported with documentation and aligned with federal and contractual requirements. Such documentation should be submitted by the contractor along with the invoice in order for the District to review and approve prior to payment.

Without proper documentation, the District cannot verify that reimbursed travel and supplies are reasonable, necessary, and directly related to the contracted professional services.

**Questioned Costs**

The total costs related to the conditions mentioned above include a \$3,486 overstatement for charges related to positions not listed in the cost schedule and a \$5,830 overstatement due to hourly rates charged in excess of the cost schedule, totaling \$9,316.

**Recommendation**

We recommend that the District establish and implement a formal approval process for expenditures to ensure all charges are thoroughly reviewed and verified against contract terms before payment. Additionally, the District should conduct a detailed analysis of all payments made against the approved cost schedule to identify and reconcile any variances, determining the total amount of excessive charges.

The District should also coordinate with the contractor to recover any overcharges, either through a credit or refund, to ensure federal funds are properly accounted for and used in accordance with the professional services contract.

To strengthen oversight and compliance, the District should enhance its internal controls by maintaining detailed records that support cost approvals, modifications, and contract adherence. This includes requiring contractors to submit detailed supporting documentation such as itemized receipts, travel justifications, and proof of business necessity before reimbursements are processed.

Furthermore, the District should provide adequate and ongoing training to staff and contractors on proper documentation standards and allowable costs under 2 CFR § 200.459 and the District's contract terms, to prevent future instances of noncompliance.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2024

**View of Responsible Officials and Corrective Action Plan**

Air District Management concurs with the recommendation under Finding Reference Number F-2024-001. Upon review of the supporting travel expense documentation, management has found no discrepancies. Moving forward, the Air District will continue to ensure that all supporting travel documentation agrees with the corresponding invoices to maintain compliance and accuracy.

Regarding the overstatement of program expenditures, the Air District will initiate the recovery of the identified overcharges by deducting the amount from future reimbursement requests submitted to the Department of Homeland Security (DHS). Specifically, the Air District plans on recovering the \$9,316 in overcharges from the contractor for fiscal year ending June 30, 2024. Additionally, the Air District is in the process of reviewing Fiscal Year 2025 invoices to identify any potential overcharges and will request reimbursement from the contractor, as necessary.

To strengthen oversight and compliance, the Air District has begun implementing process changes as of February 2025. These changes ensure that consultant invoices align with the terms of the Air District's contract prior to approval and payment processing.

Name: Daniel Meer  
Title: Manager, Government Outreach & Special Projects  
Email: [dmeer@baaqmd.gov](mailto:dmeer@baaqmd.gov)

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2024

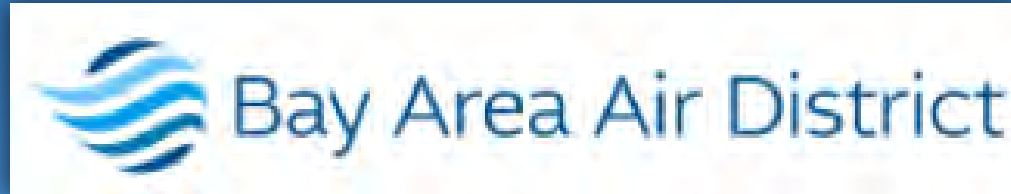
**Section II – Financial Statement Finding**

There were no audit findings in the prior year.

**Section III – Federal Award Findings and Questioned Costs**

There were no audit findings in the prior year.

**FISCAL YEAR 2024**  
**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**PRESENTATION OF AUDIT RESULTS**  
**TO THE**  
**FINANCE AND ADMINISTRATION COMMITTEE**



**April 16, 2025**



*Simpson & Simpson, LLP*

# AGENDA



- ❖ Auditor's Required Communication (SAS 114)
- ❖ Audit Results and Highlights of the Basic Financial Statements
- ❖ Audit Results and Highlights of the Single Audit
- ❖ Questions



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# Auditor's Required Communications

## SAS 114



### 1. *Our Responsibility under Generally Accepted Auditing Standards (GAAS)*

- Consider internal control to the extent necessary to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control
- Design and implement audit procedures based on our understanding of the District to gain reasonable, not absolute, assurance as to the absence of material misstatements in the financial statements
- Perform tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts
- Opine on financial statements based on our audit



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# Auditor's Required Communications

## SAS 114 (continued)



### 2. Significant Accounting Policies

- The District's significant accounting policies are described in Note 1 to the financial statements and are in accordance with generally accepted accounting principles and consistent with industry practices and standards.
- The application of existing policies was not changed during the year.
- All significant transactions have been recognized in the financial statements in the proper period.



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# Auditor's Required Communications

## SAS 114 (continued)



### 3. *Management Judgments and Accounting Estimates*

- ❑ Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management's current judgments.
  
- ❑ The most sensitive estimates affecting the financial statements were:
  - Useful life of capital assets used for depreciation.



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# Auditor's Required Communications SAS 114 (continued)



## 3. Management Judgments and Accounting Estimates (continued)

- Deferred outflows/inflows of resources, net pension liability, net OPEB liability/asset, pension expense, and OPEB expense are based on estimates that are prepared by the CalPERS actuary based on information provided by participating employers, and MacLeod Watts, Inc. based on information provided by management.
- ❑ We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.



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# Auditor's Required Communications SAS 114 (continued)



## 4. **Corrected Misstatements**

- During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund balance. It was found that contributions to the CEPPT had been recorded as an expense in the prior period. The account should have been reported as restricted cash and restricted fund balance. The beginning balance has been adjusted in the amount of \$10.2M to reflect the initial funding and activities for the prior period. Refer to Note 15.

## 5. **Uncorrected Misstatements**

None.



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# Auditor's Required Communications SAS 114 (continued)



## **6. No Disagreements or Difficulties with Management**

- There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the District's financial statements, nor were there significant difficulties in dealing with management in performing our audit.

## **7. No Consultations with Other Accountants**

- To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that was subject to the requirements of AU 625, *Reports on the Application of Accounting Principles*.



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# Auditor's Required Communications

## SAS 114 (continued)



### 8. *Management Representations*

- We have requested certain representations from management that are included in the management representation letter dated March 31, 2025.



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# Audit Results and Highlights of the Basic Financial Statements



## 1. *Unmodified Opinion*

- Unmodified opinion with respect to the governmental activities and each major fund.

## 2. *Financial Highlights*

- Government-Wide Financial Statements
- Governmental Fund Financial Statements



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# *Audit Results and Highlights of the Basic Financial Statements (Continued)*



## **2. Financial Highlights (continued)**

### **A. Government-Wide Financial Statements**

- ❑ Net position as of June 30, 2024, was \$356 million (excess of total assets plus deferred outflows over total liabilities plus deferred inflows), an increase of \$66 million. The primary reason is due to increases in both program revenues and general revenues. Program revenues include grant incentive funds and charges for services mainly relates to permit fees and general revenues includes penalty assessment, property taxes revenues, and investment gains from market fluctuations related to the San Mateo County's investment pool.



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# Audit Results and Highlights of the Basic Financial Statements (Continued)



## 2. Financial Highlights (continued)

### B. Government Funds Financial Statements

- ❑ Governmental combined fund balances as of June 30, 2024, increased from last year by \$69 million to \$382 million.
- ❑ The General Fund accounts for all the District's financial resources except those required to be accounted for in the Special Revenue Fund. The ending fund balance of \$173.4 million is carried over to the next fiscal year. Of this amount \$23.4 million was restricted, \$.4 million was nonspendable, \$78.1 million was committed and the remaining \$71.5 million was unassigned.



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# Audit Results and Highlights of the Single Audit



## 3. Government Auditing Standards Opinion

- Internal Control Over Financial Reporting
  - No material weaknesses
  - No significant deficiencies
  
- Compliance
  - No instances of noncompliance noted



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# Audit Results and Highlights of the Single Audit (Continued)



## 4. OMB Uniform Guidance Audit Opinion - Unmodified

- Compliance & Internal Control Over Compliance
  - ❑ One instance of noncompliance and significant deficiency in internal control over compliance identified.
  - ❑ F-2024-001 (Homeland Security Biowatch Program)
    - ❑ S&S identified professional service fees charged by the vendor and paid by the District for eight (8) positions were either not listed or was in excess of the rates established in the Professional Services Contract, Attachment B (“Cost Schedule”).
    - ❑ Questioned Costs - \$9,316.
    - ❑ Corrective Action Plan – The District will seek recovery over the overcharges from the vendor, review FY-25 processed invoices, and implement process changes to ensure submitted invoices align with the terms of the agreement.



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# Audit Results and Highlights of the Single Audit (Continued)



## 4. OMB Uniform Guidance Audit Opinion - Unmodified

- Compliance & Internal Control Over Compliance
  - ❑ F-2024-001 (Homeland Security Biowatch Program) *(continued)*
    - ❑ S&S identified that travel and supply reimbursements were paid to the vendor without the required supporting documentation being submitted and reviewed by the District, as outlined in the contract.
    - ❑ Questioned Costs - None.
    - ❑ Corrective Action Plan – The District obtained all documentation supporting travel and supply reimbursements paid to the vendor in FY-24, concluding it aligned with the contract terms. The District will implement a process by which all documentation is provided and reconciles to the invoice prior to payment processing.



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# *Audit Results and Highlights of the Single Audit (Continued)*



## ***5. Follow-up on Prior Year Findings***

- None.

## ***6. Areas Brought to Management's Attention***

- The management letter is to provide observations during the audit in areas where the internal control procedures can be strengthened.
- The comments were discussed with the individual departments who have agreed to our recommendations and provided management responses for improvements.



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# *Questions & Answers*



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Thank You

**BAY AREA AIR DISTRICT**  
Memorandum

To: Chairperson Lynda Hopkins and Members  
of the Finance and Administration Committee

From: Philip M. Fine  
Executive Officer/APCO

Date: April 16, 2025

Re: California Public Employees' Retirement System

RECOMMENDED ACTION

None; the Committee will discuss this item, but no action is requested at this time.

BACKGROUND

At the prior Finance and Administration Committee meeting, Air District staff committed to updating the Committee on the financial position and sustainability of the Air District's retirement plan.

Since the Great Recession of 2008, the Air District has undertaken a number of actions to address its retirement plan's unfunded liabilities as well as prefunding for statutorily required other post-employment benefits (OPEB). These actions include establishing a funding policy (see attachment A) and contributing to two trust funds. One trust fund was to prefund OPEB, established in 2008, and the second was to prefund for unfunded retirement obligations, established in 2022.

DISCUSSION

The Committee will receive an update and discuss the current policy and whether current allocations are appropriate.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.



Respectfully submitted,

Philip M. Fine  
Executive Officer/APCO

Prepared by: Leonid Bak  
Reviewed by: Stephanie Osaze and Hyacinth Hinojosa

ATTACHMENT(S):

1. Attachment A: OPEB and Pension Funding Policy
2. Pension Funding Background and Status Presentation

## **BAAQMD OPEB AND PENSION FUNDING POLICY**

### **PENSION AND OTHER POST EMPLOYMENT BENEFITS FUNDING POLICY**

#### **PURPOSE:**

This policy formalizes the Air District's current practice of prefunding its Other Post-Employment Benefits (OPEB) and Pension obligations. The Air District is committed to honoring its pension and OPEB obligations by funding these long-term obligations in a financially sound manner. The purpose of this funding policy is to outline the overall funding goals for both the OPEB and PENSION plans and the Air District's approach to achieving those goals. The Board of Directors (Board) may revoke or amend this policy in the best interests of the Air District.

#### **OVERVIEW**

The Air District currently provides a medical retiree benefit known as Other Post-Employment Benefits (OPEB) and retirement pension to its employees. To address these long-term obligations, the Air District established two separate section 115 trust accounts to prefund these long-term obligations. In 2008, the Air District created the California Employers' Retiree Benefit Trust (CERBT) for its OPEB plan and in May 2022, created the California Employers' Pension Prefunding Trust (CEPPT) for its pension plan. Both CERBT and CEPPT are irrevocable trusts under the California Public Employees' Retirement System (CalPERS) and the trust funds can only be used to pay the OPEB and pension costs.

#### **BENEFITS OF PREFUNDING LONG TERM OBLIGATIONS**

1. Generate investment income from the Air District's contributions to pay for required pension contributions and retiree medical premiums
2. Reduce future Air District's cash flow requirements and budget dependency with investment income
3. May help the Air District during lean financial times to offset pension and medical retirement costs

#### **I. FUNDING OBJECTIVES AND GOALS FOR OPEB PLAN**

The Air District's funding objective for OPEB is to accumulate sufficient assets to fully fund the retiree healthcare benefits that Air District's retired employees received throughout retirement. To meet this objective, the Air District will strive to meet the following funding goals:

1. On an annual basis, the Air District will continue the discretionary \$4.0 million contribution to the OPEB plan over the required payment per section I.2 below.
2. On an annual basis, the Air District will budget and pay the retiree current benefit payments for the current year's budget. This payment is known as Pay-As-You-Go and is paid directly to the healthcare plans for premiums that must be made on behalf of retirees.
3. The Air District will strive to maintain a minimum 90% funded level in the trust by making discretionary contributions to the CERBT account. On an annual basis, the Air District will determine the discretionary contribution amount (up to the \$4.0 million) to invest into the CERBT account:
  - a. If the OPEB plan is fully funded at 100 % or higher, the Air District would redirect and invest the \$4.0 million per section I.1 to the CEPPT pension account.
  - b. If the Air District encounters a fiscal hardship or the OPEB plan becomes super-funded, funds in the trust may be used to pay the retiree premium payments, at the Board's discretion.

## **II. FUNDING OBJECTIVES AND GOALS FOR PENSION PLAN**

The Air District's funding objective for its pension plan is to fund the actuarially determined contributions for employees and retirees to ensure promised pension benefits can be paid to all Air District's retired employees throughout retirement. To meet this objective, the Air District will strive to meet the following funding goals:

1. On an annual basis, the Air District will continue the discretionary \$1.0 million contribution to the pension plan over the required payment per section II.2 below.
2. On an annual basis, the Air District will budget and pay its annual required pension contribution payments to CalPERS. The annual required contribution includes the normal cost for active employees and a portion of the unfunded liability payment as determined by CalPERS.
3. The Air District will strive to achieve a minimum 90% funded target level for the pension plan by making its annual required contribution payments to CalPERS and invest discretionary contributions to the CEPPT account. On an annual basis, the Air District may invest up to the \$5.0 million in discretionary contributions into the CEPPT account. The \$5.0 million discretionary contribution includes both the \$1.0 million per section II.1 above and the \$4.0 million per section I.3a above.
  - a. If the pension plan is funded at 100% or higher, no funding is required, and the Air District may redirect any discretionary contribution budget at the Board's direction.

- b. If the Air District encounters fiscal hardship or the plan becomes super funded, the funds in CEPPT may be used to pay its annual required contribution payment to CalPERS.

## **POLICY REVIEW**

Funding medical and pension retirement obligations requires long-term planning. The Air District should review the policy at a minimum every five years to determine if changes to this policy are needed due to material changes in plans, the assets in the Trusts, or in the Air District's finances.



# Pension Funding – Background and Status

Finance & Administration Committee

April 16, 2025

Leonid Bak  
Economist  
Executive Office

# Outline

---

- Define the Terms
- Air District's Pensions Funded Ratio
- Board of Directors (Board) Actions on Pension Stabilization – Timeline
- Background on Policy Options for Unfunded Retirement Liabilities
- Financial Performance: California Employers' Retirement Benefits Trust (**CERBT**)
- Financial Performance: California Employers' Pension Prefunding Trust (**CEPPT**), projected vs actual
- Financial Performance of the California Public Employees' Retirement Fund (**PERF**)
- Summary and Discussion

# Define the Terms

## California Public Employees' Retirement Fund (PERF)

**Supplemental Pension Stabilization Fund** – is a Trust organized under Section 115 of the Internal Revenue Code dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies.

Administered by California Employers' Pension Prefunding Trust (**CEPPT**)

### **Main Pension Fund**

The Public Employees Retirement Fund (PERF) provides retirement benefits to State of California, schools and other California public agency employees. The PERF benefits are funded by member and employer contributions and by earnings on investments.

**OPEB (Other Post-Employment Benefits) Fund** – is a Trust organized under Section 115 of the Internal Revenue Code for California public agencies to jointly prefund future retiree Other Post-Employment Benefits (OPEB) benefits (such as health, vision, dental, and life insurance).

Administered by California Employers' Retirement Benefits Trust (**CERBT**)

# Air District's Pension Funded Ratio

## Pension Plan Funding Status/Policy

- CalPERS (Pension):**

- Obligation: \$424 M
- Funded: \$303 M
- Unfunded: \$121 M
- Prefund Trust: \$21 M\*

- Funding Policy: 90% Funded Level**

- Current Funding Level at 77%\*\*
- \$1 M Annual Discretionary Funding
- \$4 M Redirect Discretionary Funding from OPEB

- **Recommendation:** Allocate \$5 M to Prefund the California Employers' Pension Prefunding Trust (CEPPT)

\*\* includes investment in California Employers' Pension Prefunding Trust  
Finance and Administration Committee, March 2025

**CALPERS FUNDED STATUS**



**\* CEPPT ACCOUNT SUMMARY**

- Total contributions to the Trust from 2023 to date = \$20 M
- Total net investment earnings to date = \$1.4M

Funded ratio, as presented on 3/19/2025  
Funded ratio will increase due to significantly better market returns in 2024, but may decline in 2025

CalPers: California Public Employees' Retirement System



# Board Actions on Pensions Funding

Early 2000s:  
Air District is  
superfunded

2008: OPEB  
funding  
compliance –  
choice of  
CERBT

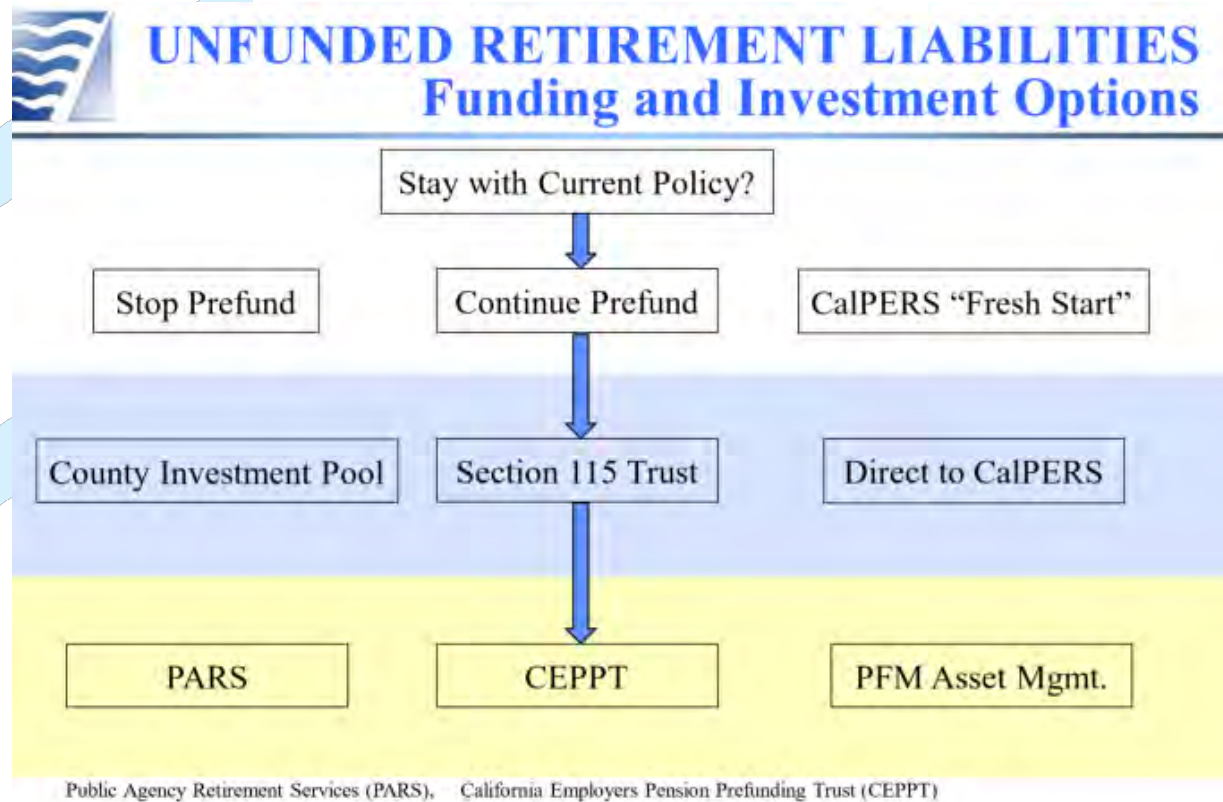
2019: Presentations  
to Budget and  
Finance  
Committee and  
Board with options  
and  
recommendations

2007-2009: The  
Great Recession  
– heavy losses in  
the California  
PERF; Air District  
sees sizable  
unfunded  
liabilities

2018: Sought  
independent  
analysis to  
address  
pensions  
unfunded  
liabilities

2022: Started  
contributing  
to Board-  
approved  
CEPPT Fund

# Background on Policy Options for Unfunded Retirement Liabilities - 2019



Budget and Finance Committee Meeting, November 2019

Based on independent analysis, staff solicited Board input on a range of policy options for 3 key areas:

1. Should the Air District continue prefunding for unfunded retirement liabilities?

*If yes,*


2. What is a choice instrument to prefund?

And,

3. What is a choice administrator to invest with?

# Background on Policy Options for Unfunded Retirement Liabilities, cont.

**Positives** to establishing a Section 115 Trust:  
+ **5% annual yield** vs. less than 1% for the SM County Treasury;  
+ **Flexibility** over timing to shift to PERF;  
+ **Air District control** over assets



### INVESTMENT OPTION 3: Section 115 Trust (PRSP) Cont.


**PROS**

- Irrevocable Trust that can only be used for Pension
- Air District controls assets, but only to pay the Air District's pension liabilities
- Higher yield investment strategies than County Pool
- Assets reduce or eliminate large fluctuations in employer contributions
- Less volatility than the Pension Fund

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**Negatives** to establishing a 115 Trust :

- **Uncertain** investment returns; and,
- **assets in 115 Trust** have to be in PERF to count against unfunded liabilities.



### INVESTMENT OPTION 3: Section 115 Trust (PRSP) Cont.

**CONS**

- Actual investment returns may deviate from initial projections
- Assets cannot reduce Pension UAL until placed in the Pension Fund

**Based on the three Investment Options:**

Staff recommends the Air District establish a Section 115 Trust for the additional pension contributions.

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**Based on this analysis, the Board agreed to:**

1. Establishing a **115 Trust**; and,
2. **Selecting CEPPT** as Administrator

Budget and Finance Committee Meeting, November 2019

# Financial Performance: California Employers' Retiree Benefit Trust (CERBT)

CalPERS Prefunding Programs

## CERBT Account Summary

As of March 21, 2025	Strategy 1
Initial contribution <small>(4/30/2008)</small>	\$2,800,000
Additional contributions	\$41,000,000
Disbursements	(\$0)
Investment earnings	\$41,645,462
CERBT expenses	(\$580,574)
Total assets	\$84,864,888
Money-weighted annualized net rate of return <small>(4/30/2008 – 3/24/2025 = 16.9 Years)</small>	6.90%

CERBT agreement effective date: 3/25/2008



5

CalPERS, CERBT & CEPPT Account Update, March 27, 2025



## CERBT (OPEB) Summary

- Air District has contributed approximately \$43 million to CERBT
- Investment returned on that contribution is about \$42 million
- Annualized rate of return is 6.9%



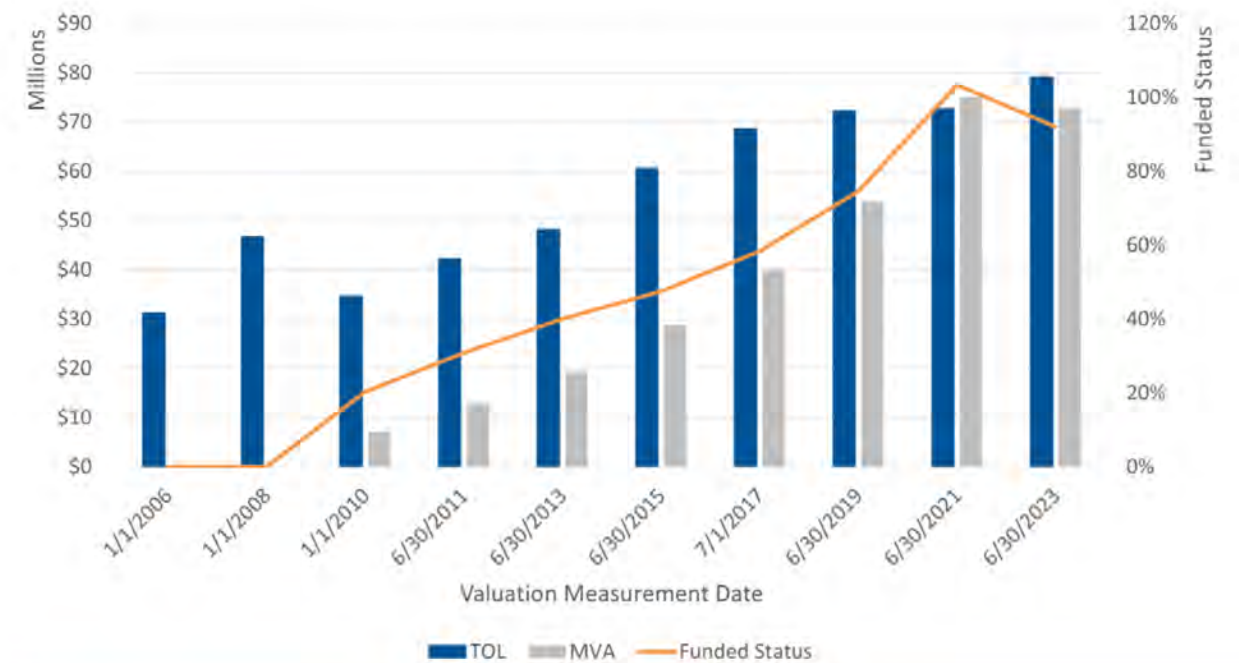
# Financial Performance: California Employers' Retiree Benefit Trust (CERBT), cont.

## CERBT (OPEB) Timeline

- 2008 - OPEB plan trust established
- Air District made payments of up to \$4 million in annual discretionary contributions until 2022
- April 2022 - OPEB plan is fully funded
- 2022 - Board redirects the \$4 million to pension plan into the Air District's CEPPT account

CalPERS Prefunding Programs

## Funded Status Comparison



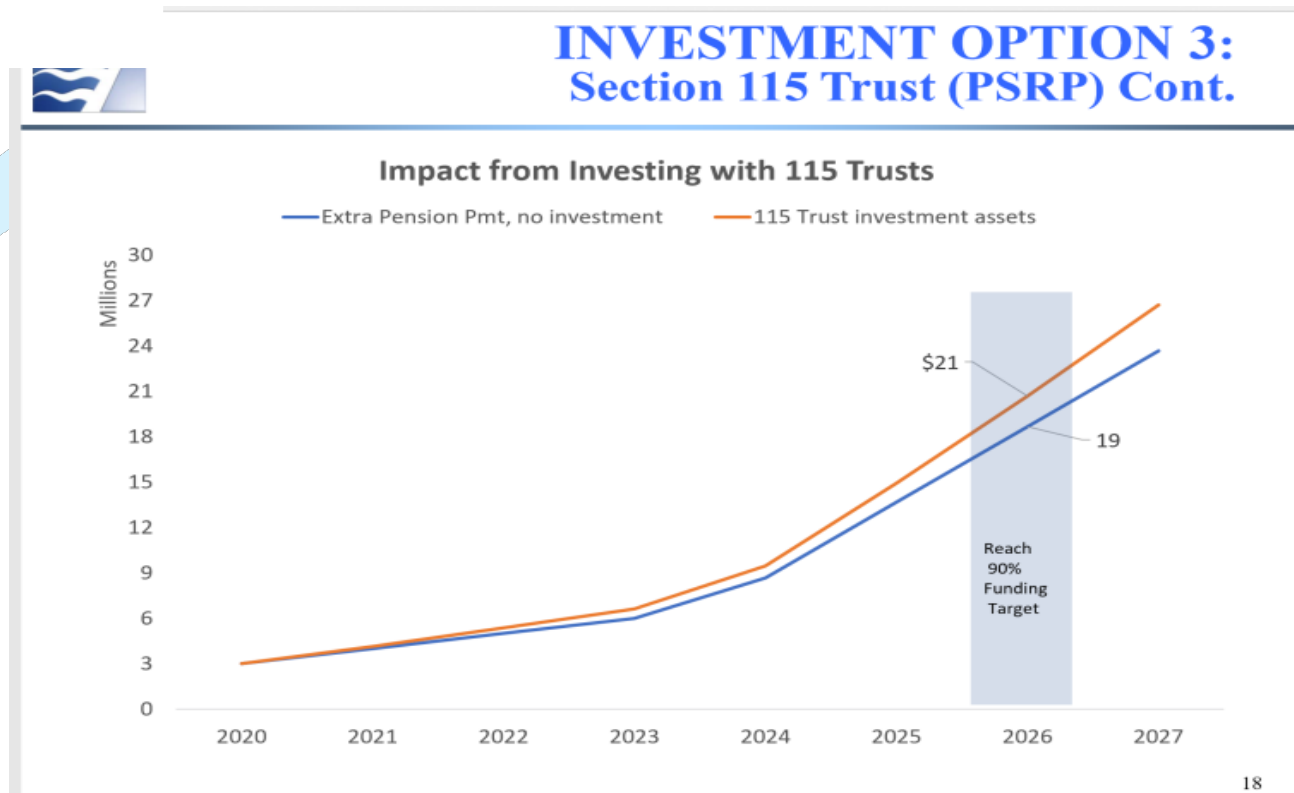
CalPERS, CERBT & CEPPT Account Update, March 27, 2025

# Financial Performance: California Employers' Pension Prefunding Trust (CEPPT), Projected vs. Actual

Decision to prefund pensions liabilities in 2022 via a 115 Trust was based on:

1. **a positive experience with CERBT;**
2. **on projections of net gain** of around \$2 million...

... and the actual performance of CEPPT turned out to be right on target, just as projected!



Presentation to the Budget and Finance Committee, 11/19/2019

## CalPERS Prefunding Programs

### CEPPT Account Summary

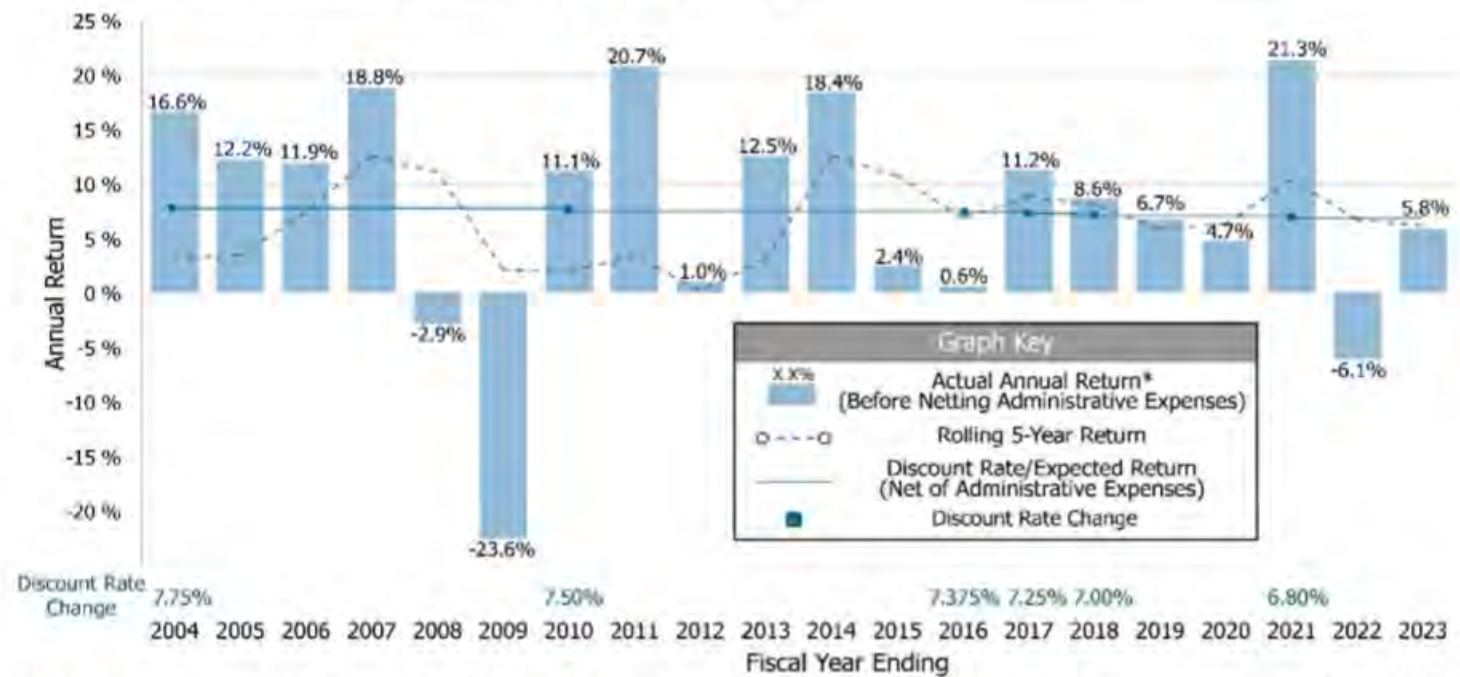
	As of March 21, 2025	Strategy 2
Initial contribution <small>(12/26/2025)</small>		\$5,000,000
Additional contributions		\$15,000,000
Disbursements		(\$0)
Investment earnings		\$1,845,921
CEPPT expenses		(\$62,657)
Total assets		\$21,783,264
Money-weighted annualized net rate of return <small>(12/26/2022 - 3/21/2025 = 2.23 Years)</small>		7.04%

CEPPT agreement effective date: 8/2/2022



# Is Transferring a Lump Sum to the Public Employees Retirement Fund (PERF) Now a Good Option?

History of Investment Returns (2004 - 2023)



\* As reported by the Investment Office with a 3-month lag on private equity and real assets and without any reduction for administrative expenses.

12.0% per year based on the most recent Asset Liability Management study. The realized volatility is a measure of the risk of the portfolio expressed as the standard deviation of the fund's total monthly return distribution, expressed as an annual percentage. Due to their volatile nature, when looking at investment returns, it is more instructive to look at returns over longer time horizons.

	1 year	5 year	10 year	20 year	30 year
Compound Annual Return	5.8%	6.1%	7.1%	7.0%	7.5%
Realized Volatility	-	9.5%	7.8%	8.4%	8.8%

- **CalPERS 10-year Performance** shows a compound annual return of **7.1%** (compared with the projected 10-year **5%** for our CEPPT 115 Trust return; and **3.9%** currently (varies, depending on interest rate) for SM Treasury

**However, realized 10-year volatility** for CalPERS is much higher than for CEPPT

- Potential losses in a bad markets year could make contributions meaningless, little to no impact on unfunded liabilities

CalPERS, CERBT & CEPPT Account Update, March 27, 2025

# Summary: Options to Reduce Unfunded Liabilities

## Unfunded Pension Liability



San Mateo County Treasury

Additional Contributions and/or No change in current policy – Section 115 Trust - CEPPT

Transfer Lump Sum directly to CalPERS

- + **Air District's Reserves Account:** Reversible, use not exclusive to pensions
- + **Capital Preservation** Option: No/Low Risk
- - **Low/Very Low** Investment Return, generally between 1-3% p.a., depending on interest rates

- + **Grow** an asset
- + **Flexibility** to transfer any amount in down market
- + **Subsidize** to counter low market returns
- + **Dollar Cost Averaging:** transfer to PERF a fixed amount based on performance, e.g, for every \$5mil., transfer \$1 mil
- - **Lower** Investment Return than CalPERS, but lower volatility

- + **Higher Return**
- + **Choice of a Specific Liability** to Address
- - **Higher volatility** carries most risk for loss, leaving unfunded liability little changed



# Discussion

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## Current Funding Policy, adopted in 2022:

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Budget and pay the annual required pension payments to CalPERS

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Continue \$1M annual discretionary contributions to the pension trust account

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If applicable, redirect and invest up to \$4M annual discretionary contributions designated for OPEB to the pension trust account

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Strive to maintain minimum 90% funding plan level

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If CalPERS pension plan becomes 100% funded; redirect discretionary contributions at Board's discretion

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In case of a fiscal hardship or pension is super funded, Board may elect to use the funds in the trust to pay required pension payments to CalPERS

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## Questions for Discussion:

1. Does the policy need revision?
2. Should prefunding be increased?
3. What would be an acceptable amount to prefund?
4. Which prefunding option?

# Questions?

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## **For more information:**

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