



BOARD OF DIRECTORS  
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

CAROLE GROOM – CHAIRPERSON  
SCOTT HAGGERTY  
ERIC MAR  
MARK ROSS  
SHIRLEE ZANE

ASH KALRA – VICE CHAIRPERSON  
DAVE HUDSON  
KATIE RICE  
BRAD WAGENKNECHT

WEDNESDAY  
OCTOBER 24, 2012  
9:30 A.M.

4<sup>th</sup> FLOOR CONFERENCE ROOM  
939 ELLIS STREET  
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, and on the Air District's website [www.baaqmd.gov](http://www.baaqmd.gov) at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF APRIL 25, 2012**
4. **FIRST QUARTER FINANCIAL REPORT - FISCAL YEAR 2012-13**

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will receive an update on the Air District's First Quarter Financial Report.*

5. **AIR DISTRICT FINANCIAL OVERVIEW**

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will receive an overview of the Air District's financial outlook and strategies employed during the fiscal year end (FYE) 2013 budget cycle and will consider recommending that the Board of Directors increase the FYE 2013 contribution to Other Post-Employment Benefits (OPEB) from \$1,000,000 to \$2,000,000.*

6. **CALIFORNIA AIR MONITORING NETWORK ASSESSMENT: CONSIDER ACCEPTANCE OF US ENVIRONMENTAL PROTECTION AGENCY (EPA) GRANT MONEY AND AWARD OF CONTRACT**

E. Stevenson/4695

[estevenson@baaqmd.gov](mailto:estevenson@baaqmd.gov)

*The Committee will consider recommending Board of Directors amend Fiscal Year 2012-2013 budget to recognize a \$200,000 EPA grant and award a \$200,000 contract to Providence Engineering and Environmental Group (Providence) to perform an assessment of the air monitoring network throughout California.*

7. **AMEND AIR MONITORING SECTION'S BUDGET TO ALLOW FOR DEVELOPMENT OF TWO NEW AIR MONITORING STATIONS NEAR BAY AREA ROADWAYS**

E. Stevenson/4695  
[estevenson@baaqmd.gov](mailto:estevenson@baaqmd.gov)

*The Committee will consider recommending that the Board of Directors amend the fiscal year end 2013 budget to increase the Air Monitoring budget by a total of \$367,744 in response to an US Environmental Protection Agency grant of \$400,000 to develop air monitoring sites near Bay Area freeways.*

8. **COMMITTEE MEMBER COMMENTS/ OTHER BUSINESS**

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

9. **TIME AND PLACE OF NEXT MEETING** – Wednesday, November 28, 2012, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

10. **ADJOURNMENT**

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109**

**(415) 749-5130**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.
- 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 District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website ([www.baaqmd.gov](http://www.baaqmd.gov)) at that time.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109**  
**(415) 771-4963**

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

**OCTOBER 2012**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Public Outreach Committee</b> <i>(At the Call of the Chair)</i> - CANCELLED	Thursday	18	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i>	Monday	22	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Public Outreach Committee</b> <i>(At the Call of the Chair)</i>	Wednesday	31	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

**NOVEMBER 2012**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
<b>Board of Directors Nominating Committee</b> <i>(At the Call of the Chair)</i>	Wednesday	7	Following Regular Board Meeting	Executive Division Conf. Room
<b>Board of Directors Personnel Committee</b> <i>(At the Call of the Chair)</i>	Thursday	8	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Climate Protection Committee</b> <i>(At the Call of the Chair)</i>	Thursday	8	11:00 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Advisory Council Regular Meeting</b> <i>(Meets 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	14	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i>	Monday	19	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets the 3<sup>rd</sup> Monday of Every Other Month)</i>	Monday	19	10:30 a.m.	4 <sup>th</sup> Floor Conf. Room

## NOVEMBER 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i> - CANCELLED	Wednesday	21	9:45 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday of each Month)</i> - CANCELLED	Thursday	22	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday of each Month)</i>	Wednesday	28	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

## DECEMBER 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Special Meeting of the Board of Directors</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	5	9:45 a.m.	<u>Meeting Location:</u> TBD  <u>Tour Location:</u> TBD
<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i>	Monday	17	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday of each Month)</i>	Thursday	27	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

HL – 10/18/12 (10:50 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 9, 2012

Re: Approval of the Minutes of April 25, 2012

RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee meeting of April 25, 2012.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 25, 2012 Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Ana Sandoval

Attachment

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109  
(415) 771-4963

**DRAFT MINUTES**

Summary of Board of Directors  
Budget and Finance Committee Meeting  
9:30 a.m., Wednesday, April 25, 2012

**1. Call to Order – Roll Call**

Chairperson Carole Groom called the meeting to order at 9:31 a.m.

Present: Chairperson Carole Groom; Vice Chairperson Ash Kalra; and Directors David Hudson, Eric Mar, Katie Rice, Mark Ross and Brad Wagenknecht.

Absent: Directors Scott Haggerty and Shirlee Zane.

Also Present: None.

**2. Public Comment Period: None.**

**3. Approval of Minutes of March 28, 2012**

Committee Action: Director Hudson made a motion to approve the Minutes of March 28, 2012; Director Wagenknecht seconded; carried unanimously without objection.

**4. Continued Discussion of Fiscal Year Ending (FYE) 2013 Proposed Air District Budget and Consideration to Recommend Adoption**

Jeffrey McKay, Deputy Air Pollution Control Officer (DAPCO), gave the staff presentation Proposed Fiscal Year End 2013 Budget, including a review of the year-to-year reserve funds budgeted projection, trends in cost cutting, an overview of the distribution of vacancies among Air District staff, proposed salary reviews and possible salary modification based on the results, and a summary of the FYE 2013 budget.

Mr. McKay noted, regarding slide 2, the ever decreasing use of reserves on a year-to-year basis.

Mr. McKay reserved for Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), presentation of slide 5, Salary Reviews, upon his arrival. Chairperson Groom asked if recruitment has begun for the Health Officer position. Jean Roggenkamp, DAPCO, responded that it has not and a salary survey is the first step. Director Ross asked if the Air District is also adding the engineering project processing manager for the Production System project. Mr. McKay responded in the affirmative as to a manager in Engineering that will serve to get the division back to its original staffing level, not for special projects. Director Hudson asked if the

budget takes into account the Air District's anticipated move to the new office building to which Mr. McKay responded in the affirmative.

Director Rice asked what savings is lost by reducing the Air District's contribution to Other Post-Employment Benefits (OPEB). Mr. McKay said the actuarial liability is approximately \$50 million and annual deposits of approximately \$2 million will prevent the size of the obligation from growing. Director Rice admitted she didn't know the details of how these funds are held but proposed there must be a loss by postponing the contribution. Mr. McKay clarified that it is deposited with the Public Employees' Retirement System (PERS) and no other use is permitted after deposit. Director Wagenknecht noted the contribution going from \$2 million to \$1 million this year and asked the effect on the unfunded liability. Director Rice repeated her inquiry about lost savings. Mr. McKay said that any funding beyond \$2 million each year would serve to reduce the outstanding unfunded liability. Director Rice suggested that the more aggressive contribution schedule, the better, but perhaps the loss is negligible. Director Hudson asked whether PERS imposes a fee or fine on the Air District for maintaining a balance short of the recommendation. Mr. McKay said there is an actuarial value assigned to the expected increase in costs that is the lost opportunity. Brian Bunger, District Counsel, clarified that this is not a debt with interest charged, but rather a contractual obligation, so no fee or fine is imposed.

NOTED PRESENT: Director Mar was noted present at 9:41 a.m.

Mr. Broadbent presented slide 5, Salary Reviews, by suggesting it is time to hire a Health Officer despite the economic forecast and noted the difficult recruitment process for the position two years ago, adding that the Air District's recruitment for the Information Systems position has also been challenging, and suggested a salary survey for both positions as well as for the DAPCO positions, based on a commitment to do so last year. Director Groom said that would be acceptable and noted the urgency some feel regarding the recruitment of a Health Officer. Director Hudson asked what the Health Officer's role would be in relation to the counties and asked if the Air District can bring in the county health officers and subcontract out the work. Director Hudson suggested the same for the Information Systems position, suggesting the agencies in the new Air District office building may enjoy an economy of scale by job sharing. Mr. Broadbent responded that the Health Officer would be part of a regular meeting group but that having one on staff would be helpful to the Board of Directors and staff, noting that the South Coast Air Quality Management District (SCAQMD) has one on staff. Mr. Broadbent and Jack Colbourn, Director of Administrative Services, answered that discussions with the cotenants of the new office building have begun and the Air District will enjoy economies of scale as appropriate. Director Groom opined that if a Health Officer had been on staff during the California Environmental Quality Act guidelines process, the Air District would have been in a better place today, adding that this is a worthwhile expenditure. Director Ross added that the Health Officer job duties will have a public outreach component as well. Director Wagenknecht asked where in the Air District structure the Health Officer would be placed. Mr. Broadbent responded that the Health Officer would be a management position that will likely report to Ms. Roggenkamp. Director Mar asked who is currently fielding issues that would fall to the Health Officer. Mr. Broadbent and Ms. Roggenkamp responded that it is spread around.

NOTED PRESENT: Vice Chairperson Kalra was noted present at 9:51 a.m.

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Hudson made a motion, seconded by Director Wagenknecht and carried unanimously without objection to recommend Board of Directors adoption of the proposed FYE 2013 Budget.

## **5. Third Quarter Financial Report – FYE 2012**

Mr. Colbourn introduced David Glasser, Finance Manager, who gave the staff presentation regarding the Third Quarter Financial Report –FYE 2012. Mr. Glasser reviewed the General Fund revenues and expenses, Air District investments, fund balances and vendor payments in excess of \$70,000 without Board of Directors review for the third quarter of FYE 2012.

Mr. Glasser noted, regarding slide 2, 3<sup>rd</sup> Quarter Results FYE 2012, that “County receipts” had risen to approximately 76% by the date of the presentation and more is expected in the immediate future. Mr. Glasser added, regarding a distribution from the Lehman bankruptcy, that the San Mateo County Treasurer reported that the Air District should be receiving the first of four or five distributions over the next two to three years, in the amount of roughly \$102,000.

Committee Comments:

Director Hudson asked whether the Air District is paying to PERS or putting in reserve the monies shown in reserve fund balances for “PERS Funding.” Mr. Glasser responded that the Air District makes payments to PERS who invests on the Air District’s behalf, noting that the Air District may anticipate a 1 – 2% increase in pension costs in approximately two years.

Public Comments: None.

Committee Action: None; informational only.

## **6. Proposed Fee Amendments for FYE 2013**

Brian Bateman, Director of Compliance & Enforcement, gave the staff presentation Proposed Fee Regulation Amendments for FYE 2013 (cont.), including a summary of the original staff proposal and an option for consideration to modify the proposed amendments to fee schedules, specifically in regard to gasoline dispensing and Title V facilities.

Mr. Bateman clarified, regarding slide 5, Option for Consideration, that the 24 nozzles example in the presentation is a station with eight three-product nozzles but the same would apply to a station with 12 two-product nozzles and so on.

Mr. Bateman added, regarding slide 5, Option for Consideration, that Title V facilities are subject to many other Air District fees but only this fee is being proposed for an increase to 11%.

Committee Comments:

Director Ross asked the difference in the difficulty of inspecting a one-nozzle versus three-nozzle pump. Mr. Bateman responded that it is not more difficult but the products carried reflect the throughput of the station. Director Ross asked if staff has considered backing away from throughput as an indicator in an effort to better assist mom-and-pop establishments.

Mr. Broadbent stated that staff is struggling as some Directors have expressed a concern about the effect of the amendments on small mom-and-pop facilities; a modified proposal was prepared with special sensitivity to this concern; the Air District is only recovering at a 50 – 60% rate for the entire industry; and staff has tried to tailor something that will avoid a zero increase as it has been decided that it is crucial to close the gap. Vice Chairperson Kalra asked what non-retail operations would fall under this provision. Mr. Bateman and Mr. Bunger provided some examples from government and private fleet operations. Vice Chairperson Kalra noted his sensitivity to smaller stations and asked if there is a sense of what the pace to full recovery under a decelerated process will be, noting that it seems a very small number of gas stations will fall into the small mom-and-pop category and that, in light of the subsidization by fee and tax payers, it is equally important to not become hypersensitive as it is to lack sensitivity. Vice Chairperson Kalra suggested that it would be acceptable to slow down the increased recovery provided the Air District keeps pace over the years. Director Hudson stated that he understands the desire for a careful look at the details but suggested that many of these instances will involve an annual fee increase of approximately \$70 and, therefore, questioned the benefit of this level of review as it has been determined that the recovery needs to increase and a plan has been put forth to accomplish it. Director Mar stated that the modified proposal is a good compromise as the fee recovery will continue to rise and the larger operations, that are better able to adjust, will shoulder more of the initial increase. Director Rice noted that this modification is in response to a request at the Board of Directors meeting and suggested that the fee increase will likely be passed through the retail customer at the pump, a 5% increase is too nominal considering the current recovery rate, the difference between the original and modified proposals will not be shutting down any businesses, and that retail customers need to see the true cost of the gas they are pumping. Director Wagenknecht agreed with the concept of seeing the true cost of gasoline at the pump but reminded the Committee of the desire to be sensitive to small operations and asked the impact of the modification for the Air District. Mr. Bateman answered approximately \$65,000. Vice Chairperson Kalra stated that the original proposal is acceptable, as is the modified 5% increase but only if the lost 4% is captured in the coming years. Director Wagenknecht noted that there will be additional increases in the coming years if the Air District remains consistent with its Cost Recovery Policy and any deferrals will add to those increases. Vice Chairperson Kalra suggested that the proposal not be modified.

Public Comments: None.

Committee Action:

The majority of the Committee members, over the objections of Directors Hudson, Ross and Wagenknecht, indicated their preference for the original staff fee proposal, rather than the new option presented. Final action to consider adoption of fee amendments is scheduled for the Board of Directors' meeting on June 6, 2012.

Chairperson Groom asked what the dollar amount difference is under Schedule P. Mr. Bateman referred to slide 6, Impact of Option on Title V Facilities. Vice Chairperson Kalra asked about the current cost recovery statistics for the two facilities and Mr. Bateman responded that gas stations are at approximately 48% and large refineries 58% of cost recovery. Vice Chairperson Kalra said there is more catch up to accomplish on the gas station side and suggested there is no need to prolong the pain. Chairperson Groom said that it is going to the Board of Directors and the staff report should reflect today's discussion. Chairperson Groom relayed her personal experience discussing the proposed increase with a gas station owner/operator.

7. **Committee Member Comments/Other Business:** None.
8. **Time and Place of Next Meeting:** Wednesday, May 23, 2012, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
9. **Adjournment:** The meeting adjourned at 10:24 a.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 11, 2012

Re: First Quarter Financial Report – Fiscal Year 2012-13

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Air District staff will present an update on the Air District’s financial results for the first quarter of fiscal year 2012-13. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County receipts \$381,924 (2%) of budgeted revenue
- Permit Fee receipts \$13,730,921 (57%) of budgeted revenue
- Title V Permit Fees \$2,572,875 (69%) of budgeted revenue
- Asbestos Fees \$591,684 (33%) of budgeted revenue
- Toxic Inventory Fees \$266,734 (38%) of budgeted revenue
- Penalties and Settlements \$402,403 (24%) of budgeted revenue
- Miscellaneous Revenue \$8,431 (6%) of budgeted revenue
- Interest Revenue \$0 (0%) of budgeted revenue

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Personnel - Salaries \$8,357,029 (27%) of budgeted expenditures
- Personnel - Fringe Benefits \$2,887,162 (22%) of budgeted expenditures
- Operational Services \$2,163,598 (16%) of budgeted expenditures  
and Supplies
- Capital Outlay \$625,360 (38%) of budgeted expenditures

Cash and Investments in County Treasury:

( Based on the September 2012 Account Balance)

General Fund	\$20,160,419
TFCA	\$64,732,868
MSIF	\$36,537,137
Carl Moyer	\$9,947,697
CA Goods Movement	<u>\$41,865,842</u>
	<u>\$173,243,963</u>

Investments Held as:

( Based on the September 2012 Account Balance)

Fixed Income Investments	50% of total investment pool
Short Term Investments	50% of total investment pool

**FUND BALANCES**

	<u>6/30/2011</u> <u>Audited</u>	<u>6/30/2012</u> <u>Unaudited</u>	<u>6/30/2013</u> <u>Projected</u>
Imprest Cash	\$ -	-	-
Building and Facilities	4,075,756	4,075,756	3,711,210
PERS Funding	1,500,000	1,500,000	1,365,836
Radio Replacement	75,000	75,000	68,292
Capital Equipment	1,219,818	1,219,818	1,110,714
Post-Employment Benefits	2,000,000	2,000,000	1,821,116
Worker's Compensation	1,000,000	1,000,000	910,557
Economic Uncertainties	130,660	130,660	118,973
TOTAL SPECIAL RESERVES	<u>\$ 10,001,234</u>	<u>\$10,001,234</u>	<u>\$ 9,106,698</u>
UNDESIGNATED	<u>9,528</u>	<u>3,468,950</u>	<u>4,385,604</u>
TOTAL FUND BALANCES	<u>\$ 10,010,762</u>	<u>\$13,470,184</u>	<u>\$13,492,302</u>

## VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, Air District staff provides the Board a listing of all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In this manner, Air District practice allows review of payments for recurring routine business costs such as utilities, licenses, office supplies and the like, while maintaining committee efficiency.

As a related practice, Air District staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively now total in excess of \$70,000. There were no vendors that meet this criteria during this period.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Glasser  
Reviewed by: Jack M. Colbourn

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 12, 2012

Re: Air District Financial Overview

RECOMMENDED ACTION

Recommend that the Board of Directors increase the fiscal year end (FYE) 2013 contribution to Other Post-Employment Benefits (OPEB) from \$1,000,000 to \$2,000,000.

DISCUSSION

Staff will review the Air District current fiscal status. The review will include a discussion of the strategies employed during the FYE 2012 budget cycle, and those now employed in the FYE 2013 cycle. Possible mid-year budget adjustments will be discussed, including an additional allocation of \$1,000,000 to OPEB.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Increase the FYE 2013 contribution to Other Post-Employment Benefits (OPEB) from \$1,000,000 to \$2,000,000.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: September 17, 2012

Re: California Air Monitoring Network Assessment: Consider Acceptance of US  
Environmental Protection Agency (EPA) Grant Money and Award of Contract

**RECOMMENDED ACTION**

Recommend that the Board of Directors amend the fiscal year end (FYE) 2013 budget to recognize a \$200,000 U.S. Environmental Protection Agency (EPA) Grant and award a \$200,000 contract to Providence Engineering and Environmental Group (Providence) to perform an assessment of the air monitoring network throughout California.

**DISCUSSION**

The EPA currently requires states to perform assessments of their air monitoring networks every five years (40 CFR, Part 58). Due to the structure of air quality agencies in California, this assessment does not evaluate the entire air monitoring in California as a whole, but divides the state into Primary Quality Assurance Organizations. This arrangement may lead to potential gaps and/or duplicative monitoring efforts. Due to the Air District's participation in air monitoring committees on both the state and national level, EPA has provided an additional \$200,000 in the Air District's Program 105 grant to address these potential issues. Air District staff has worked closely with EPA, the California Air Resources Board (CARB) and the California Air Pollution Control Officers Association (CAPCOA) to develop a work plan that outlines the project and identifies a contractor with the skills and experience to perform the work. EPA staff identified Providence as an organization that has acquired this knowledge and experience working on similar projects throughout the nation, and, as a result, staff recommends Providence be the sole source vendor for this assessment work.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

Staff recommends that the Fiscal Year 2012-2013 Technical Division Budget be increased by \$200,000 with the acceptance of the EPA grant and spent entirely through a contract with Providence. The project will not require any funding from the General Fund.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Eric Stevenson  
Reviewed by: Jean Roggenkamp and Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 9, 2012

Re: Amend Air Monitoring Section's Budget to Allow for Development of Two New  
Air Monitoring Stations Near Bay Area Roadways

**RECOMMENDED ACTION**

Recommend that the Board of Directors amend the fiscal year end (FYE) 2013 budget to increase the Air Monitoring budget (Program 802) by a total of \$367,744 in response to an U.S. Environmental Protection Agency (EPA) grant of \$400,000 to develop air monitoring sites near Bay Area freeways.

**DISCUSSION**

The EPA recently revised its regulations (40 CFR, Part 58), to require development of air monitoring sites near major roadways. The number of sites depends on the population of Core Based Statistical Areas (CBSAs) and the location of the sites depends on a number of specific traffic metrics developed by EPA. Currently, the Air District is required to set-up three near roadway sites – two in the Oakland/San Francisco CBSA and one in the Santa Clara/San Jose CBSA. EPA has provided total funding of \$400,000 to develop two of the three sites, with the expectation that additional funding for the third site will be provided in future years.

Staff estimates that \$367,744 will be required to purchase equipment, supplies and services for the two air monitoring sites covered by this grant award. Any remaining funds from the \$400,000 grant will be used to offset part of the personnel and overhead costs associated with this project.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

Staff recommends that the FYE 2013 Air Monitoring Section's budget be increased by \$367,744 with the acceptance of the EPA grant.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

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