



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

August 2, 2017

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 1st Floor Board Room at the Air District Headquarters, 375 Beale Street, San Francisco, California 94105.

Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff Person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes> at the time of the meeting.

Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3 Persons submitting Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. All Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. Speakers typically are allowed three minutes each to speak, however, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

Public Comment on Agenda Items The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Speakers typically are allowed three minutes each to speak, however, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY
AUGUST 2, 2017
9:45 A.M.

BOARD ROOM
1ST FLOOR

CALL TO ORDER

Chairperson, Liz Kniss

Opening Comments
Roll Call
Pledge of Allegiance

The Chair shall call the meeting to order and make opening comments. The Clerk of the Boards shall take roll of the Board members. The Chair shall lead the Pledge of Allegiance.

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6(a))

Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
Rex Sanders, Director of Executive and Administrative Resources

Employee Organization: Bay Area Air Quality Employee's Association, Inc.

2. CONFERENCE WITH LEGAL COUNSEL

ANTICIPATED LITIGATION (Government Code Section 54956.9 (d)(2))

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9.

OPEN SESSION

CONSENT CALENDAR (ITEMS 3 –10)

Staff/Phone (415) 749-

3. Minutes of the Board of Directors Meeting of June 21, 2017

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Board of Directors Meeting of June 21, 2017.

4. Board Communications Received from June 21, 2017 through August 1, 2017

J. Broadbent/5052
jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from June 21, 2017 through August 1, 2017, if any, will be at each Board Member's place.

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

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

6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the month of June 2017 **J. Broadbent/5052**
jbroadbent@baaqmd.gov

In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000 during the month of June 2017.

7. Consider Approving the Proposed Memorandum of Understanding between the Bay Area Air Quality Management District and the Bay Area Air Quality Management District Employees' Association (EA) **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Board of Directors will consider approving the proposed Memorandum of Understanding (MOU) between the Bay Area Air Quality Management District and Bay Area Air Quality Management District Employees' Association (EA).

8. Consider Establishing New Job Classifications of Assistant Staff Specialist I at Salary Level 122 and Assistant Staff Specialist II at Salary Level 126 **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Board of Directors will consider establishing new job classifications of Assistant Staff Specialist I at Salary Level 122 and Assistant Staff Specialist II at Salary Level 126.

9. Consider Amending the Salary Range for the Human Resources Technician I Job Classification from Salary Range 116 to 122 and the Human Resources Technician II Job Classification from Salary Range 120 to 126 **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Board of Directors will consider amending the salary range for the Human Resources Technician I Job Classification from Salary Range 116 to 122 and the Human Resources Technician II Job Classification from Salary Range 120 to 126.

10. Consider Authorizing the Executive Officer/APCO to Execute a Contract in an amount not to exceed \$150,000 for the purpose of Agricultural Waste Chipping in Lieu of Open Burning **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract in an amount not to exceed \$150,000 for the purpose of Agricultural Waste Chipping in Lieu of Open Burning.

COMMITTEE REPORTS

11. Report of the **Climate Protection Committee** Meeting of May 18, 2017

CHAIR: T. Barrett

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Statewide Scoping Plan Update

1) None; receive and file.

B) Plan Bay Area 2040

1) None; receive and file.

C) Implementation of the 2017 Clean Air Plan

1) None; receive and file.

12. Report of the **Mobile Source Committee** Meeting of May 25, 2017

CHAIR: K. Mitchoff

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria and a Proposed Amendment to One FYE 2017 TFCA Regional Fund Policy

1) Approve the proposed FYE 2018 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; and

2) Approve the proposed amendment to the readiness policy in the FYE 2017 TFCA Regional Fund Policies

B) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Expenditure Plans

1) Approve the allocation of new FYE 2018 TFCA CPM Funds listed in Table 1; and

2) Authorize for the Executive Officer/APCO to enter into funding agreements with the CPMs for the total funds to be programmed in FYE 2018, listed in Table 1

C) Update on Regional Efforts to Deploy Electric Vehicles and Infrastructure

1) None; receive and file.

13. Report of the **Personnel Committee** Meeting of June 2, 2017

CHAIR: J. Spering

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following report:

A) Conduct Interviews and Consider Recommending Board of Directors Approval of Candidates for Appointment to the Air District's Hearing Board

1) The appointment of Danny Cullenward as Attorney Category Alternate.

14. Report of the **Climate Protection Committee** Meeting of July 20, 2017

CHAIR: T. Barrett

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Air District Participation in Collective Climate Protection Initiatives

1) Staff recommends that the Climate Protection Committee recommend that the Board of Directors support the Under2 MOU and the We Are Still In sign-on letter.

B) Bay Area Model Solar Ordinance Project

1) None; receive and file.

15. Report of the **Executive Committee** Meeting of July 31, 2017

CHAIR: L. Kniss

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will receive the following reports:

A) Hearing Board Quarterly Report: January – March 2017 and April – June 2017

1) None; receive and file

B) Contract Award for Spare the Air Website Redesign

1) Authorize the Executive Officer/APCO to execute a contract with Cylogy, Inc. in the amount of \$300,000 for website upgrades, architecture, rebuild, and design services for the Spare the Air website.

C) Technology Implementation Office (TIO) Update

1) None; receive and file.

D) Update on My Air Online Permitting and Compliance System

1) None; receive and file.

PRESENTATIONS

16. **UPDATE OF COMPLETED FISCAL YEAR ENDING (FYE) 2016 JAMES CARY SMITH COMMUNITY GRANT PROJECTS**
J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will provide the Board of Directors with an update of Completed Fiscal Year Ending 2016 James Cary Smith Community Grant Projects.

17. **UPDATE ON CAP AND TRADE AND RELATED LEGISLATION**
J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will provide the Board of Directors with an update on Cap and Trade and Related Legislation.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

Speakers will be allowed one minute each to address the Board on non-agenda matters.

BOARD MEMBERS' COMMENTS

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

OTHER BUSINESS

20. Report of the Executive Officer/APCO

21. Chairperson's Report

22. Time and Place of Next Meeting:

Wednesday, September 20, 2017, at 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

23. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Board of Directors” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

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

JULY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	31	9:30 a.m.	1 st Floor Board Room

AUGUST 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	1 st Floor Board Room

Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	16	9:45 a.m.	1 st Floor Board Room
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Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	21	9:30 a.m.	1 st Floor Board Room
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Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	21	10:30 a.m.	1 st Floor Board Room
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Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	23	9:30 a.m.	1st Floor, Yerba Buena Room #109
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Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	1 st Floor Board Room
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SEPTEMBER 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	1 st Floor Board Room

Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	1 st Floor Board Room
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Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	1 st Floor Board Room
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Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	1 st Floor Board Room
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SEPTEMBER 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Thursday	21	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	1 st Floor Board Room
HL – 7/25/17 - 4:45 p.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Minutes of the Board of Directors Regular Meeting of June 21, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of June 21, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of June 21, 2017.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 3A: Draft Minutes of the Board of Directors Regular Meeting of June 21, 2017

AGENDA 3A – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of June 21, 2017

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

Board of Directors Regular Meeting
Wednesday, June 21, 2017

DRAFT MINUTES

Note: Audio recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>

CALL TO ORDER:

Opening Comments: Chairperson, Liz Kniss, called the meeting to order at 9:56 a.m.

Roll Call:

Present: Chairperson Liz Kniss; Vice Chairperson Dave Hudson; Secretary Katie Rice; and Directors Margaret Abe-Koga, Teresa Barrett, John Gioia, Scott Haggerty, Tyrone Jue, Rebecca Kaplan, Doug Kim, Nate Miley, Karen Mitchoff, Hillary Ronen, Mark Ross, Pete Sanchez, Jeff Sheehy, Rod Sinks, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors David J. Canepa, Cindy Chavez, Pauline Russo Cutter, Carole Groom, and Jim Spering

COMMENDATIONS/PROCLAMATIONS/AWARDS

1. The Board of Directors and staff recognized outgoing Sacramento Metropolitan Air Quality Management District (SMAQMD) Executive Director/Air Pollution Control Officer, Larry Greene, for his service, leadership, and dedication to protecting air quality in Northern California through a variety of roles throughout his career. Mr. Greene thanked the District for its collaboration and partnership with the SMAQMD.

CLOSED SESSION (commenced at 10:05 a.m.)

2. **CONFERENCE WITH LEGAL COUNSEL (OUT OF ORDER, ITEM 14)**

ANTICIPATED LITIGATION (Government Code Section 54956.9 (d)(2))

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9.

OPEN SESSION (commenced at 10:29 a.m.)

Brian Bunger, District Counsel, announced that there was no reportable action from Closed Session.

CONSENT CALENDAR (ITEMS 2 – 7)

3. Minutes of the Board of Directors Special Meeting Budget Hearing of May 17, 2017 and Special Meeting of May 31, 2017 **(ITEM 2)**
4. Board Communications Received from May 31, 2017 through June 20, 2017 **(ITEM 3)**
5. Air District Personnel on Out-of-State Business Travel **(ITEM 4)**
6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the month of May 2017 **(ITEM 5)**
7. Authorization to Execute Contract Amendments for My Air Online Development Services **(ITEM 6)**
8. Authorization to Execute Contract Amendments for Cloud Infrastructure & Data Analytics **(ITEM 7)**

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Secretary Rice made a motion, seconded by Vice Chair Hudson, to **approve** the Consent Calendar Items 2 through 7, inclusive; and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barrett, Gioia, Haggerty, Hudson, Jue, Kaplan, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sanchez, and Sinks.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Canepa, Chavez, Cutter, Groom, Sheehy, Spring, Wagenknecht, and Zane.

COMMITTEE REPORTS

9. Report of the Climate Protection Committee Meeting of May 18, 2017 **(ITEM 8)**
ITEM TABLED by Chair
10. Report of the Mobile Source Committee Meeting of May 25, 2017 **(ITEM 9)**
ITEM TABLED by Chair
11. Report of the Personnel Committee Meeting of June 2, 2017 **(ITEM 10)**
ITEM TABLED by Chair

PUBLIC HEARINGS

12. Continuation of Board Consideration of New Regulation 12: Miscellaneous Standards of Performance, Rule 16: Petroleum Refining Facility-Wide Emissions Limits (Rule 12-16) for

Adoption and Certification of an Environmental Impact Report (EIR) Section Dealing with Rule 12-16 (**ITEM 13**)

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), explained that this item was a continuation of the Board's discussion at the May 31, 2017 Board meeting, and that, since May 31, staff had continued to develop Rule 12-16. Eric Stevenson, Director of Meteorology, Measurement, and Rules, gave the staff presentation *Regulation 12, Rule 16*, including: staff recommendation; presentation overview; May 31st board direction; Communities for a Better Environment (CBE) proposal; revised staff proposal; key issues; reason for changes; summary; staff recommendations; emission limit comparison; staff proposed limit details; permitted projects; and gasoline consumption. Public Comments:

Public Comments were given by:

Jamie Jefferson, Attorney General, Xavier Becerra's office; Bob Brown, Western States Petroleum Association; Janet Stromberg, 350 Bay Area; Shawn Lee, Chevron; Robert Gould, UCSF; Claire Broome, Berkeley resident; Greg Karras, CBE; Steven Yang, Chevron; Amy Kyle, San Francisco resident; Richard Gray, 350 Bay Area; Heather Kuiper; Lisa Chang, Alamo resident; Shoshana Wechsler, Sunflower Alliance; Linda Hutchins-Knowles, Mothers Out Front; Irene Friedman, California Nurses Association; Bill Quinn, California Council for Environmental and Economic Balance; Bill Whitney, Contra Costa Building Trades; Deborah Behles, CBE; Kevin Bundy, Center for Biological Diversity; Larry Chaset, 350 Bay Area; Greg Feere, California State Building Trades; Gordon Johnson, Shell; Linda Weiner, Sierra Club; Milo Wetherall, Generation: Our Climate; Jed Holtzman, 350 Bay Area; Iren Suhami, Valero; Ron Espinoza, United Steelworkers; Don England, Tesoro; Mark Sloan, Boilermakers Local No. 549; Janet PyeGeorge, Rodeo Citizens Association; Rebecca Auerbach, Richmond resident; Nancy Cuellar, CBE; Mark Roest, 350.org; Sharlia Hall, CBE; Nadia Alvarez, CBE; Laura Gracia, CBE; Steve Zeltzer, San Francisco resident; Rick Pursur, Eichleay; Will McGarvey, Interfaith Council of Contra Costa County; Kathy Wheeler, Shell; Torm Nompraseurt, Asian Pacific Environmental Network; Mark Altgelt, Citizen's Climate Lobby; Diane Bailey, Menlo Park resident; David Page, Service Employees International Union Local 1021; Kelly Jones, 350 Marin; Paul Adler, Phillips 66; Ken Jones, 350 Bay Area; Rand Wrobel, 350 Bay Area; Dennis Bolt, El Cerrito resident; Aimee Lohr, Phillips 66; Carolyn Norrr, Oakland resident; Lalo Norrr, Oakland resident; Julian Norr, Oakland resident; Peter Welte, San Francisco resident; and Peter Anderson.

Board Comments:

The Board and staff discussed the comparison of proposed facility emission limits from the May 31st Board meeting and the new staff-revised limits; what the two proposed standard deviations represent, and the difference between "allowed" emissions and "actual" emissions; projected fuel demand; why staff determined that using a mean of annual GHG emissions and standard deviations for operation variability is more legally and technically defensible methodology than the seven percent cap originally proposed by CBE; the Board's ability to amend Rule 12-16, if and when it is adopted; the tentative adoption schedules for Draft Rules 11-18 and 13-1; the potential for leakage if caps are implemented and exceeded, and the APCOs' ability to allow additional emissions at facilities, should an unexpected reduction in capacity occur at another facility; the EIR findings regarding allowances for projects that have been permitted but not fully-utilized; the minimal amount of GHG co-benefits that would result from the implementation of Draft Rule 11-18; the speculated outcome of the

litigation regarding the Phillips 66 propane-and-butane recovery project, how this project may be affected by the revised version of Draft Rule 12-16, and how that project relates to the two 2006 Phillips 66 projects that do have appreciable GHG emissions, for which District permits were issued; how facilities may adjust if the revised version of Draft Rule 12-16 is implemented, and the Board's request for a six-month socioeconomic status report from staff upon rule implementation; the need for an Ad-Hoc committee that will recommend how the District adjusts its rulemakings according to the CARB's revised Scoping Plan and refineries' resulting actions; the Board's concern about the lack of transparency in the District's process for revising recommended rule language; the required upgrades that each refinery would have to make in order to modernize and comply with the revised version of Draft Rule 12-16; how the District will continue to receive and process permit applications during the period of the Board's deliberation on this rule, prior to its adoption; and the need for the District to stay committed to the proposed adoption schedules of Draft Rules 11-18 and 13-1, regardless of how long it takes for Rule 12-16 to be adopted.

Board Action:

Motion: Director Zane made a motion, seconded by Director Wagenknecht, to Certify the Final Environmental Impact Report for Regulation 12, Rule 16; Adopt Regulation 12, Rule 16 with the adjusted GHG emission caps presented by staff on June 21, 2017; and establish an Ad-Hoc Board Petroleum Refinery Committee to review and evaluate the impacts of implementation of Rule 12-16, and coordinate with the State of California to identify GHG reduction opportunities at refineries and support operations. The Refinery Committee would periodically report back to the full Board and make recommendations on adjustments to the emissions limits in 12-16 and additional regulations to further reduce GHG emissions.

Substitute Motion: Director Kaplan made a substitute motion, seconded by Director Gioia, to continue this item to a date uncertain, and bring it back with hard caps that do not give an automatic increased allowance based on hypothetical permitted facilities; meanwhile, establish an Ad-Hoc Board Petroleum Refinery Committee to review and evaluate the impacts of implementation of Rule 12-16, and coordinate with the State of California to identify GHG reduction opportunities at refineries and support operations. The Refinery Committee would periodically report back to the full Board and make recommendations on adjustments to the emissions limits in 12-16 and additional regulations to further reduce GHG emissions; the substitute motion carried by the following vote of the Board:

AYES: Abe-Koga, Barrett, Gioia, Jue, Kaplan, Kim, Miley, Mitchoff, Rice, Ronen, Ross, Sheehy, and Sinks.
NOES: Haggerty, Hudson, Kniss, Sanchez, Wagenknecht, and Zane.
ABSTAIN: None.
ABSENT: Canepa, Chavez, Cutter, Groom, and Spering.

Because the substitute motion was approved, the main motion was no longer needed and was not voted upon.

13. Public Hearing to Consider Adoption of Proposed Amendments to Air District Regulation 3: Fees and Approval of the Filing of a Notice of Exemption from the California Environmental Quality Act **(ITEM 11)**

Mr. Bunger requested that the Board members who were present remain long enough to consider the adoption of proposed amendments to Air District Regulation 3: Fees, and approval of the filing of a

Notice of Exemption from the California Environmental Quality Act. In the interest of time, the staff presentation for this item was waived, but has been posted on the website.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Director Kaplan made a motion, seconded by Vice Chair Hudson, to **adopt** the proposed amendments to Air District Regulation 3: Fees that would become effective on July 1, 2017 and approve the filing of a California Environmental Quality Act (CEQA) Notice of Exemption; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Gioia, Haggerty, Hudson, Jue, Kaplan, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sinks, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Canepa, Chavez, Cutter, Groom, Sanchez, Sheehy, and Spring

14. Public Hearing to Consider Adoption of the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2018 (**ITEM 12**)

Chair Kniss opened the second and final public hearing to consider adoption of a resolution to approve the Budget for the FYE 2018 and various budget related actions. In the interest of time, the staff presentation for this item was waived, but has been posted on the website.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Director Kaplan made a motion, seconded by Director Mitchoff, to **adopt** a resolution to approve the Budget for the Fiscal Year Ending 2018 (FYE 2017-2018) and various budget related actions; and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barrett, Gioia, Haggerty, Hudson, Jue, Kaplan, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sinks, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Canepa, Chavez, Cutter, Groom, Sanchez, Sheehy, and Spring

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

Public Comments were given by: Ernesto Arevalo, CBE; and Esther Goolsby, CBE.

BOARD MEMBERS' COMMENTS

16. Board Members' Comments

ITEM TABLED by Chair

OTHER BUSINESS

17. Report of the Executive Officer/Air Pollution Control Officer

ITEM TABLED by Chair. Mr. Broadbent's presentation on ozone seasons has been posted on the District website.

18. Chairperson's Report

ITEM TABLED by Chair

19. Time and Place of Next Meeting

Wednesday, August 2, 2017, at 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

20. Adjournment

The meeting adjourned at 1:53 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Board Communications Received from June 21, 2017 through August 1, 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from June 21, 2017, through August 1, 2017, if any, will be at each Board Member's place at the August 2, 2017 Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Maricela Martinez

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

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

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

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

The report covers the out-of-state business travel for the month of June 2017. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

The following out-of-state business travel activities occurred in the month of June 2017:

110th Annual Air & Waste Management Association Conference and Exhibition in Pittsburgh, Pennsylvania, June 5-8, 2017

- Rod Sinks, Board of Directors
- John Gioia, Board of Directors
- Liz Kniss, Chair, Board of Directors
- David Hudson, Vice Chair, Board of Directors
- Teresa Barrett, Board of Directors
- David Canepa, Board of Directors
- Brad Wagenknecht, Board of Directors
- Mark Ross, Board of Directors
- Rex Sanders, Director of Administrative Resources
- Eric Stevenson, Director of Meteorology, Measurement & Rules
- Stan Hayes, Chair, Advisory Council
- Michael Kleinman, Advisory Council
- Jack P. Broadbent, Executive Officer/APCO

- Brian Bunger, Legal Counsel
- Wayne Kino, Director of Compliance & Enforcement
- Jean Roggenkamp, Deputy Executive Officer
- Maricela Martinez, Manager, Executive Operations
- Henry Hilken, Director of Planning & Climate Protection
- Karen Schkolnick, Acting Director of Strategic Incentives Division
- Vanessa Johnson, Sr. Executive Secretary
- Jaime Williams, Director of Engineering & Information Technology

The Future of Transportation World Conference, Cologne, Germany, June 30 – July 8, 2017

- Jack P. Broadbent, Executive Officer/APCO

2017 Clean Energy Ministerial CEM, Beijing, China, June 4-9, 2017

- Damian Breen, Deputy Air Pollution Control Officer

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the month of
June 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian C. Bunger

Attachment 6A: Notices of Violation for the Month of June 2017

AGEND 6A - ATTACHMENT

NOTICES OF VIOLATION ISSUED

The following Notice(s) of Violations were issued in June 2017:

Alameda						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
AC Transit District - Central Maintenance Building	A2258	Oakland	A56388A	6/30/17	2-1-301	Spray booth changed out without A/C
AC Transit District - Central Maintenance Building	A2258	Oakland	A56388B	6/30/17	2-1-302	Spray booth changes without A/C
Alta Bates Hospital	A0460	Berkeley	A56336A	6/20/17	2-1-301	S#1 De-rated 2014, No A/C
Ameresco Vasco Road LLC	E0432	Livermore	A57005A	6/15/17	2-6-307	ST#OS-6786 failed (PC#25010-6 limit, CO >0.20 lbs/MMBtu); Retest NST-4466 (OS-6787 done on 3/22/17 demonstrated compliant operation
Childrens Hospital, Oakland	A1785	Oakland	A56337A	6/22/17	2-1-301	S#3, S#7 & S#8 De-rated 2012, No A/C
Childrens Hospital, Oakland	A1785	Oakland	A56338A	6/22/17	9-7-403	No periodic testing; 2 AJAX boilers
Childrens Hospital, Oakland	A1785	Oakland	A56338B	6/22/17	9-7-506	No periodic testing; 2 AJAX boilers
Elegant Cleaners Inc	A5076	Alameda	A56679A	6/13/17	1-410	DeeBee Elegant Cleaners currently owe an outstanding fee of \$954 for failure to register machine
Membrane Technology & Research, Inc	E1125	Newark	A55709A	6/15/17	2-1-307	Cond #25279. Exceeded IPA usage
Pleasanton Garbage Service, Inc	A2451	Pleasanton	A57006A	6/28/17	2-1-301	No A/C for MRF (Material Recovery Facility)

Pleasanton Garbage Service, Inc	A2451	Pleasanton	A57006B	6/28/17	2-1-302	No P/O for MRF (Material Recovery Facility)
Pleasanton Garbage Service, Inc	A2451	Pleasanton	A57007A	6/28/17	8-34-500	Facility violated multiple recordkeeping requirements
Pleasanton Garbage Service, Inc	A2451	Pleasanton	A57007B	6/28/17	8-34-411	No annual report submitted to District
Valley Memorial Hospital	A3335	Livermore	A56991A	6/1/17	2-1-301	S#2 Boiler retrofit, no A/C
Valleycare Medical Center	A8890	Pleasanton	A56990A	6/1/17	2-1-301	S#1 & S#2 boiler retrofit no A/C

Contra Costa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Chevron Products Company	A0010	Richmond	A57157A	6/7/17	9-2-301	H2S >0.06 (3-min) & 0.03ppm (60-min) at GG GLM Dev 4744, RCA 07B53, >than 5 complaints for H2S odor
Chevron Products Company	A0010	Richmond	A57157B	6/7/17	1-301	H2S >0.06 (3-min) & 0.03ppm (60-min) at GG GLM Dev 4744, RCA 07B53, >than 5 complaints for H2S odor
Chevron Products Company	A0010	Richmond	A57158A	6/7/17	9-2-301	H2S >0.06 (3-min) & 0.03ppm (60-min) @ GG GLM Dev 4745, RCA 07B54, >5 complaints for H2S odor
Chevron Products Company	A0010	Richmond	A57158B	6/7/17	1-301	H2S >0.06 (3-min) & 0.03ppm (60-min) @ GG GLM Dev 4745, RCA 07B54, >5 complaints for H2S odor
Chevron Products Company	A0010	Richmond	A57159A	6/7/17	10	>160ppm H2S in V- 475&V-701;S-4155 consumed fuel w/ >50ppm H2S (24 hr); RCAs 07C14, 07C16, 07C19

Chevron Products Company	A0010	Richmond	A57159B	6/7/17	2-6-307	>160ppm H2S in V-475+V-701;S-4155 consumed fuel w/ >50ppm H2S (24 hr); RCA's: 07C14, 07C16, 07C19
Chevron Products Company	A0010	Richmond	A57160A	6/5/17	10	Flaring @ LSFO; H2S>230 mg/dscm; DEV 4280
Chevron Products Company	A0010	Richmond	A57161A	6/5/17	10	Flaring @ FCC flare; > 230 mg/dscm H2S; Dev 4305
Chevron Products Company	A0010	Richmond	A57162A	6/5/17	10	Flaring @ LSFO; H2S>230 mg/dscm; DEV 4334
Chevron Products Company	A0010	Richmond	A57163A	6/5/17	10	Flaring @ Alky flare; H2S > 230 mg/dscm; Dev 4386
Chevron Products Company	A0010	Richmond	A57164A	6/15/17	2-6-307	Alky CWT flow meter inop > 15 consecutive days; failed to notify 1 working day; Dev 4612 & 4722
Chevron Products Company	A0010	Richmond	A57164B	6/15/17	1-523.1	Alky CWT flow meter inop > 15 consecutive days; failed to notify 1 working day; Dev 4612 & 4722
Chevron Products Company	A0010	Richmond	A57164C	6/15/17	1-523.2	Alky CWT flow meter inop > 15 consecutive days; failed to notify 1 working day; Dev 4612 & 4722
Chevron Products Company	A0010	Richmond	A57165A	6/15/17	10	Flaring @ FCC & NISO flares; H2S > 230 mg/dscm; Dev 4286
Chevron Products Company	A0010	Richmond	A57166A	6/15/17	10	Flaring @ FCC flare; H2S > 230 mg/dscm; Dev 4333
Chevron Products Company	A0010	Richmond	A57167A	6/15/17	10	Flaring @ LSFO flare; H2S > 230mg/dscm; Dev 4385
Equilon Enterprises LLC	B1956	Martinez	A56785A	6/16/17	8-33-304.1	CT#88688, failure to operate gasoline cargo tank w/ valid state certification decal
John Muir Medical Center	B0742	Walnut Creek	A57311A	6/28/17	9-7-307.2	Failed to meet Nox limit

Phillips 66 Carbon Plant	A0022	Rodeo	A56415A	6/2/17	2-6-307	A portion of the PM emissions not abated by Baghouse A-10
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A56364A	6/7/17	1-301	Impacts on the public from 9/20/16 crude offloading.
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A56416A	6/21/17	2-6-307	Nox concentration excess; RCA 07B80
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A56417A	6/21/17	2-6-307	Nox concentration excess; RCA 07C44
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A56418A	6/21/17	1-522.4	Late reporting of inoperative monitor episode 07C82
SFD	Y8453	Oakley	A55823A	6/21/17	5-301.1	Illegal fire on property; 5-301.1

Marin						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Jakela Inc.	K3771	Novato	A56897A	6/21/17	11-2-401.3	*VOIDED
Marin General Hospital	A1713	Greenbrae	A55784A	6/22/17	9-7-403	No initial demonstration of compliance, no annual emissions testing
Marin General Hospital	A1713	Greenbrae	A55784B	6/22/17	9-7-506	No initial demonstration of compliance, no annual emissions testing
Marin General Hospital	A1713	Greenbrae	A55785A	6/22/17	2-1-301	No A/C for low Nox burner retrofit

Napa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
St Helena Hospital	A1352	Saint Helena	A55783A	6/7/17	9-7-503.1	No records of annual tests

San Francisco						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Cox Wootton Lerner	Y8510	San Francisco	A56366A	6/15/17	1-301	Impacts on the public from 9/20/16 crude offloading
Josef J Pohl	Y8214	San Francisco	A56129A	6/15/17	5-301.1	Illegal burn on no burn day
Josef J Pohl	Y8214	San Francisco	A56129B	6/15/17	5-301.2	Illegal burn on no burn day
SFD	Y8023	San Francisco	A56895A	6/14/17	11-2-303.7	303.7, 303.8, 303.9, 304.1
SFD	Y8023	San Francisco	A56895B	6/14/17	11-2-303.9	303.7, 303.8, 303.9, 304.2
SFD	Y8023	San Francisco	A56895C	6/14/17	11-2-304.1	303.7, 303.8, 303.9, 304.3
Void Site	N4857	San Francisco	A56114A	6/7/17	2-1-302	Voided site

San Mateo						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Meng Jen Lui	Y5310	San Mateo	A56894A	6/7/17	11-2-405	Asbestos fee not paid
Meng Jen Lui	Y5310	San Mateo	A56894B	6/7/17	3-317	Asbestos fee not paid
Palo Alto Regional Water Quality Control Plant	A0617	Palo Alto	A56611A	6/15/17	2-1-307	Shutdown of S-1
Palo Alto Regional Water Quality Control Plant	A0617	Palo Alto	A56612A	6/15/17	2-1-307	Shutdown of S-2
Palo Alto Regional Water Quality Control Plant	A0617	Palo Alto	A56613A	6/15/17	2-1-307	Shutdown of S-2
Sutter Bay Hospitals dba Mills-Peninsula Health	B0327	San Mateo	A56535A	6/2/17	9-7-506	This violation is for not performing 2016 annual emissions source test, as per Reg 9-7-506, for S-6 natural gas boiler.

Santa Clara						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Google, Inc	B5103	Sunnyvale	A55659A	6/30/17	2-1-307	Failure to meet permit condition, p/c #22850, item 1.
HGST, a Western Digital Company	A0085	San Jose	A55753A	6/2/17	2-1-307	Breakdown of abatement unit A-47 Carbon Fluidized Bed/Thermal Oxidizer occurring on 3/14/17. This resulted in RCA #07C61 being called in; breakdown relief was denied due to operator error

Hitachi Chemical Diagnostics, Inc	A8392	Mountain View	A56614A	6/20/17	2-1-307	Exceeded annual throughput limit for S-1
Zero Waste Energy Development Company, LLC	E1277	San Jose	A55695A	6/21/17	2-1-307	Violation of PC#26393, #52 and #53, 2 overpressure events linked to RCA #07D43 and #07D61

Solano						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
NorthBay Medical Center	A4429	Fairfield	A57307A	6/6/17	9-7-403	No initial demonstration or annual testing
NorthBay Medical Center	A4429	Fairfield	A57307B	6/6/17	9-7-506	No annual testing
NorthBay Medical Center	A4429	Fairfield	A57308A	6/6/17	9-7-403	No initial demonstration
NorthBay Medical Center	A4429	Fairfield	A57308B	6/6/17	9-7-506	No annual testing
NuStar Logistics, L P	B5574	Benicia	A56475A	6/7/17	8-5-321.3	include trailing days of violation 3/4-3/18/17. Primary seal gap >1.5"
Ramos Oil Co, Inc	A0809	Fairfield	A56064A	6/1/17	8-39-308.3	Scott Applin
Sutter Health Sacto/Sierra Region	A4064	Vallejo	A57309A	6/20/17	9-7-307	Failed to meet Nox limit
Sutter Health Sacto/Sierra Region	A4064	Vallejo	A57310A	6/20/17	9-7-307	Failed to meet Nox limit
Valero Refining Company	B2611	Benicia	A56476A	6/7/17	8-33-309.8	Failure to conduct/record daily vapor recovery equipment inspections
Valero Refining Company - California	B2626	Benicia	A56477A	6/7/17	1-301	Fallout from Coker tower safety valve release

Sonoma						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Sonoma Developmental Center	A1941	Eldridge	A55782A	6/7/17	9-7-307.3	Nox emissions >15 ppm @ 3% O2
Town of Windsor	A1236	Windsor	A56855A	6/26/17	8-7-301.13	Failure to conduct, pass and submit the required source test ST-38

District Wide						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
KAG West	Y8346	West Sacramento	A56790A	6/21/17	8-33-304	CT #203708, failure to maintain cargo tank supplied vapor return adapter leak free
KAG West	Y8346	West Sacramento	A56791A	6/21/17	8-33-304	Failure to meet vapor tight requirement, CT#200680
KAG West, LLC	N1032	West Sacramento	A56793A	6/21/17	8-33-304	CT#203707, failure to maintain cargo tank supplied vapor return adapter leak free

SETTLEMENTS FOR \$10,000 OR MORE REACHED

There was 1 settlement(s) for \$10,000 or more completed in May 2017.

- 1) On May 31, 2017, the District reached settlement with Sonoma County Department of Transportation and Public Works for \$16,800, regarding the allegations contained in the following 5 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A52689A	10/29/14	7/1/14	2-6-307	District Source Test #15002 - 2 violations 2-6-307 / 1 violation 9-8-302- failed source test
A52689B	10/29/14	7/1/14	9-8-302	9-8-302.1 District Source Test #15002 - 2 violations 2-6-307/1 violation 9-8-302- failed source test
A52691A	3/23/15	12/29/14	8-34-506	4th Qtr SEM Testing submitted late, bad data, late invalid data

A52692A	3/23/15	10/27/14	2-6-307	Failed Source Test #OS-5552 / CO > 2.1 g/bhp-hr
A52693A	3/23/15	10/27/14	2-6-307	Failed Source Test #OS-5553 / CO > 2.1 g/bhp-hr
A52694A	3/23/15	11/13/14	2-6-307	Failed Source Test #15053 / CO > 2.1 g/bhp-hr

There was 1 settlement(s) for \$10,000 or more completed in June 2017.

- 1) On June 16, 2017, the District reached settlement with The John Stewart Company for \$17,000, regarding the allegations contained in the following 2 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A54111A	6/3/15	5/16/15	CCR	Title 17 CCR 93105 e(2)(A)2 Synergy conducting trenching without air monitors running.
A54114A	11/20/15	10/19/15	CCR	Failure to implement provisions of ADMP for RIN#87 (Track-outs prevention)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack Broadbent
Executive Officer/APCO

Date: July 19, 2017

Re: Consider Approving the Proposed Memorandum of Understanding between the Bay Area Air Quality Management District and the Bay Area Air Quality Management District Employees' Association (EA)

RECOMMENDATION

Approve the proposed Memorandum of Understanding (MOU) between the Bay Area Air Quality Management District (Air District) and the Bay Area Air Quality Management District Employees' Association (EA).

BACKGROUND

The MOU between the Air District and the EA expired on June 30, 2017. The Air District's representatives entered successor MOU negotiations with the EA on matters within the scope of bargaining. The members of the EA have ratified the agreement, and the agreement is now subject to ratification by the Air District's Board of Directors.

DISCUSSION

All the contract language which amends the current MOU are attached for review. The key items with financial impact are discussed below.

1. The proposed agreement includes a two-year term beginning July 1, 2017 and ending on June 30, 2019, with a provision to allow the parties to mutually agree to extend for an additional year during the last six months of the agreement.
2. The proposed agreement provides annual cost of living adjustments (COLA) effective on July 1st of each contract year. The COLA will be equal to the annual United States Department of Labor Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers for San Francisco-Oakland-San Jose area, at a level which is not less than 1% and not more than 3.5%.

3. The proposed agreement expands health care cost sharing. There will be three tiers of fringe benefit allowance. The allowance is linked to the Kaiser medical insurance premium rates, which is the most commonly selected health plan by Air District employees. For employee only coverage, the Air District will contribute 100% of the Kaiser medical insurance monthly premium plus 100% of dental and vision insurance monthly premiums. For employee plus one dependent coverage, the Air District will contribute 95% of the Kaiser medical insurance monthly premium plus 95% of dental and vision insurance monthly premiums. For employee plus two or more dependents coverage, the Air District will contribute 90% of the Kaiser medical insurance monthly premium plus 90% of dental and vision insurance monthly premiums.

The cash-back option will be terminated beginning January 1, 2018. In recognition of the termination of this benefit, there will be a one-time adjustment of 1% to the base wage of all EA members. Additionally, employees who would have received cash-back will receive a one-time payment equal to the difference between 1% of their salary and the amount of cash-back they would have received.

4. The proposed agreement will increase the standby pay from \$2.50 per hour to \$5.00 per hour and will change the transit subsidy to correspond with the Internal Revenue Service (IRS) limit.

These changes in salary and benefits are also extended to the Management and Confidential groups. The proposed agreement will contribute positively to a stable and constructive labor relations environment, and provides a defined basis for financial forecasting and labor management over the next two to three years. In the long term, it will reduce future OPEB liabilities.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This contract will increase the Fiscal Year Ending 2018 budget by \$266,000.

Future cost increases, for each succeeding fiscal year will be budgeted for that fiscal year in the ordinary course of the Air District's budget process.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Judy Yu
Reviewed by: Rex Sanders

Attachment 7A: Proposed Memorandum of Understanding between the Bay Area Air Quality Management District and Bay Area Air Quality Management District Employees' Association

Attachment 7B: Resolution to Approve a Successor Memorandum of Understanding Between the Air District and the Bay Area Air Quality Management District Employees' Association

MEMORANDUM OF UNDERSTANDING

Between

Bay Area Air Quality Management District

And

Bay Area Air Quality Management District
Employees' Association, Inc.

July 1, 20147 to June 30, 20179

(Adopted May 15, 2002)

(Amended November 17, 2004, March 17, 2010, June 15, 2011, and
June 18, 2014, and August 2, 2017)

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ARTICLE I PARTIES

SECTION 1.01 DESIGNATION

This Agreement is between the Bay Area Air Quality Management District (hereinafter referred to as “BAAQMD”, “District”, or “Employer”) and the Bay Area Air Quality Management District Employees’ Association, Inc. (hereinafter referred to as “BAAQMD EA” or the “Association”). This document is referred to herein as either “Agreement” or the “MOU.”

Throughout this MOU, when specific management positions are indicated, such references shall be understood to include the phrase “or his/her designee.”

Throughout this MOU, the term “days” shall refer to calendar days, unless otherwise stated.

SECTION 1.02 NOTIFICATION

Official notification for purposes of this Agreement shall be by U.S. Mail or personal service to:

for the District
Executive Officer (EO)
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
for the Association

(personal service)
President (or Designee)

(U.S. Mail)
President (or Designee)

BAAQMD Employees’ Association, Inc.
939 Ellis Street
San Francisco, CA 94109

BAAQMD Employees’ Association, Inc
P.O. Box 420434
San Francisco, CA 94109

ARTICLE II RECOGNITION, COVERAGE AND EXCLUSIVE REPRESENTATION

SECTION 2.01 RECOGNITION

The Bay Area Air Quality Management District (District) has recognized the Bay Area Air Quality Management District Employees’ Association, Inc. as the representative of the employees in the Technical/General representation unit and the Professional Employees’ representation unit for all matters of employer-employee relations. (Hereinafter the term Association will apply to either or both units as applicable and appropriate.)

SECTION 2.02 COVERAGE OF EMPLOYEES

1. The classifications within each unit are listed in the Appendix A. For the purpose of this Memorandum of Understanding, the classification system which is adopted by the Board of Directors and maintained by the Human Resources Section is the source for determination of unit representation.

2. The District will notify the Association's Recording Secretary within ten (10) days when a new employee is hired into regular employment in a bargaining unit position.

SECTION 2.03 EXCLUSIVE REPRESENTATION BY THE ASSOCIATION

The District agrees that during the term this Memorandum of Understanding is in effect, the Association shall be the exclusive bargaining agent of those employees covered by this Memorandum.

SECTION 2.04 AGENCY SHOP / MAINTENANCE OF MEMBERSHIP

Each employee covered by this Agreement except supervisory employees shall, as a condition of continued employment, within thirty (30) days of first employment at the District, or for a supervisor who does not already pay association dues, effective July 1, 2010, either 1) become and remain a member in good standing of the Association, or 2) commence and continue to make payment(s) of an amount equivalent to the Association's periodic dues to the Association as a service fee for Association representation, except such amount shall not exceed that amount as outlined by or required by law having to do with the subject of non-member fees paid to unions for representation.

SECTION 2.05 RELIGIOUS EXEMPTION

No District employee shall be required to join the Association or to make an agency fee payment if the District employee is an actual verified member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting employee organizations, or if the District employee has personal moral objections to joining or financially supporting employee organizations. Such employee must, instead, arrange with the Association to satisfy his/her obligation by donating the equivalent amount to a non-labor, non-religious charitable fund chosen by the employee, which is tax exempt under Section 501 (c)(3) of the Internal Revenue Code (IRC).

SECTION 2.06 DUES/FEES DEDUCTIONS

The parties agree that the District will provide payroll deductions to the Association on the following terms:

1. Authorization:

The District shall deduct dues and initiation fees (or agency fees or charitable contributions in lieu of Association dues and initiation fees) from the salaries of unit members every pay day and remit the total deductions to the Association member designated in writing as the person authorized to receive such funds, and at the address specified by the Association. Such remittance will contain an itemized statement and will be made to the Association no later than seven (7) days following the payday. No deductions shall be made except in accordance with a deduction authorization form individually and voluntarily executed by the employee for whom the deduction is made.

2. Amount of Dues:

The Association shall certify to the District in writing the current rate of membership dues and agency fees. The District shall put into effect any new, changed, or discontinued

deduction no later than the beginning of the second pay period after receipt of written notice from the Association.

SECTION 2.07 INDEMNIFICATION

The Association will defend, indemnify, and hold harmless the District from any loss, liability, or cause of action arising out of the operation of this Article. The indemnity obligation is more fully set forth as follows. Upon commencement of any such legal action, the District shall have the right to decide and determine whether any claim, liability, suit or judgment made or brought against the District because of such action shall or shall not be compromised, resisted, defended, tried or appealed. Any such decision on the part of the District shall not diminish the Association's indemnification obligations under this agreement.

The District, immediately upon receipt of notice of such legal action, shall inform the Association of such action; provide the Association with all information, documents and assistance necessary for the District's defense or settlement of such action; and fully cooperate with the Association in providing all necessary witnesses, experts, and assistance necessary for said defense.

ARTICLE III RIGHTS AND OBLIGATIONS

SECTION 3.01 EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the District's policy to provide equal employment opportunities for all persons to be recruited, employed, placed, selected for training, trained, evaluated, promoted, demoted, laid off, terminated, compensated, assigned work and otherwise treated without regard to race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, sex, age or sexual orientation. This Section is not subject to the Grievance Procedure of this Document.

SECTION 3.02 EMPLOYEE RIGHTS

1. The rights of employees of the District include, but are not limited to, the right to, subject to the provisions of this agreement and consistent with applicable laws and regulations:
 - A. Form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matter of employer-employee relations.
 - B. Refuse to join or participate in the activities of any employee organizations.
2. The scope of representation by the Association shall include all matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order. This subsection parallels Section 3504 of the Meyers-Milias-Brown Act and will automatically be amended to reflect any amendment to or replacement of said statutory section on the effective date of any such change.

3. The District and the Association shall not interfere with, intimidate, restrain, coerce, retaliate, or discriminate against employees because of their exercise of these rights.
4. Any matter within the scope of the Meyers-Milias-Brown Act or within the scope of the Memorandum of Understanding that the District acts upon without meeting and conferring shall be null and void.
5. The District shall deduct dues and/or agency fees from the paychecks of all members of the Association and from non-members who are employed by the District in a classification represented by the Association.
6. The Association agrees to hold harmless and indemnify the District against any claims, causes of action or lawsuits arising out of the deductions or transmittal of such funds to the Association, except the intentional failure of the District to transmit moneys deducted from employees to the Association pursuant to this Article.

SECTION 3.03 PHYSICAL EXAMINATION

The District may require a physical examination or a personal statement of good health after an employment offer has been made.

SECTION 3.04 SEXUAL HARASSMENT AND OTHER UNACCEPTABLE CONDUCT

The provisions of Division III, Section 3.6 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association. This section is excluded from the grievance procedure.

SECTION 3.05 EMPLOYEES' TIME OFF TO VOTE

The provisions of Division III, Section 3.7 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 3.06 DRUG-FREE WORKPLACE

The provisions of Division III, Section 3.8 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 3.07 SAFETY

The provisions of Division III, Section 3.9 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 3.08 WORKPLACE VIOLENCE

The provisions of Division III, Section 3.10 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 3.09 SMOKE-FREE WORK SITE

The provisions of Division III, Section 3.11 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 3.10 ASSOCIATION RIGHTS

Nothing contained in this Memorandum of Understanding shall be interpreted or construed in any way that prohibits or restricts the Association of its rights granted by law and accordingly the Association retains all rights guaranteed to employee organizations under the Meyers-Milias-Brown Act (Government Code Sections 3500 and following), the Public Records Act (Government Code Sections 6250 and following) and all other applicable provisions of law.

SECTION 3.11 MANAGEMENT RIGHTS

The rights of the District include, but are not limited to, the exclusive right to, subject to the provisions of this agreement and consistent with applicable laws and regulations:

- a. Determine the mission of its constituent departments, boards, and committees.
- b. Set standards of service.
- c. Determine the procedures and standards of selections for employment and promotion.
- d. Hire, promote, transfer, assign, retain in position, direct, or take other non-disciplinary action toward its employees and to relieve them from duty because of lack of work or for other legitimate reasons.
- e. Maintain the efficiency of governmental operations and exercise complete control and discretion over its organization and the technology of performing its work.
- f. Determine the methods, means, and personnel by which government operations are to be conducted.
- g. Determine the content of job classifications.
- h. Take all necessary actions to carry out its mission in emergencies.

The District will not use the provisions of this Article, for the purpose of discriminating against any employee or to avoid or evade the provisions of this agreement.

The provisions of this Article do not absolve the District or District Management from their obligation to meet and confer with the Association in advance of taking any action changing, modifying, or affecting employee wages, hours or working conditions.

This Section is not subject to the Grievance Procedure.

SECTION 3.12 SURVEILLANCE CAMERAS

1. Surveillance cameras shall not be installed to monitor non-public areas of District facilities occupied by employees except as follows: one in the elevator foyer of every floor (none on roof); one in the back staircase of the 2nd and 6th floors; one aimed at each of the access points to the garages; one in the hallway on the 7th floor, southeast quadrant; two in the hallway on the 6th floor, southwest quadrant; two in the basement lobby; and two in the main lobby.
2. The District shall not use surveillance cameras and related equipment (e.g., electronic access control system, proximity identification cards) to monitor the activities of bargaining unit employees.
3. Information obtained through the security use of surveillance cameras and related equipment (e.g., electronic access control system, proximity identification cards) shall not serve as the basis for disciplinary action except in the event those records constitute evidence of a criminal act. Provided, however, the Grievant, or Arbitrator permits the Grievant, District, Association, and Arbitrator to review and refer to records from security cameras and related equipment to resolve factual disputes that may arise in the course of the processing of a grievance that has been filed pursuant to a disciplinary action. The District, upon request of the Grievant, shall provide copies of the records within five working days. Further, the District shall not review records from security cameras and related equipment for the purpose of investigating and/or evaluating employee conduct at work. To ensure compliance with the terms of this agreement, all security records from surveillance cameras and related equipment shall only be available for review by the Director of Administration or his/her designee, except as provided herein.

ARTICLE IV GRIEVANCE PROCEDURE

SECTION 4.01 DEFINITION OF A GRIEVANCE

A grievance is a claimed violation, misinterpretation, inequitable application of, or non-compliance with, a specific provision of this Memorandum of Understanding, or any disputed disciplinary action against an employee or employees covered by this MOU.

SECTION 4.02 ASSOCIATION AS THE GRIEVANT

The Association may be the grievant.

Process: When the Association is the grievant the Association shall file the first step with the Human Resources Officer (HRO). The Association shall submit the grievance in writing. The written grievance shall state the factual particulars of the matter, any provision(s) of the Memorandum of Understanding that has allegedly been misinterpreted or misapplied, how the alleged misinterpretation or misapplication has affected the grievant to the grievant's detriment, and the redress sought. The HRO shall meet with the Association representative(s) and respond to the grievance within the proper time limits. The response shall be in writing and set forth the reason(s) therefore. Except as otherwise specified herein, all of the rights, responsibilities and procedures of the grievance procedure apply to grievances filed by the Association. If a

grievance is not resolved to the satisfaction of the Association, the Association may submit the grievance in writing to the EO as set forth in 4.05 Step 3 below:

SECTION 4.03 TIME LIMITS

1. The employee and/or the Association must initiate a grievance within thirty (30) working days from the event giving rise to the grievance or from the date the employee could reasonably have been expected to have had knowledge of such event.
2. At each step District representatives shall have fifteen (15) working days from the filing of the grievance to meet with the grievant and Association representative(s) and to respond to the grievance in writing. In the event that the District fails to respond to a grievance within specified timelines the grievant has the right to continue to process the grievance at the next higher step in the process.
3. If a grievance is not resolved to the satisfaction of the grievant at each step below, the grievant may within fifteen (15) working days, submit the grievance in writing to the next higher step. Failure of the grievant to act within the specified time limits, unless such time limits are extended, shall dismiss and nullify the grievance.
4. These time limits may only be extended by mutual written agreement by the parties.

SECTION 4.04 REPRESENTATION

The Association may represent the employee(s) at any stage of the process contained herein.

SECTION 4.05 PROCEDURE

Grievances filed, except when the Association is the grievant, shall be processed in the following manner:

Step 1: The grievant shall discuss the grievance with his or her immediate supervisor and/or section manager who shall meet with the employee and Association representative(s) and respond to the grievance within the proper time limits as set forth in Section 4.03.2 above. The response shall be in writing and set forth the reason(s) therefor.

Step 2: If a grievance is not resolved to the satisfaction of the grievant in Step 1 above, the grievant may submit the grievance in writing to the HRO. The HRO shall either process the grievance at Step 2 or shall route the grievance to the appropriate Division Director for step 2 processing. The written grievance shall state the factual particulars of the matter, any provision(s) of the Memorandum of Understanding that has allegedly been violated or misapplied, how the alleged violation or misapplication has affected the grievant to the grievant's detriment, and the redress sought. The grievant shall provide a copy of the grievance to the Association. The Division Director or HRO shall meet with the grievant and Association representative(s) and respond to the grievance within the proper time limits. The response shall be in writing and set forth the reason(s) therefor.

Step 3: If a grievance is not resolved to the satisfaction of the grievant in Step 2 above, the grievant may submit the grievance in writing to the EO or designee. The grievant shall provide a

copy of the grievance to the Association. The EO shall meet with the grievant and Association representative(s) and respond to the grievance within the proper time limits. The response shall be in writing and set forth the reason(s) therefor.

STEP 3A - REQUEST FOR MEDIATION

If the grievant is not satisfied with the written response of the EO, he/she may within the time limits specified in this Article request that the matter be submitted to Mediation. Mediation shall be by mutual written agreement of the grievant and the EO. If Mediation is not agreed upon, the grievant may proceed to Step 4. If Mediation is agreed upon, within ten (10) working days from receipt of the EO's response, the parties shall request that a Mediator be appointed by the State Mediation and Conciliation Services.

Step 4: If a grievance is not resolved to the satisfaction of the grievant in Step 3 above, the grievant may, within ten (10) working days, submit the grievance to binding arbitration. The rules and procedures of the American Arbitration Association will prevail.

SECTION 4.06 DISCIPLINARY DISPUTES

The decision to proceed to binding arbitration regarding disciplinary complaints shall be at the sole discretion of the grievant.

SECTION 4.07 MOU DISPUTES

An employee or Association claim of an alleged violation of a specific section of the MOU may be submitted to binding arbitration. Such request for binding arbitration shall come only from the Association Board of Directors. An individual member may not file for arbitration on a dispute of the MOU.

SECTION 4.08 REQUEST FOR ARBITRATION

A written request for arbitration shall be submitted to the EO within ten (10) working days following the receipt of the EO's written response as required in 4.05 Step 3 above, or the conclusion of mediation, if mediation does not resolve the grievance to the satisfaction of the grievant.

SECTION 4.09 SELECTION OF AN ARBITRATOR

The District and the grievant(s) will select an arbitrator from the California State Mediation and Conciliation Service. If the grievant(s) is (are) represented by the Employees' Association, then the Employee's Association President or designee and the District will select an arbitrator from the California State Mediation and Conciliation Service. If the parties cannot agree on the selection of an arbitrator, the grievant will request of the California State Mediation and Conciliation Service a list of nine (9) arbitrators. Within ten (10) working days from the receipt of the list of nine (9) arbitrators, each party beginning by lot shall alternatively cross off one name on the list; the first party to cross off a name will be selected by a flip of a coin. The final name left on the list shall be the arbitrator if he/she agrees to serve. If he/she will not serve, the process shall be repeated until an arbitrator is found. The rules and procedures of the California State Mediation and Conciliation Service will prevail.

SECTION 4.10 DECISION OF THE ARBITRATOR

The decision of the arbitrator shall be final and binding on the parties and on any affected employees covered by this agreement. Such decision shall be issued in writing.

SECTION 4.11 FEES AND EXPENSES

The fees of the arbitrator and related expenses shall be shared equally by the District and the grievant.

SECTION 4.12 LIMITATIONS ON ARBITRATOR'S AUTHORITY AND JURISDICTION

The limitations on the arbitrator's authority and jurisdiction are as set forth below:

1. No arbitrator shall entertain, hear, or decide any dispute unless such dispute involves a represented employee and unless such dispute falls within the grievance procedure as set forth in section 4.01 Definition of a Grievance.
2. Any dispute regarding whether an issue is grievable or applicable to arbitration shall be determined by the arbitrator as an initial determination prior to proceeding with the hearing on the merits of the grievance.
3. No arbitrator shall entertain, hear, decide, or make recommendations on any disciplinary action unless such dispute involves a bargaining unit employee who has successfully completed an initial (new hire) probationary period and who has availed him/herself of the response and appeals procedures of the Disciplinary Procedures Article of this Agreement.

ARTICLE V DISCIPLINARY PROCEDURE

SECTION 5.01 PROGRESSIVE DISCIPLINE

In order to maintain the orderly and efficient operation of the District, it may be necessary for District Management to impose discipline on an employee who violates work instructions or District policies and procedures, whose service is unsatisfactory, whose conduct is unacceptable or for other just cause. However, no employee shall be disciplined without just and sufficient cause.

The administration of discipline by District Management is intended to be corrective rather than punitive, and discipline will normally be imposed in progressive steps. The progressive steps in the imposition of discipline will normally include: (a) informal verbal reprimand, (b) formal written reprimand, (c) warning and one-day suspension, (d) extended suspension and (e) dismissal.

An employee who has been demoted, suspended or terminated from employment may appeal such disciplinary action in accordance with ARTICLE IV of this Memorandum of Understanding. An employee may provide a written response to any written disciplinary action taken against that employee.

SECTION 5.02 FOUNDATIONS FOR DISCIPLINE

Disciplinary Action shall be for fact(s) which establish unacceptable conduct such as, but not limited to, one or more of the following:

1. Fraud in securing appointment.
2. Incompetence.
3. Inefficiency.
4. Inexcusable neglect of duty.
5. Insubordination.
6. Failure to follow District policy.
7. Dishonesty.
8. Being under the influence of alcohol or illicit drugs while on duty.
9. Unexcused absence.
10. Conviction of a felony or conviction of a misdemeanor which is of such a nature as to adversely affect the employee's ability to perform the duties and responsibilities of the employee's position. A plea of guilty, or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this Section.
11. Discourteous treatment of the public or other employees.
12. Political activity prohibited by state or federal law.
13. Engaging in sexual harassment of another employee or member of the public.
14. Refusal to take and sign any oath or affirmation which is a federal, state or District requirement.
15. Any failure of good behavior during duty hours which is of such nature that it causes discredit to the District or his/her employment.
16. Failure to possess or keep in effect any license, certificate or other similar requirement specified in the employee's position specification as a condition of employment.

SECTION 5.03 REPRIMANDS

1. The initial step in the imposition of discipline is normally a verbal reprimand. When delivering the reprimand, the supervisor shall identify the action(s) which the employee should take to correct the basis for the reprimand. A verbal reprimand is an informal disciplinary measure and is not entered in the employee's personnel record unless discipline progresses to a written reprimand or beyond.
2. If, after receiving a verbal reprimand, an employee continues to perform his or her work in an unsatisfactory manner, to engage in the same violation of a District work instruction, policy or procedure, or to manifest the unacceptable behavior or conduct for which the employee received the verbal reprimand, the employee's immediate supervisor may either: (i) repeat the verbal reprimand and again identify the action(s) which the employee should take to correct the basis for the reprimand; or (ii) move to the next step of progressive discipline and request the section manager to issue a formal written reprimand.
3. A written reprimand shall document all previously delivered verbal reprimands, shall state the basis for such verbal reprimand(s) and shall specify the action(s) which the employee should take to correct the basis for the formal written reprimand and the possible

consequences of a failure by the employee to take such corrective action. A written reprimand is a formal disciplinary measure and is entered in the employee's personnel record.

- A. If, after receiving a formal written reprimand, an employee continues to perform his or her work in an unsatisfactory manner, to engage in the violation of a District work instruction, policy or procedure, or to manifest the unacceptable behavior or conduct for which the employee received the written reprimand(s), the employee's section manager may either: (i) repeat the formal written reprimand and again identify the action(s) which the employee should take to correct the basis for the reprimand; or (ii) move to the next step of progressive discipline and request the division director to issue a formal written warning and one-day suspension without pay.
- B. An employee may appeal a written reprimand through the grievance procedure at Step 3. The decision of the EO shall be final. An employee has the right to respond to a written reprimand in writing and to have that response attached to the reprimand in the personnel file.
- C. If an employee does not receive any discipline more severe than a verbal reprimand for a period of 18 months then all previous written reprimands will be sealed. However, for just cause, the District may open the employee's sealed reprimand file and use any of the contents contained therein on an as needed basis. If the sealed reprimand is opened the employee shall be notified in writing within five (5) working days. The notification shall include the reason for such action.

4. Notwithstanding paragraphs 1-3 of this section, the District has the right to impose more serious discipline or to escalate disciplinary action without satisfying each of the recommended progressive discipline steps.

SECTION 5.04 WARNING AND ONE-DAY SUSPENSION

If, for good cause shown, or after receiving a formal written reprimand, an employee continues to perform his or her work in an unsatisfactory manner, to engage in the violation of a District work instruction, policy or procedure, or continues to manifest the unacceptable behavior or conduct for which the employee received the written reprimand, the employee's division director may impose a warning and suspend the employee without pay for a full working day. The imposition of the warning and one-day suspension without pay shall be in writing, shall state the factual basis for this disciplinary action and shall specify the action(s) which the employee should take to correct the basis for this disciplinary action and the possible consequences of a failure by the employee to take such corrective action. This written documentation is entered in the employee's personnel record. A Warning and One Day Suspension may not be grieved or appealed.

SECTION 5.05 EXTENDED SUSPENSION

1. If, for good cause shown or after being issued a warning and being placed on a one-day suspension without pay, an employee continues to perform his or her work in an unsatisfactory manner, persists in engaging in the violation of a District work instruction,

policy or procedure, or continues to manifest the unacceptable behavior or conduct for which the employee was issued a warning and placed on a one-day suspension without pay, the EO may suspend the employee from work without pay for a period of up to two weeks. Prior to placing an employee on an extended suspension without pay, the EO shall cause to be served on the employee a written Notice of Proposed Disciplinary Action, which shall contain the following information: (i) a statement of the action which is proposed to be taken, (ii) a statement of the factual basis for this proposed disciplinary action, (iii) a specific reference to any District work instruction, policy or procedure which the employee is alleged to have violated, (iv) a specification of the action(s) which the employee should take to correct the basis for this disciplinary action and the possible consequences of a failure by the employee to take such corrective action, (v) a statement that the employee may review and request copies of materials upon which the proposed disciplinary action is based, and (vi) a statement that the employee will be given an opportunity to address the charges supporting this disciplinary action with the EO prior to the suspension becoming effective.

2. An employee who is to be placed on an extended suspension from work without pay will be given an opportunity to address the charges supporting this disciplinary action with the EO prior to the suspension becoming effective. This meeting with the EO should take place as soon as possible, and in no event more than five (5) working days after the recommendation for suspension from work without pay has been provided to the employee. The employee may bring a representative of the Association and/or a private personal representative to the meeting with the EO. Within five (5) working days after meeting with the employee and the Division Director recommending the suspension, the EO shall prepare a written decision regarding the recommended suspension. If, after considering the Division Director's recommendation and the information presented by the employee at the meeting, the EO determines to impose a suspension from work without pay, the suspension shall begin on the day after the EO's written decision is served on the employee, and all written documentation pertaining to the suspension will be entered in the employee's personnel record.
3. Employees who are placed on an extended suspension without pay will not accrue sick or annual leave during the period of such suspension.
4. Notwithstanding the progressive discipline policy outlined in Sections 5.01 through 5.04 above, the EO may place an employee guilty of serious misconduct on extended suspension. In such case, the EO shall follow the procedure set forth in 2 above.

SECTION 5.06 DISMISSAL

1. If, for good cause shown or after being suspended from work without pay, an employee continues to perform his or her work in an unsatisfactory manner, persists in engaging in the violation of a District work instruction, policy or procedure, or continues to manifest the unacceptable conduct or behavior for which the employee was placed on an extended suspension from work without pay, the EO may dismiss the employee from employment with the District. Prior to the dismissal of an employee from employment with the District, the EO shall cause to be served on the employee a written Notice of Proposed Disciplinary Action, which shall contain the following information: (i) a statement of the action which is proposed to be taken, (ii) a statement of the factual basis for this proposed disciplinary

action, (iii) a specific reference to any District work instruction, policy or procedure which the employee is alleged to have violated, (iv) a statement that the employee may review and request copies of materials upon which the proposed disciplinary action is based, and (v) a statement that the employee will be given an opportunity to address the charges supporting this disciplinary action with the EO prior to the dismissal becoming effective.

2. An employee who is to be dismissed from employment with the District will be given an opportunity to address the charges supporting this disciplinary action with the EO prior to the dismissal becoming effective. In such event, the employee's Division Director will inform the employee of the Director's recommendation that the employee be dismissed from employment. This meeting should take place as soon as possible, and in no event more than ten (10) working days after the recommendation for dismissal. The employee may bring a representative of the Association and/or a private personal representative to the meeting with the EO. Within five (5) working days after meeting with the employee and the Division Director recommending the dismissal, the EO shall prepare a written decision regarding the recommended dismissal. If, after considering the Division Director's recommendation and the information presented by the employee at the meeting, the EO determines to dismiss the employee from employment with the District, the dismissal shall be effective on the day on which the EO's written decision is mailed to the employee. An employee may be placed on administrative leave with pay when they are informed of the Director's recommendation that he/she be dismissed from employment. In that event, he/she shall remain on administrative leave with pay until such time as he/she is either directed to return to work or until the date the EO's written decision is mailed to the employee.
3. After the EO takes action on a proposed dismissal of an employee, the Notice of Proposed Disciplinary Action and all related written documentation will be entered in the employee's personnel record.

SECTION 5.07 ADMINISTRATIVE LEAVE WITH PAY

Any bargaining unit employee placed on administrative leave with pay shall receive all salary and benefits and remain covered by all provisions of the MOU, including membership status with the EA while on leave with pay. Said terms and conditions of employment shall remain in full force and effect as if the bargaining unit employee had remained on the job for the duration administrative leave with pay.

Pursuant to Section 3.11(d), the District has the right to relieve employees from duty for legitimate reasons. Accordingly, the District may place employees on paid administrative leave during the course of investigations that may lead to disciplinary action. Provided, however, that the period of administrative leave in any given instance shall not exceed the timely reasonably necessary to conclude the investigation.

The District reserves the right to direct employees not to enter and/or access District facilities and to direct them and to schedule them to attend meetings related to investigations and notice employees regarding the discipline process in accordance with the MOU. Further, District managers may approve a request from an employee who is

placed on administrative leave with pay to use other types of paid leave and unpaid leave in lieu of administrative leave with pay. In the event the employee's manager approves such a request, then the employee would be subject to the conditions that normally apply to the approved leave. Leave requests that were approved prior to an employee being placed on administrative leave will be honored unless doing so unduly impedes the investigation and/or disciplinary process. Any and all leaves cancelled by the District causing a monetary loss to the employee shall be reimbursed by the District to the full amount. The employee shall submit to the District verification of the monetary loss and the District shall fully reimburse the employee within ten working days of the receipt of such verification.

Administrative leave with pay is not considered a break in service and the bargaining unit employee's position shall not be vacated by this leave.

ARTICLE VI CLASSIFICATION STUDIES

1. Up to 6 classifications will be reviewed in each of the remaining years of the current MOU. The EA and the District will each select up to three classification series.
2. Bargaining unit positions in selected job classifications will be audited to determine whether the positions are correctly classified.
3. Job classification descriptions will be thoroughly reviewed to determine whether they need to be updated to reflect changes to the work being performed in the positions assigned to those classifications, including the knowledge, skills and abilities, examples of duties, and qualifications required to perform the work.
4. Review of classifications may include a compensation analysis to determine if adjustment to the rate of pay for a classification is warranted based on external comparators and/or internal equity considerations.
5. No bargaining unit employee will be subject to a reduction in force, demoted, y-rated, or suffer a reduction in salary or benefits based on the results of an audit of his/her position, a review of the job classification description assigned to their position, or a compensation analysis.
6. In the event that a compensation analysis conducted pursuant to this Side Letter of Agreement indicates that an adjustment to pay rates is warranted, the Human Resources Officer shall prepare a report and recommendation for consideration by the Board of Directors as part of the annual budget preparation process.
7. All position audits, job classification description reviews, and compensation analyses conducted pursuant to this Side Letter of Agreement shall be performed by an external consulting firm mutually agreed upon by the parties.
8. The cost of any work performed pursuant to #7 shall be borne equally by the District and the Association, except that the Association's costs for such work shall not exceed \$15,000 per year.
9. However, neither party is required to designate classes in any year.
10. Aside mutual agreement in the form of a side letter, existing represented classifications shall remain in full force and effect without modification for the term of this MOU.

ARTICLE VII SALARIES

SECTION 7.01 SALARIES

The following changes to unit wages or salaries shall be made effective as identified below:

Effective July 1, ~~2014~~²⁰¹⁷, wages and salaries of unit employees shall be increased by ~~2.47~~^{2.17} percent (~~2.47%~~^{2.17%}). ~~Effective July 1st 2015, and July 1, 2016~~²⁰¹⁸, wages and salaries of unit employees shall be increased by the Consumer Price Index for Urban Wage Earners and Clerical Workers for San Francisco-Oakland-San Jose for the preceding calendar year, as reported by the Bureau of Labor Statistics, U.S. Department of Labor, over the wage and salaries in effect on the preceding June 30. The minimum increase shall be one percent (1%) and the maximum increase shall be three ~~and one half~~^{and one half} percent (~~3.5%~~^{3.5%}).

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SECTION 7.02 SALARY STEPS

1. There are five (5) steps within the salary range for each position, with a 5% increment between the steps. The time between Entrance Step A and Step B is six (6) months of satisfactory service in Step A. The time between Step B and Step C is six (6) months of satisfactory service in Step B. The time between Step C and Step D is one (1) year of satisfactory service in Step C, and the time between Step D and Step E is one (1) year of satisfactory service in Step D.
2. Unless special conditions warrant otherwise, an employee promoted to a higher position will receive the minimum salary for the higher position nearest a 5% increase (not less than 4.9%) above the employee's former position, whichever is higher, provided the increase is within the range of the higher position. If a promotion is awarded within thirty days of a scheduled step increase, the step increase and promotional increase will both be effective at the time of the change. Hiring at a higher salary step will require justification from the Hiring Manager and approval of the EO.
3. If a position is reclassified, a competitive recruitment will occur and the salary placement of the selected employee will be in accordance with subsection 2 above.
4. If a position is reclassified to a position having a lower salary range, the incumbent will be Y-rated according to the provision section 7.05.
5. If an employee is transferred, the employee will remain in the same step of the salary range effective prior to the transfer.
6. Any employee who has passed through the initial probationary period with the District and who is promoted or transfers to another position in the District shall not be subject to any "up or out" probation. Such an employee may be terminated for cause. However, if an employee is promoted prior to the completion of his/her initial probation period, the employee must successfully complete the full probationary period designated for the higher classification before attaining regular status.

7. If an employee is demoted for disciplinary reasons to a position having a lower salary range, the employee will be placed in the new range at the step held prior to the demotion.
8. If an employee is demoted because of lack of funds, the employee will be placed in the salary step in the new range that reflects the least decrease in salary. If an employee promoted to a higher class fails to pass a promotional probationary period, the employee will be returned to a position in the formerly held classification and will revert back to the step in the salary range he/she occupied in the former position effective prior to promotion. Step increases will be awarded on the schedule appropriate to the prior position.

SECTION 7.03 STEP INCREASES

Step increases are effective on the first day of the pay period in which the employee's anniversary date falls providing that a formal performance evaluation has been completed which indicates at least an overall "meets standard" rating. For purposes of this section, a delayed performance evaluation exceeding 30 calendar days shall cause the employee's performance evaluation to be an overall "meets standard" rating and the employee shall receive the increase retroactive to the first of the pay period in which the employee's anniversary date falls.

SECTION 7.04 DETERMINATION OF SALARY RATES

1. **ORIGINAL APPOINTMENTS:** Unless special conditions warrant otherwise, employees will be hired at the entrance salary of the position classification. Hiring at a higher salary step will require justification from the Hiring Manager and approval of the EO for Steps B and C. Recommendation by the EO and approval of the appropriate committee of the Board of Directors is required for hiring at Steps D and E.
2. **LIMITED-TERM EMPLOYMENT:** Limited-term employees will be placed on the salary range of the classification in which the person is employed. If a former regular District employee is re-hired as a limited-term employee for the same classification in which he/she held upon separation, the former regular employee will be paid at the same step of the salary range for the classification at the time of separation. If a former regular employee is re-hired as a limited-term employee for a classification other than that held at the time of separation, the former regular employee will be paid the same step of the salary range for the classification at the time of separation providing that the salary range of the classification in which the person is employed is equal to or less than the salary range of the classification held at the time of separation. If the salary range for the classification in which the former regular employee is employed is higher than the salary range of the classification held at the time of separation, the former regular employee will be placed at the step of the salary range of the classification based on the needs of the District pursuant to 7.04.1 above.

SECTION 7.05 Y-RATING

Y-Rating refers to a position which has been reclassified to a position having a lower salary range. The incumbent will retain his/her present salary until the appropriate step in the reclassified position is equal to or greater than the incumbent's current salary. A Y-Rating status must be approved by the EO and the Board of Directors.

SECTION 7.06 DIFFERENTIAL PAY

Employees not working a regular scheduled late shift or flextime will be compensated an additional \$1.00 per hour for hour worked between 8:00 P.M. and 6:00 A.M. Differential pay is a premium payment and is, therefore, included in the computation of overtime.

SECTION 7.07 SHIFT DIFFERENTIAL PAY

A \$2.50 per hour payment shall be paid to any employee assigned regularly established shift differential assignments. For purposes of this Section, shift differential hours are 5:00 P.M. to 8:30 A.M. and all day Saturday and Sunday. Shift differential is a premium payment and is, therefore, included in the computation of overtime. The schedule for employees working a flex time or compressed schedule shall not be considered shift differential hours.

SECTION 7.08 STANDBY DUTY/CALL BACK

1. STANDBY DUTY

A. Standby duty shall be defined as that circumstance when an employee assigned by the District to:

- (1) Be ready to respond immediately to a call for services;
- (2) Be readily available at all hours by telephone, pager or other agreed upon communication equipment; and
- (3) Refrain from activities which might impair his/her assigned duties upon call.

B. With the approval of the EO, a manager may request volunteers or, if needed, assign an employee or employees to standby duty.

C. Standby duty is normally assigned in one-week increments. Standby duty will be distributed among those employees deemed qualified by the District to perform the duty. An employee assigned standby duty shall be paid ~~\$2,505.00~~ per standby duty hour (those hours before and after normal working hours) or at the employee's discretion, one (1) hour of Compensatory Time Off for each twelve (12) hours. A standby duty shift shall consist of a twenty-four (24) hour period of time as determined by the District less any regular or overtime hours.

D. An employee called to respond while on standby duty shall be compensated for the time worked in accordance with the Call Back provision, below.

2. CALL BACK

A. A bargaining unit employee who is called back to work while on standby or after he/she has worked the scheduled shift and has departed from the place of employment shall be compensated with overtime for the time worked, either in cash or compensating time off (if applicable), at the rate of time and one-half with a minimum of two (2) hours at such rate.

B. Should the time worked while called back become contiguous with the regular work schedule, time worked shall not be treated as a call back and the minimum time period shall not apply.

C. An employee being paid for Call Back shall not receive Stand-By Pay for the same hours.

SECTION 7.09 SALARY DEDUCTIONS

Salary deductions may be authorized from time to time by the EO.

1. Mandatory deductions include but not be limited to Federal Withholding Tax, State Withholding Tax, Medicare tax, if applicable, State Disability Insurance premium, and the employees' Public Employees' Retirement System contribution.
2. Voluntary deductions include the regular deduction of health insurance, life insurance, credit union, union dues and other voluntary program deductions that may be authorized by the employee and provided for by the District.

SECTION 7.10 PAY PERIOD AND PAYDAY

1. The pay period will be a two-week period beginning on Sunday and ending on Saturday. Employees will be paid biweekly no later than the Friday following the close of a pay period. If payday falls on a holiday, warrants will be distributed on the previous workday. Start of the pay period will be adjusted for an employee working a compressed workweek. The District shall indicate on each employee's paycheck stub the following: accrued annual leave, accrued sick leave, accrued compensatory time, and accrued floating holiday time.
2. The District shall provide employees with the option of direct deposit of their paychecks to those banks that provide this capability.
3. The District and the Association agree that during the term of this MOU, the parties will study alternate paydays and pay periods. No said changes will be made unless parties to this MOU agree to such changes.

SECTION 7.11 FINAL PAYMENTS

1. SALARY. Final salary payments to any person who terminates will be paid within 72 hours of the last day worked. When an employee is discharged for cause, the final salary payment will be issued on the last day of employment.
2. ACCRUED ANNUAL LEAVE. An employee leaving the service of the District shall receive a single payment covering the amount of the accrued annual leave remaining on account.
3. ACCRUED SICK LEAVE. Employees leaving the service of the District will not be paid for any unused accumulated sick leave credit remaining on account. Accrued sick leave will be applied to service credit upon retirement under the PERS contract.

4. FLOATING HOLIDAYS. Floating holidays must be used within the fiscal year they are credited. An employee leaving the service of the District shall receive a single payment covering the amount of the accrued floating holidays remaining on account.
5. COMPENSATORY TIME. An employee leaving the service of the District shall receive a single payment covering the amount of accrued compensatory time remaining on account.

SECTION 7.12 SALARY ADVANCES

Employees may apply for a payroll advance under the following conditions:

1. An employee must have been in a paid status for at least one week in the pay period prior to receiving a salary advance.
2. The amount requested cannot exceed amount earned to date during the pay period.
3. The amount advanced must be deducted from the paycheck for that pay period.
4. No more than two (2) such requests can be submitted annually. Exceptions may be approved by the EO and must be announced to the Board under "Report of EO".
5. Requests for salary advance must be received by the HRO at least one (1) week prior to the date of requested distribution for which the advance is requested.
6. Requests are subject to the approval of the HRO.

SECTION 7.13 ACTING ASSIGNMENTS

1. When an employee is assigned in writing by his/her Division Director to perform all of the day-to-day duties of a position in a higher District classification due to a vacancy or temporary absence of the person normally assigned to perform those duties, the employee shall receive "Acting Pay" from the first day of such assignment until the end of the assignment not less than 40 hours.
2. The rate for "Acting Pay" shall be determined by Section 7.02.2 of this MOU.
3. Acting assignments shall not be for less than forty (40) hours.
4. It is expressly understood that acting assignments do not constitute an appointment to a different position and have no effect on the employee's representation status and/or terms and conditions of employment other than the duties performed by the employee and the "Acting Pay" received by the employee during the period of the acting assignment.
5. An acting assignment for a vacant position may only be used to backfill the position during the recruitment process to fill the vacancy.
6. An employee may decline acting assignments. An employee who has accepted an acting assignment may decline to continue the acting assignment with five (5) working days

advance written notice to his/her Division Director. A Division Director may discontinue an acting assignment at any time with written notice to the employee.

SECTION 7.14 SPECIAL PAY AND ALLOWANCES

1. **BILINGUAL PAY.** Division directors shall identify those employees who, in the performance of their duties, are required to converse with the public or translate documents in a language other than English. Employees so designated, who have demonstrated their competency in a second language to the satisfaction of the Division Director, shall receive bilingual pay in the amount of \$30 per pay period provided the employee utilizes the bilingual skills as described above for ten (10) or more hours per pay period. The compensation shall be increased by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco-Oakland-San Jose based on the previous year's CPI-W on each July 1, as reported by the Bureau of Labor Statistics, U.S. Department of Labor.
2. **PER DIEM.** Employees who travel away from the District for training or other work assignments that extend for more than one day shall be reimbursed for reasonable expenses provided that receipts are submitted for such expenses. The employee should submit a detailed expense report within 7 days of the travel, including receipts for other expenses (e.g. travel and lodging).
3. **HAZARD PAY.** Division directors shall identify those employees who, in the performance of their duties, are required to 1) climb to the sampling point of stacks, storage tanks or any structure at a height of 30 feet or more 2) wear a Self-Contained Breathing Apparatus (SCBA) or safety harness 3) perform confined space entries or 4) climb to a height of 30 feet or more wearing SCBA, harness and is in a confined space. Such employees shall receive additional compensation in the amount of two and one-half percent (2½%) above the employees' current salary step for the duration of that assignment.

Employees may be required to successfully complete training prescribed by The District as a condition of employment in positions requiring the above duties.

The hazard pay shall not constitute a part of the employee's base rate, but shall be a bonus for performing these duties. Hazard pay shall be considered part of the regular rate for the purpose of computing overtime.

SECTION 7.15 LONGEVITY INCENTIVE

Upon ratification in May, 2002, the District shall provide a Longevity Incentive payment of \$325 to each unit member.

ARTICLE VIII EMPLOYMENT AND MERIT INCREASES

SECTION 8.01 POLICY

Employment, passing of a probationary period and merit increases are based solely on merit of the individual employee. No employee is guaranteed a continuation of employment or of receiving any future salary benefits.

SECTION 8.02 DEFINITIONS

1. Original Date of Hire: The date of hire into a regular position with the District in an unbroken period of employment that includes the most recent employment with the District. The period of time an employee is on Workers' Compensation shall be considered a continuous period of employment.
2. Adjusted Hire Date: The most recent hire date preceding any period of absence due to layoff of six (6) months or less adjusted forward to account for the lapse in service.
3. Salary Anniversary Date: The date on which the employee has completed six (6) full months of service in pay steps A or B, or completed twelve (12) full months of service in pay steps C or D.
4. Adjusted Anniversary Date: The Salary Anniversary Date, taking into account any periods of absence without pay of a pay period or more. For purposes of this section employees on Workers' Compensation shall not be considered absent from service.

SECTION 8.03 ANNIVERSARY DATE

The salary anniversary date or adjusted anniversary date for newly hired or promoted employees is the date of hire or date of most recent promotion. The anniversary date will be used in determining when an employee becomes eligible to be considered for salary step increments.

Annual leave credits and sick leave credits are accrued from original date of hire or adjusted hire date. For the initial pay period after hire and the final pay period upon termination, annual and sick leave accruals shall be determined as forty (40) hours worked in a pay period. There will be no prorating of time for annual or sick leave for less than this minimum time per pay period. For part-time new hires and any employee who separates employment with the District, 50% of their regularly scheduled assignment will constitute forty (40) hours worked in a pay period. These provisions will not be applicable for determining annual leave and sick leave accruals during any other type of leave.

SECTION 8.04 PERFORMANCE EVALUATION

1. During the initial probationary period, a probationary employee shall receive at least two (2) formal performance evaluations which will normally be conducted at the end of the sixth and eleventh month of service as defined in Section 8.05.2 below.
2. Promoted employees who are subject to a six (6) month probationary period as defined in Section 8.05.2 below shall receive at least two (2) formal performance evaluations which will normally be conducted at the end of the third and fifth month of service as defined in Section 8.05.2 below.
3. Promoted employees who are subject to a nine (9) month probationary period as defined in Section 8.05.2 below shall receive at least two (2) formal performance evaluations which will

normally be conducted at the end of the third and eighth month of service as defined in Section 8.05.2 below.

4. After completion of the appropriate probationary period, a formal performance evaluation shall be completed for the employee annually. A supervisor is not precluded from completing a formal performance evaluation at any time. Performance evaluations are a continuing responsibility of each supervisor, and each supervisor will informally discuss employees' performance as often as necessary to ensure effective work performance.
5. A performance evaluation that includes an overall rating of needs improvement or unsatisfactory must include an attached plan for improvement.

SECTION 8.05 PROBATIONARY PERIOD

1. Upon initial hire, each employee shall be subject to a probationary period equivalent to one (1) year of full-time actual and cumulative service. During an employee's initial hire probationary period the employee may be terminated without cause or right of appeal.
2. Employees promoted within the same class series shall be subject to a probationary period equivalent to six (6) months of full-time actual and cumulative service. Employees promoted to a position in a different class series shall be subject to a probationary period equivalent to nine (9) months of full-time actual and cumulative service. If an employee does not successfully complete his/her promotional probationary period, he/she shall be placed back in a position in the employee's former classification at the salary step held prior to the promotion without cause or right of appeal.
3. During any probationary period, no employee shall be demoted or terminated in violation of the District's Equal Employment Opportunity policy.

ARTICLE IX HOURS OF WORK

SECTION 9.01 HOURS OF WORK

1. WORKWEEK

- A. **NORMAL WORKWEEK.** A normal workweek shall consist of five (5) consecutive eight (8) hour days, Monday through Friday. The normal workday shall be scheduled over an eight and one-half (8 ½) hour period from 8:30 A.M. to 5:00 P.M., normally with one-half (1/2) hour for meals.
- B. **COMPRESSED WORKWEEK.** With the approval of Management, an employee's normal workweek and/or workday can be modified to allow for flextime hours or a compressed workweek. In such a case, appropriate adjustments will be made to recognize such a normal flex or compressed day/week.
- C. **TELECOMMUTING.** With the approval of Management, an employee's normal workweek may be modified to allow for telecommuting. The employee and his/her

supervisor will agree on core days and hours during which the employee can be reached by phone and these will remain constant from week to week, unless modified by agreement with the supervisor. In all cases, telecommuters shall make provisions that provide sufficient communication with the office and the public to meet the District goals. Telecommuters shall be present at least three (3) days per week in the District office. Exceptions may be granted in extraordinary situations. With the approval of Management and his/her supervisor, the District will allow non-scheduled telecommuting on Spare-the-Air days.

D. PART-TIME WORK: An employee may request a regular part-time work schedule of fewer than 80 hours per pay period. Approval shall be at the discretion of the Division Director and the EO on a fiscal year basis considering business needs of the District. The part-time schedule may be rescinded by the EO with a 30-day notice to the affected employee for business needs or for unsatisfactory employee performance.

2. An employee shall not work any time in excess of his or her approved work schedule without prior approval of the employee's supervisor, acting supervisor or other manager in the employee's chain of command.
3. When a situation arises in which a represented employee is unable to work his or her regular hours on a particular day, upon the approval of his or her supervisor, the employee may make up the time missed. The makeup time shall occur during the same pay period. The total hours worked, including makeup time, shall not exceed forty (40) hours during any work week and shall not exceed ten (10) hours on any one day.
4. When an employee is away from the employee's normal duty assignment for jury duty, an all-day or multi-day meeting, a conference or to take a District-authorized class, the employee shall only be paid: for the hours representing the agency at, and travel time to and from, meetings or conferences; for the hours at, and travel time to and from, a class; or for the hours at jury duty and for any travel time between the location of the jury duty and the District office or the location of the employee's normal duty assignment. With the approval of the employee's supervisor, an employee will receive overtime or compensatory time if the time consumed by the outside activity exceeds the employee's normal workday.
5. When an employee attends one of the activities which requires the employee to be away from the employee's normal duty assignment and the activity concludes prior to the end of the employee's assigned work day, the employee must return to work, use appropriate paid leave, work at home, or make-up time. In order to use appropriate paid leave, work at home or make-up time the employee must receive concurrence from his/her immediate supervisor and authorization from his/her manager. If the employee is authorized to make-up time, the employee must make-up the time in the same pay week in which time was taken off and in no event shall this time when combined with regular hours worked result in weekly overtime.
6. With the approval of Management, an employee may make up work time that is lost as a personal or job-related obligation within the same workweek in which the work time is lost. Make up may not be counted towards computing the total number of hours worked in a day

for purposes of the overtime requirement specified in this MOU. The schedule according to which any such time will be made up will be established in consultation with the employee's supervisor.

SECTION 9.02 MEAL PERIOD AND REST PERIOD

1. Lunch period of one-half (1/2) hour is to be taken as assigned by the employee's manager, normally it will be taken between 12:00 P.M. and 1:00 P.M.
2. Rest period of one-quarter (1/4) hour each is normally taken in mid-morning and mid-afternoon.
3. Continuation of Business. An adequate number of employees may be assigned lunch and rest periods to ensure the continuation of business.

If an employee is authorized to take a 30-minute lunch, the employee may either be authorized by the manager to combine his/her two 15-minute breaks with his/her lunch period or to take one 15-minute break mid-morning and one 15-minute break mid-afternoon.

If an employee chooses and is authorized to combine his/her lunch and break periods, to provide the employee a one (1) hour lunch period, the employee will not be entitled to take any additional breaks during the employee's work shift.

If an employee is authorized to take a one (1) hour lunch and two 15-minute breaks, then the employee shall take one 15-minute break midmorning and one 15-minute break mid-afternoon.

Due to unforeseeable work duties, there may be times that an employee will not be able to adhere to his/her primary lunch option. The District acknowledges that in such cases, an employee may select an alternative lunch option for that day.

SECTION 9.03 ATTENDANCE

1. An employee's supervisor will be responsible for keeping the daily attendance record of each employee.
2. A bargaining unit employee who is tardy shall report to the employee's supervisor as promptly as possible after beginning work and at the sole discretion and approval of the employee's manager, the employee may be allowed to make-up time providing the time made-up does not put the employee in an overtime status, use appropriate paid leave in accordance with this agreement, or may be docked for the period of tardiness.
3. An employee must report unscheduled leave to the District within the first hour of the workday unless an emergency prevents such reporting.
 - A. Failure to report may result in loss of pay for the period of absences from work.

- B. An employee who is absent without leave and without having reported his/her absence for more than one (1) working day may be considered to have resigned and may be terminated.

SECTION 9.04 OVERTIME

The District will avoid the necessity for overtime where possible. The District is under no obligation to assure anyone of the availability of overtime work, nor is the District obligated to treat any particular kind of assignment as overtime. Therefore, the District may adjust work schedules where possible to cover work assignments as straight time work assignments.

The District recognizes that not all work matters can be scheduled during a work shift, and consequently, legitimate overtime assignments will be compensated accordingly.

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.

The District will make every reasonable effort to notify employees of changes in work schedules 14 days in advance of the work to be performed.

Though work schedules for most employees are within the normal work day and normal workweek, groupings of employees may occasionally or regularly have work schedules at different times. The District reserves the right to change work schedules to meet operational needs during straight time shifts.

Except as otherwise provided in Section 9.01, travel time pay is only authorized for call-back assignments. Travel time and call-back time will be compensated at the applicable rate of pay. The time employees spend traveling to a work assignment, except for qualifying callback assignments, is not to be paid regardless of whether the employee is traveling to a scheduled overtime or straight time assignment.

1. **AUTHORIZATION.** Overtime is the necessary, assigned authorized time worked in excess of eight (8), nine (9), or ten (10) hours per day (depending on an individual's normal work schedule) or forty (40) hours per week. With regard to flex time or compressed work weeks, it is recognized that the standard work week may not be 40 hours. Any hours worked beyond whatever is necessary to fulfill the designated flex/compressed work week plan for a represented employee are designated as excess hours. These excess hours are to be paid as overtime or compensatory time at the rate of one and one-half times base hourly rate. For the purposes of this section, paid leave time shall be included in computing the forty hours per week when determining eligibility for overtime; provided, however, that an employee on a flex time or compressed schedule may, with supervisor's approval, modify a normal schedule in order to meet operational necessities, which modified schedule will then constitute a normal work time.

2. **CALL-BACK.** Call-back is the unscheduled, authorized call back to work before or after but not connected to the normal workday. Compensation will be based on a minimum of two hours at the applicable rate of pay.
3. **TRAVEL TIME.** For a call-back which is not directly connected to the beginning or ending of a normal shift, the employee will receive compensation from the time the employee leaves home until the employee returns home (travel time) at the applicable rate of pay.
4. **DISTRIBUTION OF OVERTIME.** Overtime, other than call-back, will be distributed in the following manner, consistent with District operating requirements:
 - A. When overtime is required to complete an assignment, the person given the assignment will normally continue the work.
 - B. When unscheduled overtime is required in a supervisor's area (or an extended coverage area) to conduct an additional assignment, employees working for a supervisor (or working in an extended coverage area) will be asked first whether they wish to volunteer for the overtime work. If two or more people volunteer for the assignment, the assignment will be made based on a rotating overtime assignment schedule starting with the most senior person in the work group. If no one volunteers for the assignment, a supervisor may select an individual through the use of a lottery system or, at the discretion of management, the supervisor may select in the order of inverse seniority. Any and all of the above methods may be used to establish an order of rotation for the purposes of distribution of overtime.
 - C. On continuing extended, overtime assignments, coverage will be assigned on a rotating basis.
 - D. All overtime assignments will be made with due consideration for employee hardship.
 - E. Seniority, for the purposes of overtime assignments only, is determined by the time an employee has held the position for which the overtime assignment is required.
 - F. The District reserves the right to approve, or disapprove, all assignments with due consideration of safe work hours and excessive work schedules.
 - G. Limited-term employees shall not be offered the opportunity to work overtime hours without first offering the overtime hours to that supervisor's regular employees and allowing those employees to decline the overtime hours.
5. **DISTRIBUTION OF CALL-BACK.** Call-back will be distributed in the following manner:
 - A. When call-back is required, the person normally responsible for the assignment will be given first opportunity of call-back.

- B. If the person normally responsible for the assignment is unavailable for call-back, then the immediate supervisor will be responsible for the assigning of call-back to other employees in the same position.
 - C. If the immediate supervisor is unavailable for call-back, then the alternate supervisor, manager or division director will be responsible for the assignment of callback.
 - D. The District maintains the option to deviate from this procedure based upon immediate need.
6. All represented employees who are authorized and work overtime shall be compensated at the rate of one and one-half times their base hourly rate of pay for all time worked over their normally scheduled work day. Represented employees may elect compensatory time at the rate of one and one-half (1½) times the overtime worked in lieu of overtime pay but may not accumulate more than 240 hours of compensatory time. After 240 hours of compensatory time has been accumulated, overtime pay will be the compensation for overtime work. The maximum accumulation of compensation time is 120 hours as of the end of the calendar year. At the end of the calendar year, the District will pay the employee all compensation time in excess of 120 hours at the current hourly rate. An employee may cash out up to the full amount (240 hours) at the end of the calendar year.
 7. Employees required to work a designated holiday shall receive overtime pay equal to two times the employees' base hourly rate of pay. For purposes of this section, a designated holiday shall be the dates on which the holiday is observed by the District (Section 12.07), except that for New Year's Day, Independence Day, and Christmas Day, the designated holiday shall include the actual date of the holiday and if any of these holidays fall on a Saturday or a Sunday, the Monday or Friday on which the holiday is observed by the District.
 8. An employee shall not work any time in excess of his or her approved work schedule without prior approval of the employee's supervisor.

ARTICLE X REDUCTION IN FORCE

SECTION 10.01 PROCEDURE / BUMPING, LAY-OFF AND RECALL

1. SENIORITY. For the purpose of this Section, there are three types of seniority which apply in connection with the implementation of a reduction in any portion of the District work force: District employment seniority, seniority within a class series and seniority within a specific job classification. District employment seniority is the seniority gained based on overall employment with the District. Seniority within a class series is the seniority gained based on time in service in a number of job classifications which all belong to the same class series (for example, Inspector I, Inspector II, Senior Inspector and Supervising Inspector). Seniority within a job classification is the seniority gained based on time in service in a specific job classification.
2. LAYOFFS/REDUCTIONS IN WORK FORCE

- A. When a reduction in work force becomes necessary for any reason such as lack of funds or lack of work, layoffs will be based on reverse order of overall District employment seniority.
- B. As a result of any such layoffs, management may reassign remaining employees to equal or lower paying job classifications in order to assure that the operating requirements of the District can be met. Any such reassignments shall be made in accordance with the bumping mechanism set forth in Section 3(C) below.
- C. The District will give an employee at least 30 days written notice prior to the effective layoff date.
- D. The District will furnish a list of employees to be laid off to recognized employee organization(s) at the same time the employees are given written notice.

3. BUMPING

- A. DEFINITION. Bumping is the displacement of an employee to an equal or lower paying job classification. Bumping will be based on reverse order of seniority, either in the job classification or District-wide, as set forth in subsection (C) (2) below. Normally, bumping will occur in the context of a reduction in the District work force, when the position of an employee with sufficient overall employment seniority with the District to avoid being laid off is eliminated. However, bumping may also occur in the context of a static staffing mode, when the District is unable to hire new employees to fill existing vacancies or as a result of significant changes in the operating requirements of the District, such that it is necessary to displace existing employees to equal or lower paying job classifications involving new or different duties.

B. GENERAL RULES APPLICABLE TO BUMPING

The bumping procedure set forth below shall not be used for punitive or disciplinary purposes.

- (1) When any employee who has held a given job classification for less than 4 years must be bumped, the employee to be bumped to an equal or lower paying job classification will be the employee with the least seniority in that employee's current job classification. When any employee who has held a given job classification for more than 4 years must be bumped, the employee to be bumped to an equal or lower-paying job classification will be the employee with the least overall employment seniority with the District.
- (2) Whenever an employee is bumped, the time spent by the employee in the position from which the employee has been bumped, as well as any time which the employee previously spent in the position to which the employee is bumped, will count as time spent in the job classification to which the employee is bumped.

- (3) When two or more employees have the same amount of seniority in a given job classification and one must be bumped, the employee with the least overall District employment seniority is the one who will be bumped. When two employees have the same amount of overall District employment seniority and one must be bumped, the decision as to which employee must be bumped will be based on the flip of a coin.
 - (4) Any employee who is bumped to a lower paying job classification will be Y-rated in accordance with Section 7.05. In the event of any subsequent vacancy in a job classification from which an employee was bumped, that employee will be automatically returned to that previous job classification. When more than one employee has been bumped, that employee with the highest applicable seniority in accordance with rule (1) above shall have priority to return to the previously held vacant job classification. In the event of a vacancy in a job classification in a class series from which an employee has been bumped that pays more than the job classification that the employee currently holds, but less than the job classification from which the employee was bumped (an intermediate-paying classification), the employee with highest applicable seniority in accordance with rule (1) above will be automatically promoted to the intermediate paying classification.
 - (5) An employee's seniority in a given job classification shall not be affected by a re-titling of the position and/or modification of the job description which involves no change in pay.
 - (6) Subsequent to being hired as a regular employee, an employee's time in service as a limited-term employee in excess of 1,000 hours within a fiscal year shall count toward that employee's overall District employment seniority, and all of an employee's time in service as a limited term employee in a given job classification shall count toward that employee's seniority in that job classification.
 - (7) Prior to bumping any employee to an equal or lower paying job classification, the EO shall provide a written explanation as to why the operating requirements of the District necessitate that the employee be displaced from his or her current job classification. The District will give an employee at least 30 days written notice prior to the effective date of any bumping. The District will furnish a list of employees to be bumped to recognized employee organization(s) at the same time the employees are given written notice.
- C. THE BUMPING MECHANISM. The bumping mechanism will operate by the application in sequential order of the following criteria, (1) through (9). Thus, an employee who, because of a lack of seniority in his/her job classification, is to be bumped to an equal or lower paying job classification will be bumped in accordance with the first of the following criteria which applies to his/her specific circumstances. At any step where a given employee may bump one of several other employees with less seniority, the individual with the least seniority is the one who will be bumped.
- (1) Prior to the implementation of any mandatory bumping or displacement of an employee to an equal or lower paying job classification to meet the operating requirements of the

District, management shall solicit volunteers to move to that job classification. If more than one employee in a job classification volunteers to be bumped, the volunteer with the greatest overall District employment seniority is the one who will be bumped.

- (2) An employee can never bump back to a higher paying position which that employee previously held in the District; however, for purposes of calculating seniority in a job classification, the time spent by an employee in a higher paying job classification will be added to the time already spent in the current, lower paying job classification.
- (3) An employee whose job is being eliminated bumps the least senior employee in the same job classification in the same division.
- (4) The least senior employee in a division bumps the least senior employee in the same job classification anywhere in the District.
- (5) An employee, "A", bumps to an equal paying job classification which "A" previously held, provided that "A" has more total seniority in the current and the previously held position than the least senior current employee in the position which "A" previously held.
- (6) "A" bumps to a lower paying job classification which "A" previously held, provided that "A" has more total seniority in the current and the previously held position than the least senior current employee in the position which "A" previously held.
- (7) "A" bumps to a lower paying job classification in a class series in the same division in which "A" previously held a position, provided that "A" has more total seniority in that class series and in "A's" current position, taken together, than the least senior current employee in the lower paying job classification; and provided, further, that an employee must have held a job classification as a supervisor within the District in order to bump a supervisor in a lower paying class series.
- (8) "A" bumps to a lower paying job classification in a class series anywhere in the District in which "A" previously held a position, provided that "A" has more total seniority in that class series and in "A's" current position, taken together, than the least senior current employee in the lower paying job classification; and provided, further, that an employee must have held a job classification as a supervisor within the District in order to bump a supervisor in a lower paying class series.
- (9) "A" bumps to an equal or lower paying job classification which "A" did not previously hold but for which "A" meets the minimum requirements identified in the job description, provided that "A" has more total District seniority than the least senior current employee in the equal or lower paying job classification.

Note: Notwithstanding that the foregoing criteria (6), (7), (8) and (9) shall normally be applied in sequential order, an employee who can bump to an equal or lower paying job classification under any of those four criteria shall bump to the highest paying of the available positions.

D. RECALL

- (1) Employees who are laid off will be placed on a recall list for thirty-six (36) months, during which period, service time in the former classification will be preserved. However, no service time will be accrued during any period of layoff.
- (2) Employees will be recalled to their former job classification, or to a lower paying job classification for which they meet the minimum requirements identified in the job description, in reverse order of layoff provided they respond to the notice (mailed to the employee's home address of record with the District by certified mail return receipt requested) of a classification opening by notifying the District of their intent to return within 10 working days of receipt of such notice and return to work or to their former classification within fifteen (15) calendar days of receipt of such notice.
- (3) An employee recalled to a lower paying classification or advanced to an intermediate paying classification shall remain on the recall list and retain the right to return automatically to his or her former, higher paying classification. The employee with the highest seniority shall have priority to return to the previously held vacant job classification or to advance to an intermediate paying job classification in the class series of the previously held classification.
- (4) An employee's name shall be removed from the recall list only when the employee refuses an offer to be returned to the employee's former position.
- (5) A change in job title shall not affect an employee's recall rights.

ARTICLE XI FRINGE BENEFITS

An employee who is approved for a part-time assignment of 90% or more will receive the fringe allowance as specified in Section 11.07 Premium Requirements. All other employment benefits will be prorated based on the hours worked. All employment benefits for an employee who is approved for a part-time assignment of less than 90% will be prorated based on the hours worked.

SECTION 11.01 HEALTH INSURANCE

The District shall make available health insurance coverage through the Public Employees Medical and Hospital Care Program for employees and their eligible dependents. Optional coverage is available for eligible dependents and for Domestic Partners where an employee has filed a confidential Declaration of Domestic Partnership with the Human Resources Section. In the event the health insurance coverage in effect July 1, 2014 becomes unavailable, the District and the Association shall immediately meet and confer to mutual agreement in order to select a comparable value plan.

SECTION 11.02 DENTAL INSURANCE

The District shall make available dental insurance coverage for employees. Optional coverage is available for eligible dependents and for Domestic Partners where an employee has filed a confidential Declaration of Domestic Partnership with the Human Resources Section. In the event the dental insurance coverage in effect July 1, 2014 becomes unavailable, the District and the Association shall immediately meet and confer to mutual agreement in order to select a comparable value plan.

SECTION 11.03 VISION CARE

The District shall make available Vision coverage for employees. Optional coverage is available for eligible dependents and for Domestic Partners where an employee has filed a confidential Declaration of Domestic Partnership with the Human Resource Section. Vision care coverage for dependents must be elected at the time of enrollment. In the event the vision care coverage in effect July 1, 2014 becomes unavailable, the District and the Association shall immediately meet and confer to mutual agreement in order to select a comparable value plan.

SECTION 11.04 LIFE INSURANCE

The District provides life insurance coverage for employees. The life insurance amount is based on annual salary. Optional Additional Contributory Life is also available to employees. In the event the life insurance coverage in effect July 1, 2014 becomes unavailable, the District and the Association shall immediately meet and confer to mutual agreement in order to select a comparable value plan.

SECTION 11.05 LONG TERM DISABILITY INSURANCE

The District shall provide Long Term Disability Insurance which partially replaces lost income for employees who become disabled on or off the job and meet the eligibility requirements.

SECTION 11.06 VISION CARE, AND HEALTH, DENTAL AND LIFE INSURANCE
COVERAGE AFTER RETIREMENT

1. All Employees Upon Retirement

At a minimum, the District shall comply with the provisions of the California Public Employees' Medical and Hospital Care Act. Vision care, dental insurance and life insurance coverage after retirement will be governed by the vision, dental and life insurance plans in effect for employees covered by this agreement, and in compliance with the provisions of the Medicare program.

2. Employees Hired before July 1, 2010

Health insurance, dental insurance, vision care and life insurance shall continue for employees hired before July 1, 2010 at the maximum fringe benefit allowance received at the time of retirement. This Section also applies to employees hired before July 1, 2010 who separate from the District and are re-hired by the District at a later date and subsequently retire from the District.

3. Employees Hired on and after July 1, 2010

- A. Health insurance, dental insurance, vision care and life insurance shall continue for retired employees at the maximum fringe benefit allowance received upon retirement times a percentage of District contribution, and in compliance with the provisions of the Medicare program.

The percentage of District contribution payable for postretirement health insurance, dental insurance, vision care and life insurance shall, except as provided in subsection ~~CB~~ below, be based on the employee's completed years of credited CalPERS service at retirement as shown in the following table:

Credited Years Of Service	Percentage of District Contribution
10	50
11	60
12	70
13	80
14	90
15	100

~~7.~~ ~~Subsection A~~ This subsection shall apply only to employees who receive a service or disability retirement and are first employed by the District after July 1, 2010.

~~8.~~B. The credited service of an employee for the purpose of determining the percentage of District contributions applicable under subsection A shall not include purchased Additional Retirement Service Credit ('air time').

~~9.~~C. The credited service of an employee for the purpose of determining the percentage of District contributions applicable under subsection A shall include purchased Military, Peace Corps and AmeriCorps service.

~~10.~~D. Notwithstanding subsection A, for employees hired by the District on and after July 1, 2010, and who retire for disability with less than 10 years of credited service, the contribution payable by the District shall be 50 percent of the maximum fringe benefit allowance received at the time of retirement.

4. Increases

Retired annuitants' fringe benefit allowances may be equal to and increased concurrently with increases to represented employees' fringe benefits, as determined by the District's Board of Directors.

5. For employees first employed before July 1, 2017, and with no break in service to the date of retirement, except as provided in 2 above, if they are otherwise eligible for an annuitant

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fringe benefit (see 1, 2 and 3 above), their retired annuitant fringe benefit allowance shall not be less than \$1763.70 per month or proration as described in 3 above.

SECTION 11.07 PREMIUM REQUIREMENTS

i.1. Effective July 1, 2014~~2017~~, the District will provide a cafeteria plan for Fringe Benefits~~fringe benefits~~ with a Fringe Benefit Allowance~~fringe benefit allowance~~ (FBA) which is \$180 per month greater than the FBA provided on June 30, 2014 (the new FBA will be \$1630.63 per month) for payment of premiums for health, dental, vision, and additional Life~~life~~ insurance coverage.

j. Effective January 1, 2016, the District will increase the FBA by an amount equal to 67% of the increase, if any, in the premium between calendar year 2014 and calendar year 2016 for the least expensive health plan for employee and two or more dependents offered by CalPERS available in all nine counties, and the dental plan and vision plan premium rates for an employee plus dependents. Rate changes for each benefit will be calculated separately. For employees hired before July 1, 2017, the FBA will be equal to \$1763.70. Cafeteria Plan - Each pre-July 1, 2017.

1. Effective January 1, 2017, the District will increase the FBA by an amount equal to 67% of the increase, if any, in the premium between calendar year 2016 and calendar year 2017 for the least expensive health plan for employee and two or more dependents offered by CalPERS in all nine counties, and the dental plan and vision plan premium rates for an employee plus dependents. Rate changes for each benefit will be calculated separately.

A. Cafeteria Plan - Each employee who uses less than the full amount of the FBA shall be eligible to receive cash payments of the unused portion. Such payments shall not exceed \$100 per month.

B. For employees hired on or after July 1, 2017, the FBA will be equal to the appropriate tier provided in subsection 3 below. Employees hired on or after July 1, 2017 are not eligible to receive cash payments of any unused portion of the FBA.

2. Effective January 1, 2018, the District will provide a cafeteria plan for Fringe Benefits with a FBA for payment of premiums for health, dental, vision, and additional life insurance coverage. The District will no longer provide cash payments of the unused portion of the FBA. In recognition of the termination of this benefit all unit members will receive a one-time adjustment to base wage of one percent (1%).

A. For employees hired before July 1, 2017, the FBA will be equal to the appropriate tier provided in subsection 3 below or \$1763.70, whichever amount is greater.

B. For employees hired on or after July 1, 2017, the FBA will be equal to the appropriate tier provided in subsection 3 below.

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3. Tiered Benefit Plan - Beginning January 1, 2018 the District will offer the following tiered benefit plan for FBA. Determination of tiers A, B, or C is based on enrollment for health care plan only.

A. Employee (EE) only – 100% of Kaiser HMO premium for single plus 100% of dental and vision premiums for Employee Only Plan.

B. Employee plus One – 95% of Kaiser HMO premium for employee plus one plus 95% of dental and vision premiums for Employee + One Dependent Plan.

C. Employee + Family – 90% of Kaiser HMO premium for employee plus two or more plus 90% of dental and vision premiums for Employee + Two or More Dependents Plan.

4. For those employees who do not enroll in a health care plan, the allowance will be based on the percentage for the selected plan(s) as described above.

5. Effective January 1, 2018, each employee who uses less than the full amount of the FBA shall receive a one-time payment equal to the annualized value of cash payment (AVCP) less 1% of the employee's salary as of December 31, 2017, where AVCP is equal to \$1200 or the projected unused portion of FBA for the calendar year of 2018, whichever amount is less.

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SECTION 11.08 STATE DISABILITY INSURANCE/FAMILY TEMPORARY DISABILITY INSURANCE/PAID FAMILY LEAVE

Each employee is covered by State Disability Insurance (SDI) and Paid Family Leave Insurance, also known as Family Temporary Disability Insurance (FTDI). Premiums are paid by the employee. The District's sick leave payments are integrated with any payments received by the employee from SDI or FTDI. The cost of SDI and FTDI is deducted from the employee's pay. State Disability Insurance and Family Temporary Disability Insurance are integrated with the employee's leave time. Employees shall not be entitled to receive more than one hundred percent (100%) of pay when SDI or FTDI and leave time are combined. The administration of the SDI and FTDI programs is solely the responsibility of the State of California. The District is not responsible for benefit levels, the duration of benefits, or the eligibility of District employees for benefits.

SECTION 11.09 WORKERS' COMPENSATION

1. An employee who is absent as a result of a work-related injury will continue to receive full pay for the first 90 calendar days after the date of injury (the period will apply only once per injury) providing the injured employee meets the following requirements/conditions:
2. The injury has been accepted by the District's workers' compensation insurance carrier as a bona fide work-related injury.
3. The work-related attending health care provider has medically authorized the absence.

4. If the length of the work-related absence qualifies the injured worker for temporary
5. disability benefits from the District's workers' compensation insurance carrier, the wages of the employee will be deducted for the same amount as the temporary disability payments; and in no event, will the injured employee receive more than 100% of his/her wages when combined with any temporary disability payments from the District workers' compensation insurance carrier.
6. These provisions will only apply once per injury as determined by the District's Workers' Compensation Insurance carrier.
7. In the event that the District's workers' compensation insurance carrier does not accept the workers' compensation claim, the District is entitled to recover the amount of any benefits or time paid under this section. The District and the employee will develop a repayment plan. The employee may surrender sick leave, annual leave, floating holidays or compensatory time, make a cash payment, accept payroll deductions, or agree to surrender any combination thereof for repayment. The compensation shall be paid back within one year from the denial of the claim. Any period longer than one year must be agreed upon by both parties due to extenuating circumstances.

SECTION 11.10 PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The following applies to those employees who were employed by the Air District on or before December 31, 2012 and to those employees ~~or who are otherwise eligible as 'classic members' of the as defined by CalPERS plan;~~

2% at 55 FULL RETIREMENT FORMULA: The District amended the PERS contract to implement the "2.0% at age 55 formula" effective July 22, 2002.

Employees who began CalPERS membership at the Air District or another qualifying CalPERS agency on or after January 1, 2013 shall participate in the 2% at 62 FULL RETIREMENT FORMULA.

In the event that any part of PEPRA which affects benefits described herein is amended or otherwise voided by action of the legislature, electorate or court of law, the parties shall immediately reopen negotiations concerning such provisions and shall bargain this provision in accordance with MMBA requirements.

1. PICK-UP OF EMPLOYEE CONTRIBUTIONS:

There shall be no employer pick-up of mandatory retirement contributions during the term of this Agreement.

2. EMPLOYEE CONTRIBUTIONS

A. Effective July 1, 2013, the "classic employees" shall pay the entire 7% mandatory employee contribution to CalPERS.

B. Employees who are not considered “classic employees” by CalPERS shall pay 50% of normal cost as required in the California Public Employees’ Pension Reform Act (PEPRA) – AB340.

C. The charges, if any, shall not reduce the employees’ pensionable compensation, and shall not be treated as taxable income to the extent allowed by law. The District shall implement the provisions of section 414 (h)2 of the Internal Revenue Code to ensure that the tax benefit provided by that section is made available to employees.

SECTION 11.11 CREDIT UNION

Employees may become members in the San Francisco Federal Credit Union.

SECTION 11.12 EMPLOYEE ASSISTANCE PROGRAM

The District shall offer an employee assistance program to employees and members of their household. The Employee Assistance Program provides limited professional, confidential counseling service at no cost to the employee.

SECTION 11.13 TRANSIT SUBSIDY/~~CARPOOL SUBSIDY~~

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1. Consistent with the District’s efforts to promote the use of public transportation and to reduce the number of single-occupant automobiles during commute hours, fulltime District employees are eligible for a transit ~~or a carpool~~ subsidy. Use of the ~~passes, or tickets, transit~~ subsidy is confined to the employee during commute hours.

~~2. Effective July 1, 2002, the District will provide transit ticket or passes, up to a maximum value of \$150.00 per month or, at the option of the employee, the District will allow \$6.00 per day (\$3.00 per one-way trip) up to a maximum of \$150.00 per month per carpool amount, for the reimbursement to the vehicle owner of commute carpooling expenses and up to \$6.00 per day (\$3.00 per one-way trip) to District employees (driver) commuting in a carpool (carpool is three or more persons, at least two of which must be District employees). District employees who ride in a carpool will be allowed up to \$3.00 per day (\$1.50 per one-way trip). District employees who walk or bicycle to work and live more than 1.0 mile from his or her work location will be allowed up to \$3.00 per day (\$1.50 per one-way trip).~~

~~2. Effective July 1, 2017, the District will provide a transit subsidy, up to a maximum amount of \$255.00 per month to subsidize eligible transit expenses as detailed in this provision. Eligible transit expenses include passes for public mass transit system, carpool participation, electric vehicle participation, walking and bicycling participation, and parking associated with mass transit systems.~~

~~3. Procurement of the transit passes is the obligation of the individual employee. No funding will be advanced by the District. Transit tickets or passes for a given month The transit subsidy will be made available to eligible District employees at the District's office on a designated day prior to the beginning of that each month. The District reserves the right to~~

~~change the system of distributing passes/tickets in order to provide direct reimbursement for transit passes to employee or use other methods deemed more efficient for the District.~~

~~4.3. Carpool reimbursement will be made on a monthly basis. No funding will be advanced by the District. In order to receive the carpool subsidy, the employee must certify to the Director of Administrative Services, no later than the 10th day of each month, the number of days carpooled the previous month and the names of the persons who participated in the carpool.~~

~~5.4. There will be no banking of the unused allocation of transit subsidy. Transit subsidy allowance is for each individual month and will not be cumulative. The purpose of transit subsidy is to provide an allowance to employees who use an alternative method of transportation for the sole purpose of coming to and from work (portal to portal).~~

~~6.5. Verification: Transit subsidies may be audited on a District-wide basis at any time. For stated reasons provided in writing to the employee, the District may audit an individual employee and require the employee to provide a written explanation of his or her use of transit subsidy. This provision is intended to be invoked on an individual basis in situations where abuse of transit subsidy is reasonably suspected. Persons in violation of this section may be subject to disciplinary action.~~

~~7.6. If an employee chooses to change his/her or her/his subsidy, he or she must complete the necessary forms in a timely manner in order to receive her or his or her subsidy for the subsequent month.~~

~~7. Carpool: An employee who participates in carpool to commute to and from a District facility shall be reimbursed up to the maximum monthly transit subsidy. Reimbursement to the vehicle owner for commute carpooling expenses will be \$6.00 per day (or \$3.00 per one-way trip) up to the maximum monthly transit subsidy. Reimbursement to riders in a carpool will be \$3.00 per day (or \$1.50 per one-way trip) up to the maximum monthly transit subsidy. A carpool is defined as three or more persons, at least two of which must work in the same building as the District employee. Carpool reimbursement will be made on a monthly basis. No funding will be advanced by the District. In order to receive the carpool subsidy, the employee must certify to the Human Resources Office, no later than the 10th day of each month, the number of days carpooled during the previous month and the names of the persons who participated in the carpool. An employee that drives a vehicle as a carpool to commute to and from a District facility shall be provided with parking at no cost, subject to availability.~~

~~8. Electric Vehicle: Effective July 1, 2002, an employee that uses an electrical vehicle to commute to and from the District main office in San Francisco facility shall be provided with parking and have access to a re-charging station at no cost, subject to availability.~~

~~9. The amount of transit subsidy shall be increased by any percentage increase(s) in Bay Area Rapid Transit fares that occur on or after July 1, 2003 for the duration of the contract. The~~

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~~maximum value of transit tickets or passes provided by the District was increased to \$165.00 effective July 1, 2004 in accordance with this provision.~~

9. ~~Walking or Biking: District employees who walk or bicycle to work and live more than 1.0 mile from their work locations will be reimbursed up to \$3.00 per day (or \$1.50 per one-way trip). In order to receive the walking or biking subsidy, the employee must certify to the Human Resources Office, no later than the 10th day of each month, the number of days walking or biking during the previous month.~~

10. Parking passes associated with transit systems are subject to subsidy.

11. ~~The amount of transit subsidy shall be increased by any increase(s) in the Internal Revenue Service limit for the duration of the contract.~~

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SECTION 11.14 DEFERRED COMPENSATION

The District shall offer the opportunity to participate in Section 457 deferred compensation plans. These plans are designed to allow employees to invest a portion of salary that is tax deferred until such time as the employee withdraws the funds. The District will continue to provide at least two (2) vendors for its Deferred Compensation Program: Hartford and CalPERS, unless another vendor(s) is chosen by mutual agreement of the parties hereto.

SECTION 11.15 JOB-RELATED EDUCATIONAL PURSUITS

1. JOB-RELATED EDUCATIONAL PURSUITS

- A. The provisions of the "Job-Related Educational Pursuits" section will be applicable to an employee who applies for "Skills Enhancement Pursuits" and who takes an educational course or other skills enhancement course which is directly related to the employee's current position, but is not necessarily enrolled at an accredited college or university in an undergraduate or graduate degree program.
- B. "Year" is defined as fiscal year.
- C. For the purposes of this section "Job-Related Educational Pursuits" is defined as education that either maintains or improves an employee's job skills as they relate to an employee's current position.
- D. To receive reimbursement, an employee must be enrolled at an accredited college or university in an undergraduate or graduate degree program, or in a certificate program; courses taken must contribute to progress towards the degree or certificate.
- E. To qualify for reimbursement under this Section 11.15, participation in certificate programs is subject to prior approval by the HRO. Reimbursement will be approved if the educational pursuit conforms with (A), (C) and (D) above, and there is sufficient funding pursuant to (F) below. Certificate programs in which an employee's participation will normally be granted shall include, but not be limited to, environmental management certificate programs offered by the University of California or other colleges and

universities as well as coursework leading to a professional license which relates to the work of the District (such as a Professional Engineer license).

- F. The District shall yearly apportion an amount up to \$15,000.00 to allow for reimbursements of up to \$1,500.00 per employee for those employees who attend and successfully complete job related educational courses or seminars. Such reimbursement will be paid upon proof of completion of any approved course. Employees wishing to take educational or other professional courses must obtain prior approval from the HRO before taking the course in order to be reimbursed.

2. SKILLS ENHANCEMENT PURSUITS

- A. For the purposes of this section “skills enhancement pursuits” is defined to include educational courses and other skills enhancement courses that may or may not be related to an employee’s current position, but reasonably relate to the District’s work in general and will enhance an employee’s skills and may allow for further advancement or promotion at the District.
- B. The District shall yearly apportion an amount up to \$10,000.00 to allow for reimbursements of up to \$1,000.00 per employee for those employees who attend and successfully complete skills enhancement course. Such reimbursement will be paid upon proof of completion in any approved course. Employees wishing to take skills enhancement courses must obtain prior approval from the HRO before taking the course in order to be reimbursed.
- C. An employee may be reimbursed for courses necessary to attain a job-related degree.
- D. Reimbursement will be approved if the skills enhancement pursuit conforms with (A) and (C) above, and there is sufficient funding pursuant to (B) above.

3. REIMBURSEMENT:

- A. Upon proof of completion of a course (grade “C” or better, “pass”, “credit” or other indication of satisfactory completion of the course) the District will reimburse the employee for the course cost and related materials (required books, supplies, lab fees, etc.) up to the prescribed limit. An employee may be reimbursed for courses necessary to attain a job related degree.
- B. The reimbursement for Job-Related Educational Pursuits or Skills Enhancement Pursuits whose course cost is all-inclusive, which includes either meals, lodging, entertainment, or special events, etc. shall be reduced by the reasonable costs of these non-course related items.

SECTION 11.16 DEPENDENT CARE ASSISTANCE PLAN

The District will continue for the term of this Agreement the Dependent Care Assistance Plan as adopted by the Board of Directors by Resolution 98-25, November 4, 1998. However, employee contributions shall be allowed at the maximum level allowed by law.

SECTION 11.17 SOCIAL SECURITY REPLACEMENT BENEFITS

The District's Board of Directors has adopted and implemented a package of benefits designed to replace to the fullest extent possible those benefits formerly provided under the employer-employee jointly funded federal program commonly known as Social Security. These replacement benefits include the following:

1. Special retirement and disability benefits under PERS.
2. Life insurance coverage for employees is as specified in the contracts. The contracts are available in the Human Resources Section.
3. A portion of long-term disability coverage at the level of 66 2/3% of monthly salary to a maximum benefit of \$6,500.
4. Qualified pension plan contribution of \$62.50 per month credited to each full-time regular employee's account, effective July 1, 2000. The monthly contribution for each subsequent fiscal year shall be adjusted by the change in the annual-average Bay Area CPI-W for the previous calendar year. The contribution amount increased to \$71.21 per month effective July 1, 2004 in accordance with this provision.
5. Medicare Part B for employees that retire after July 1, 2000 up to a maximum total cost of \$10,000 per year for all covered retirees. However, employees that retire after July 1, 2011 shall only be entitled to be reimbursed for the standard Medicare Part B premium. Once the \$10,000 has been distributed by the District, an additional \$5,000 per calendar year shall be made available to reimburse the standard Medicare Part B premium for employees that retire after July 1, 2011.
6. PERS Long Term Care for District employees who elect to enroll in the PERS Long Term Care Program as paid for by the employee.

SECTION 11.18 HEALTH CARE SPENDING ACCOUNT

The District will offer employees the option to participate in a Health Care Spending Account (HCSA) Program designed to qualify for tax saving under Section 125 of the Internal Revenue Code, but such savings are not guaranteed. The HCSA Program allows employees to set aside a pre-determined amount of money from their paycheck, not to exceed the maximum amount allowed by law, for health care expenses not reimbursed by any other health benefits plan before tax dollars. HCSA dollars can be expended on any eligible medical expenses allowed by Internal Revenue Code Section 125. The employee cannot recover any unused balance

SECTION 11.19 GUARANTEED RIDE HOME

An employee who uses an alternate method of transportation to commute to and from work will be guaranteed a ride home in the event of an unforeseeable circumstance that would prevent the employee from using such alternate method of transportation to commute home from work.

ARTICLE XII LEAVE AND HOLIDAYS

SECTION 12.01 ANNUAL LEAVE

1. An employee earn annual leave credits at the rate of 3.69 hours per pay period approximately one day per month) for the first three years of employment. Annual leave will accrue but cannot be taken until the successful completion of six months' service.
2. An employee with more than three and up to five years of employment will earn annual leave at the rate of 4.64 hours per pay period (approximately 1-1/4 days per month).
3. An employee with more than five and up to ten years of employment will earn annual leave at the rate of 5.52 hours per day period (approximately 1-1/2 days per month).
4. An employee with more than ten and up to twenty years of employment will earn annual leave at the rate of 6.48 hours per pay period (approximately 1-3/4 days per month).
5. An employee with more than twenty years and up to thirty years of employment will earn annual leave at the rate of 7.69 hours per pay period (approximately 2 days per month).
6. An employee with thirty or more years of employment will earn annual leave at the rate of 9.23 hours per pay period (approximately 2-1/2 days per month).
7. If an employee's annual leave accrual rate changes during a pay period, the new rate will be credited from the first day of that period.
8. Annual leave will be normally scheduled in advance by the employee's immediate supervisor, in consideration of the operating requirements of the section and the division. However, in an emergency situation, annual leave will be authorized so long as the employee's immediate supervisor is notified in advance.
9. 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.
10. Use of annual leave of more than one hundred and sixty (160) hours must be scheduled and approved by the Executive Officer.
11. For the purposes of determining the rate of annual leave, accumulated service within the District will be used less any time for leave of absence in excess of two pay periods.

12. For a permanent employee that was previously employed as either a limited-term employee or a temporary employee for more than 1000 hours: effective July 1, 2001 accumulated service shall be the combined service as a permanent employee and previous service as a limited-term employee or temporary employee, less the initial 1,000 hours. The District will not allow retroactive accrual prior to July 1, 2001.
13. If a payday falls during an employee's vacation, the employee may receive a partial pay warrant for the pay period. The employee may pick up the warrant three (3) days prior to beginning vacation, provided two weeks' notice is given to the Human Resources Office.
14. Once per calendar year, an employee may exchange unused annual leave in excess of 200 hours, up to a maximum of 40 hours per calendar year, for the equivalent amount in wages. The request may not exceed forty (40) hours per fiscal year. Payment shall be made within 10 working days of the request.
15. An employee who is re-hired by the District as a permanent employee will accrue annual leave at the rate he/she was accruing at the time of separation.

SECTION 12.02 SICK LEAVE

1. **COVERAGE.** Sick leave is granted leave to cover authorized absence by an employee unable to work for any of the following reasons:
 - A. Personal injury or illness, pregnancy, childbirth, or pregnancy-related disability.
 - B. Exposure to contagious disease requiring quarantine.
 - C. When the employee is required to attend to a member of the immediate family for reason stated in (A) above, to a maximum of eighty (80) hours per calendar year, provided, however, that in the event of a catastrophic illness of an immediate family member, an employee may petition the EO to use more than 80 hours of accrued sick leave per year to care for that immediate family member.
 - D. For the purpose of this section, immediate family will include: mother, father, spouse, children, brother, sister, grandparents and grandchildren of the employee, domestic partners and relatives by marriage and relatives of domestic partners, including mother-, father-, brother-, sister-, son-, and daughter-in-law.
 - E. Appointments for dental, eye, and other medical examinations.
 - F. When an employee is required to be absent for purposes related to the adoption of a child to a maximum of 80 hours per calendar year, provided, however, an employee may petition the EO to use more than 80 hours of accrued sick leave per year for purposes related to the adoption of a child. Examples may include but are not limited to: Appointments with adoption agencies, social workers, and attorneys; Court proceedings; Required travel; Any periods of time the adoptive parents are ordered or required by the adoption agency or by the court to take time off from work to care for the adopted child;

and any other activities necessary to allow the adoption to proceed. Adoptive parents who voluntarily choose to be absent from work to bond with an adoptive child may not use sick leave for this purpose. Employees must have at least 200 hours of sick leave before initially requesting sick leave for purposes related to the adoption of a child.

2. **ALLOWANCE.** Employees will earn sick leave at the rate of 3.69 hours per pay period. There is no limit to the amount of sick leave that may be accumulated. Employees are eligible to use sick leave as it is earned.
3. **COORDINATION WITH STATE DISABILITY INSURANCE.** At the employee's election, sick leave may be integrated with State Disability Insurance, Family Temporary Disability Insurance and Workers' Compensation Insurance as soon as eligibility for such benefits is established.
4. **JOB-RELATED INJURY.** Employees injured on the job and accepted for Workers' Compensation will not be required to use sick leave for the period from the 1st through the 90th calendar day. This period will begin the day following the date of injury or the date Workers' Compensation approved the absence from work, whichever date begins the absence from work. The period will apply only once per injury. The date of injury will be paid as a day worked for pay purposes.
5. **HOLIDAY DURING A SICK LEAVE PERIOD.** If a holiday occurs during a continuous period of authorized sick leave, the holiday will not be counted as a day of sick leave.
6. **BLOOD DONATIONS.** Employees may take up to two (2) hours to donate blood to the District's account or to a specific person's account to a maximum of twice a year without loss of sick leave credits. Such leave must be approved in advance by the employee's supervisor and consistent with District operating requirements.

SECTION 12.03 BEREAVEMENT LEAVE

1. When a death occurs in the immediate family of an employee, the employee may take twenty-four (24) consecutive work hours off, counting the day of the funeral, without loss of pay, or
2. If the employee is the family member required to make the family arrangements for the funeral and burial (or equivalent ceremony), the employee may take up to forty (40) work hours off without loss of pay to make such arrangements. Such time shall include all time for travel.
3. For the purpose of this Section, immediate family is defined the same as in Section 12.02(1)(D) above.

SECTION 12.04 MILITARY LEAVE

The District shall comply with all applicable laws requiring the release and payment for duty in the U.S. Military or California National Guard. Notice must be given by the employee to his/her supervisor as soon as the obligation to attend military duty is known.

SECTION 12.05 JURY DUTY

Employees selected for jury duty shall be excused from work with pay for the hours required by such obligation provided they submit any jury fees received for such time to the District. The employee shall return to work whenever released during working hours and travel time allows except as provided in Section 9.01.3.

SECTION 12.06 SUBPOENA AS A WITNESS

Pursuant to Government Code Sections 1230 and 1230.1, any employee subpoenaed as a witness shall be allowed the time necessary to be absent from work without loss of regular pay.

SECTION 12.07 HOLIDAYS

1. The following days will be paid holidays for all employees:

New Year's Day	(First day of January)
King's Birthday	(Third Monday of January)
Lincoln's Birthday	(Twelfth day of February)
Washington's Birthday	(Third Monday of February)
Chavez' Birthday	(Thirty-first day of March)
Memorial Day	(Last Monday of May)
Independence Day	(Fourth of July)
Labor Day	(First Monday of September)
Columbus Day	(Second Monday of October)
Veterans Day	(Eleventh day of November)
Thanksgiving Day	(Fourth Thursday of November)
Day After Thanksgiving	(Fourth Friday of November)
Christmas Day	(Twenty-fifth day of December)

2. Every day appointed by the President of the United States or Governor of California as a holiday.
3. Holidays falling on Sunday will be celebrated on the following Monday. Holidays falling on Saturday will be celebrated on the preceding Friday, except, if the Governor proclaims the following Monday to be the holiday.
4. Employees will be granted 36 hours of floating holidays per year. Except, an employee hired after January 1st and prior to June 1st will be allowed only 8 hours of floating holiday within that fiscal year. Employees hired after May 31st and prior to July 1st will receive no floating holiday for that fiscal year. Employees must request to use a floating holiday in advance. A floating holiday can be taken only with the approval of the employee's supervisor.
5. Notwithstanding Section 12.07(3), above, employees who are not scheduled to work on a day that is a scheduled holiday for other District employees shall be credited with 8 hours of

floating holiday pay in-lieu of the scheduled holiday. The 8 hours of floating holiday shall be credited to the employee's accrual in the same pay period that the scheduled holiday occurs.

SECTION 12.08 BENEVOLENT LEAVE FUND

1. The Benevolent Leave Fund is established for the use and donation by District employees. Any District employee (hereinafter referred to as "employee") may donate annual leave, sick leave, compensatory time, or floating holiday, with the limitation noted in subsection A immediately below, to the benevolent leave fund for the benefit of employees who are catastrophically ill or injured for one hundred (100) consecutive working hours or longer. In order to donate leave, the following conditions apply:
 - A. Only accrued annual or sick leave, compensatory time, or floating holiday leave may be donated to the fund. Any employee may donate up to 40 hours of sick leave to the fund per fiscal year. Floating holiday leave that is donated will only be valid during the fiscal year in which it is accrued. Thus, if in a given fiscal year, an employee donates floating holiday leave and the leave is not used during that fiscal year, the donated leave will expire on the last day (June 30) of that fiscal year.
 - B. To donate accrued leave to the fund, an employee must be eligible to accrue or use annual leave credit and cannot currently be using leave from the Benevolent Leave Fund.
 - C. To donate sick leave, an employee must have a sick leave balance of at least 200 hours.
 - D. Donated leave may be designated for a specific employee, or may be donated without designation. Floating holiday leave shall be used first. Other benevolent leave that is designated to a specific employee must be used in the sequence it was donated. If leave that is donated to a specific employee is not used within 120 days, such leave will be added to the general benevolent leave fund.
 - E. Leave may be donated to the fund regardless of whether there is a qualified recipient.
 - F. Leave may not be sold, bartered or traded to another employee under any circumstances.
 - G. Once leave has been donated to the fund, that leave cannot be reclaimed by the employee making the donation unless and until that employee later becomes an eligible fund recipient.
2. In order to be a fund recipient, the following conditions apply:
 - A. The recipient must be catastrophically ill or injured, on an approved leave for medical purposes and must have on file with the Human Resources Office a medical verification from the employee's personal physician that demonstrates that the recipient is in fact catastrophically ill or injured and unable to work for at least one hundred (100) consecutive working hours or longer.

- B. Upon written request from the Association Board of Directors, the Human Resources Officer shall provide to the Association the amount of leave in the fund.
 - C. The recipient must have exhausted all forms of paid leave prior to using any benevolent leave. However, it is understood the employee will accrue all appropriate leaves during the time the Benevolent Leave Fund is in use and shall not be required to use such accrued leave during such time.
 - D. The recipient may not receive benevolent leave from the fund in an amount which exceeds 100% of that employee's normally scheduled hours for any pay period.
 - E. Written requests to use leave from the fund shall be submitted to the Human Resources Officer.
 - F. The Human Resources Officer or designee shall provide a written response approving or denying the employee's request, or requesting more information within 5 working days. If the request is denied, the Human Resources Officer or designee shall state the reasons for denial in the written response.
 - G. If a request to use leave from the fund is denied, the refusal may be appealed to the APCO. The APCO's decision shall be provided, in writing, to the employee within ten (10) calendar days from the date an appeal is submitted.
3. Catastrophic illness of injury is defined as a serious illness, injury, impairment, or physical or mental condition that is present for a minimum of one hundred (100) consecutive working hours or longer.

SECTION 12.09 TEMPORARY DISABILITY LEAVE

The provisions of Division III, Section 11.4 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association in said changes.

SECTION 12.10 FAMILY CARE LEAVE

The provisions of Division III, Section 11.7 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference except as modified in 1 and 2 below:

- 1. Each full-time employee is entitled to a maximum of 480 hours of family care and medical leave during any 12-month period. The 12-month period begins on the first date family care and medical leave is taken. Family care and medical leave can only be initiated by request of the employee. Prior to the request, time off taken on any type of paid leave will not be deducted from the family care and medical leave entitlement. When medically necessary, leave may be taken on an intermittent basis or the employee may be authorized to work on a reduced schedule.

2. The family care and medical leave entitlement may consist of paid or unpaid leave. An employee who is taking family care and medical leave to care for an eligible family member must use all accrued annual leave and floating holiday, except for 80 hours that may be retained or used at the employee's discretion, before unpaid leave may be taken. An employee who is taking family care and medical leave due to the employee's own serious medical condition is not required, but may choose to, use accrued annual leave and floating holiday.

No changes to said provisions of Division III, Section 11.7 of the District's Administrative Code Personnel Policies and Procedures that are within the scope of bargaining will be proposed to the District's Board of Directors by District Management without first obtaining the concurrence of the Association in writing of said proposed changes.

SECTION 12.11 PREGNANCY DISABILITY LEAVE

The provisions of Division III, Section 11.9 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association in said changes.

SECTION 12.12 LEAVE ACCRUAL - RETURNING FROM UNPAID LEAVE

Once returning to work from unpaid leave, in order to accrue annual and sick leave, an employee must work 50% of his or her regularly scheduled assignment (i.e. 50% of the regular assignment of 40 hours in five (5) consecutive eight-hour days or 50% of 40 hours in four (4) consecutive 10-hour days).

SECTION 12.13 LEAVE WITHOUT PAY

Regular full-time or part-time and probationary employees may be granted a leave without pay for non-medical reasons. Such leave will be granted at the discretion of the EO.

Leave may be granted for any period of time up to thirty (30) calendar days and may be extended for one (1) to ten (10) additional working days. A working day is any day that the District office is open for business. A return to work of one full day is considered as ending a leave period. Additional time after this day will be requested as a new and separate leave.

An employee on leave without pay continues to receive benefits described in Article XI, except that an employee on leave without pay for more than 80 hours during a fiscal year will not accrue annual or sick leave for the period of leave without pay in excess of 80 hours, and will not receive transit subsidy, or receive educational reimbursement, unless the course was approved prior to the commencement of the leave. Employee and employer contributions to PERS are not paid during leave without pay. A leave without pay is not considered as a break in service, and the employee is assured return to the same position, or to a comparable position in the same job classification and at the same pay grade.

SECTION 12.14 LEAVE OF ABSENCE

1. Leave of absence may be granted for non-medical reasons or to continue a medical leave for a maximum of six (6) months by the EO. A consecutive leave of absence may be granted but in no case for a total of more than twelve (12) months for any employee.

No annual or sick leave credits are earned during leaves of absence. An employee on a medical leave of absence continues to receive benefits described in Article XI, except that an employee on leave of absence shall not receive transit subsidy, or receive educational reimbursement, unless the course was approved prior to the commencement of the leave. Employee and employer contributions to PERS are not paid during unpaid leaves of absence. An employee on a leave of absence for non-medical reasons receives none of the benefits described in Section 11. A leave of absence for non-medical reasons is considered a break in service, and the position vacated by this leave may be open for recruitment of a regular employee.

2. Return after unexpired leave. Granting a leave of absence will permit the return of the employee to District employment before the expiration of the leave of absence under the following conditions.
 - A. The employee will have preference for re-employment in the same classification or at another lower classification for which the person is qualified, provided the position is vacant.
 - B. Leave of absence does not confer any absolute right to return to position or employment.
 - C. Employee time in-grade for salary increase will be preserved, at the same level.
 - D. Accrued pension rights and pension time will be preserved.

ARTICLE XIII ASSOCIATION ACTIVITIES

SECTION 13.01 COMMUNICATING WITH EMPLOYEES

1. The Association may use District internal mail. Any mail will be given to the Business Manager for routing.
2. The Association will use the right-hand third of the space on District bulletin boards for posting Association business announcements provided District business matters do not take precedence. All material posted will be dated for timely removal. No Association documents will be removed prematurely except for demonstrated lack of space.

SECTION 13.02 USE OF DISTRICT FACILITIES

1. The Association may use District meeting rooms provided they are available and there is no interruption of District work. The Association will submit its requests to the Business Manager for the use of the rooms in advance. Meetings of the District take precedence over Association meetings. Security and clean-up will be the responsibility of the Association.
2. The Association may use the District's reproduction facilities at reasonable cost.

3. Materials to be reproduced will be submitted to the Business Manager for costing and scheduling, which will be without interruption of District business. The District will bill the Association monthly for costs incurred.
4. The District will provide the Association with office space providing there is available space.

SECTION 13.03 ASSOCIATION REPRESENTATIVES AT BOARD OF DIRECTOR MEETINGS

Two Association representatives will be allowed to attend regular meetings of the Board of Directors on paid release time. Two Association representatives will be allowed to attend regular meeting of committees of the Board of Directors when items are on the agenda that directly relate to matters within the scope of representation of Association activities.

SECTION 13.04 ASSOCIATION REPRESENTATIVES

1. The Association may, by written notice to the HRO, designate no more than seven (7) of its members to be stewards. If a change in Stewards occurs, notification shall be provided to the HRO within ten (10) working days of such change.
2. The stewards and officers (representatives) will obtain approval from their immediate supervisor or management official before leaving a work assignment. Permission will not be withheld except for good cause.
3. Representatives will be allowed to post Association notices on District bulletin boards.
4. Representatives other than the President or Vice President will each be allowed up to eight (8) hours off, with pay, per month to engage in Association business, including but not limited to assisting employees in processing grievances. The amount of time so used will be reflected in the representative's time sheet. Time spent meeting with District Management personnel shall not count against the hours allotted. The President and Vice President each will be allowed up to seven (7) hours off, with pay, per month to spend on Association business.
5. Any represented employee who has a grievance may request the assistance of a representative in preparing and presenting the grievance.
6. Association board and committee members working on Association business and issues related to meet and confer shall be provided with reasonable time and accommodations to spend on these activities, so long as advance notification is given to, and approval is received from, an employee's supervisor.
7. The Association negotiating team members (total of nine) will be allowed up to 40 hours off, with pay, per month for bargaining preparation when negotiations are in progress.

8. In the event that a dispute results in litigation or is submitted to arbitration or any other forum for dispute or grievance or litigation resolution, not more than two representatives shall be authorized to attend the proceedings on paid release time to represent the grievant and/or the Association. This paid release time is separate and apart from any other paid time afforded to representatives for association activities. The EO may release any number of people for such proceedings.

ARTICLE XIV AVAILABILITY OF DISTRICT DOCUMENTS

SECTION 14.01 ADMINISTRATIVE CODE

The District will continue to make available to the Association a copy of the Administrative Code.

SECTION 14.02 HEALTH INSURANCE PLANS

The District will continue to make available for reading by authorized representatives of the Association the master plans of the life, health, vision and dental insurance plans. The master plans will be available in the Human Resources Section only.

SECTION 14.03 PERSONNEL FILES

The District will continue to maintain a personnel file on each employee. Employees have the right to review their personnel file at reasonable times with prior arrangement (normally within 7 days) with the Human Resources Section.

ARTICLE XV PERSONNEL TRANSACTIONS AND RECORDS

SECTION 15.01 HIRING AND INITIAL ORIENTATION

The provisions of Division III, Section 12.1 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 15.02 PERSONNEL AND MEDICAL FILES

The provisions of Division III, Section 12.2 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 15.03 EMPLOYMENT RECORD VERIFICATION

The provisions of Division III, Section 12.3 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 15.04 CLASSIFICATION SYSTEM

The provisions of Division III, Section 12.4 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 15.05 REQUESTS FOR NEW EMPLOYEES

The provisions of Division III, Section 12.5 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

SECTION 15.06 PERSONNEL ACTION FORMS

The provisions of Division III, Section 12.6 of the District's Administrative Code Personnel Policies and Procedures are incorporated herein, and made a part hereof by this reference. Proposed changes to this policy that are within the scope of bargaining will not be implemented without first obtaining the concurrence of the Association.

ARTICLE XVI METHOD OF FILLING VACANCIES

SECTION 16.01 PROCEDURES

1. **ANNOUNCEMENT PROCEDURE.** When a bargaining unit vacancy exists, the Human Resources Officer (HRO) will prepare and distribute a position announcement for the vacancy. The announcement will normally be posted on the electronic (e-mail) Personnel Bulletin Board as well as on each floor's bulletin board. The announcement will be delivered by mail or by insertion into the employee's pay envelope. The position will be opened for at least 10 working days. The bargaining unit vacancy announcement will include the opening date, minimum qualifications required, the criteria to be used to screen applicants, the weight which will be given to the panel interview, and a statement that the District may choose to utilize these procedures or any other selection procedure deemed appropriate as determined by the HRO and Hiring Manager, if the qualified applicant pool does not include any bargaining unit employees.
2. **REVIEW OF JOB ASSIGNMENT(S) AND DESCRIPTION.** Prior to the opening of a vacancy, a Division Director shall have the right to make job assignment changes within the classification of the vacant position prior to identifying the actual vacant position. The Hiring Manager must review the job description prior to the commencement of the recruitment process in order to select those duties and functions, which are the most relevant for the position to be filled. Those identified duties and functions shall be placed in bold print so that they are given prominence in the job announcement for the position to be filled.
3. **APPLICATION.** Employees who wish to be considered for the position will submit a completed application form to the HRO on or before the filing deadline specified on the announcement.

4. **QUALIFICATIONS.** The qualifications include, but are not limited to, the education, experience, knowledge, skills, abilities and other background factors, which are needed for each classification. The minimum qualifications will be specified in the position description form and included in the announcement. The HRO may allow for or consider equivalent education and/or work experience when evaluating if an applicant meets the minimum qualifications. In reviewing job applications, the HRO shall consider all relevant education, work experience, supervisory experience and lead experience. In evaluating the qualifications of each applicant, the HRO shall document in writing the extent to which each applicant possesses the desirable qualifications.

The HRO shall determine if candidates meet the minimum qualifications of the position. The HRO shall inform each candidate in writing if he/she meets the minimum qualifications for the position. The HRO may reject any application if the applicant does not possess the minimum qualifications required for the position, or for other justifiable reasons. The HRO shall inform any disqualified District employee in writing. This written notice shall inform the employee of his/her rights to appeal the HRO's decision and the right to obtain a written statement of the specific reasons for the disqualification, providing the employee requests the written statement within five (5) working days of the receipt of the written notice.

5. **VACANCY.** A vacancy is a position in which there is no incumbent and no employee has a right to the position. A position is vacant when the position is newly-created, the incumbent terminates, the incumbent is on a leave of absence or the incumbent has been demoted from the position. A position is not vacant if the incumbent is on sick leave, annual leave, bereavement leave, temporary disability including maternity leave, Family Care Leave, Workers' Compensation, leave without pay or any other circumstances determined by the EO.

6. **ORDER OF FILLING VACANCIES.**

- A. **FIRST PRIORITY.** Reinstatement from layoff, return from leave of absence granted for medical reasons. To fill a vacancy in the first priority category, the HRO will submit the names of all qualified candidates to the Hiring Manager.
- B. **SECOND PRIORITY.** For regular employees, transfer, promotion, or return from leave of absence granted for non-medical reasons. To fill a vacancy in the second priority category, the procedures specified in this Section shall be used.

The Hiring Manager shall have the right to determine whether a second priority order for filling vacancies shall be promotional or open. In the event the recruitment is open, bargaining unit employees have the opportunity to apply and compete for the vacant position with the outside applicants.

7. **DISQUALIFICATION APPEAL.** Those bargaining unit applicants who do not meet the minimum qualifications for the bargaining unit vacancy shall be notified in writing and shall have the right to a consultation with the HRO and an opportunity to present additional information regarding his/her qualifications provided a written request for consultation is

submitted to the HRO within 10 working days from the receipt of the written notification of disqualification. The HRO shall review the additional information with the Hiring Manager. The Hiring Manager shall have the final decision in determining whether or not a bargaining unit applicant meets the minimum qualifications for the bargaining unit vacancy. If the Hiring Manager or the HRO decides that the employee meets the minimum qualifications, the employee will be allowed to continue in the recruitment. If the Hiring Manager decides that the employee fails to meet the qualifications, the employee shall be disqualified. The HRO, within five (5) working days of receipt of the Hiring Manager's written decision, shall inform the employee of the reason for his/her disqualification in writing.

8. **QUALIFIED APPLICANT POOL - PROCEDURE.** The following procedure shall be used to determine the qualified applicant pool. In an open recruitment, all qualified District employees shall be interviewed by the Hiring Manager and Steps A, B, and C will not apply to those District employees. When there are five (5) or fewer qualified applicants, Steps A, B, and C will not apply.
 - A. A panel of three (3) District employees chosen by and facilitated by the HRO shall screen those applicants who meet the minimum qualifications for the bargaining unit vacancy. The HRO will not be a member of the screening panel. The Hiring Manager in consultation with the HRO shall establish the screening criteria. The screening criteria may include a practical test, a written examination, a review of the responses to the supplemental application question, and/or any combination of screening methods deemed appropriate for the position by the Hiring Manager. The screening panel shall score the applicant consistent with predetermined scoring methodology. As a result of the screening, all applicants will be given a score based on a 100-point scale. If the Hiring Manager has opted for an examination, then the HRO shall administer the examination to all of the candidates under the same conditions. The HRO or the screening panel shall score the examinations with the predetermined scoring criteria. The examination will be scored blindly.
 - B. Out of the total qualified applicant pool screened by the panel identified in (A) above, the top eight (8) applicants, by score, will be referred for a panel interview.
 - C. The top eight (8) applicants will be interviewed by the panel of three (3) District employees designated at the discretion of the HRO, giving due consideration to the necessities of the job being filled. The HRO shall ensure that one of the panelists shall be a representative from the Division where the vacancy exists, and who occupies a position in a job classification, which is equal to or higher than that of the job to be filled. The HRO shall ensure that the other two panelists come from two other Divisions and each shall occupy a position in a job classification, which is equal to or higher than that of the job to be filled. The HRO may choose a fourth (4th) panel member from outside the District employ who possesses expertise in the area of the vacant position. The Hiring Manager and the HRO will develop the interview questions and rating criteria. A representative of the HRO will facilitate the interview process, however, that person will not be a member of the panel. The interview panel score, based on a 100-point scale, will be combined with the screening panel score, if applicable, in accordance with the

weighting identified in the vacancy announcement. In no event will the interview score be weighted less than 20% of the total score.

- D. As a result of the combined scores, the Hiring Manager in the presence of the HRO will interview the top five (5) applicants. In open recruitments the Hiring Manager will interview all qualified District employees. The Hiring Manager and the HRO will develop the interview questions and rating criteria. The Hiring Manager shall ask the predetermined interview questions of every candidate and evaluate the candidates based on the predetermined selection criteria. Based on the answers to the prepared questions, the Hiring Manager may pursue further lines of inquiry, which will draw out further information about the candidate's qualifications or abilities that relate to the vacant position. The Hiring Manager shall document in writing the extent to which each applicant possesses the desirable qualifications. The Hiring Manager shall score each candidate consistent with the scoring criteria. The Hiring Manager shall review the scoring of each candidate with the HRO or designee. At the conclusion of all the interviews, the Hiring Manager shall forward his/her scoring sheets, notes and recommendation of the selected candidate to fill the vacancy to the HRO or designee. The hiring recommendation shall be forwarded to the HRO for certification as to process and procedure. Once the HRO certifies the process and procedure the hiring recommendation shall be forwarded through the chain of command to the EO for approval. Any determination not to approve a Hiring Manager's recommendation shall be in writing. If the hiring process and procedure is not certified by the HRO, the recommendation shall not be forwarded to the EO and the HRO shall take the appropriate steps to ensure the recruitment and selection process conforms to the procedures specified in this Article. Any determination not to approve the Hiring Manager's recommendation shall be in writing and shall provide a detailed explanation of the reasons for the determination, and must be approved by the EO. This document, and any correspondence concerning the document from the Hiring Manager or from any other manager in the chain of command applicable to the hiring decision, shall become part of the record of the hiring decision.
- E. In the event the EO does not approve the Hiring Manager's recommendation, the Hiring Manager shall submit the name of the candidate who has the next highest final score through the appropriate levels of management for approval by the EO.
- F. After the final selection(s) are made and approved by the EO, the Hiring Manager upon request shall provide each unsuccessful candidate with reasons for his or her rejection. These reasons shall be constructive and specific.
- G. In the event there are tied scores at the eighth or fifth positions as a result of the procedures identified in Step B and C above, each employee at the tied positions shall proceed to the next steps in the process.
- H. For more than one vacancy, one additional applicant for each additional vacancy will be added to each of the selection processes Steps B, C and D above.

- I. If a vacancy occurs in the same classification during a current recruitment or within 18 months from the start date of the selected applicant, the District shall have the option of using the applicant pool of the most recent recruitment to fill the subsequent vacancy.
- J. A bargaining unit employee or the Association has the right to file a grievance if the procedures of this Article are not followed when there are bargaining unit employees in the applicant pool. Matters that are not procedural, including the hiring decision, are not grievable.
- K. If there are two (2) or less bargaining unit candidates who meet the minimum qualifications in the applicant pool, the bargaining unit candidates will be interviewed by the Hiring Manager, and in continuing the recruitment, the District retains the right to utilize these procedures or any other selection procedures deemed appropriate by the HRO with the concurrence of the Hiring Manager.

Allegations of discrimination under this Article cannot be grieved.

SECTION 16.02 CONTRACTING OUT

The District shall not contract out or remove from the bargaining unit any District work, whether permanent or temporary, which is performed by bargaining unit members, if the services are of a kind that persons selected through the District's normal selection process could perform adequately, competently and in timely manner, except as follows:

- A. Concurrent with recruitment for one or more bargaining unit vacancies, the District may contract out for services normally performed by bargaining unit employees provided no more than 1,000 hours is contracted out per vacancy.
- B. In emergency situations contracting out for services normally performed by bargaining unit employees shall be permitted, providing no more than 1,000 hours is contracted out per contract employee.
- C. Contracting out of new functions not previously undertaken or covered by existing employees shall be permitted provided it is determined that the services cannot be adequately performed by bargaining unit employees.
- D. Non-bargaining unit employees (Temporary workers) employed by the District for the purpose of filling a bargaining unit position while a bargaining unit employee is on approved leave (i.e., not those instances where the temporary worker is filling a vacant position) need not be terminated for the duration of the approved leave.

SECTION 16.03 INTERN PROGRAM

The District operates a College Intern Program and High School Intern Program. In connection with these actions, the District and the EA agree that individuals appointed to College Intern or High School Intern classifications shall be allowed to perform bargaining unit work based on the conditions set forth in this Agreement.

PART A: COLLEGE INTERNS

1. The EA and the District shall mutually establish College Intern Program guidelines and College Intern classifications. The District shall have the right to determine where Interns are assigned. The District agrees Interns shall perform work consistent with the class specification only. The College Intern classifications shall be in place and in effect prior to the implementation of Part A.
2. The District has the right to determine the number of College Interns to use in this Program. The cumulative hours for all College Interns shall not exceed 4,000 hours in each calendar year.
3. The District has the right to determine each College Intern's work schedule. The District shall be allowed to assign intermittent, part-time or full-time work schedules to College Interns. College Interns shall not be assigned work in excess of 40 hours in a workweek. College Interns are subject to the Fair Labor Standards Act (FLSA).
4. For each 4-week period (two pay periods), the District shall report to the EA in writing the names, duties, hours of work in that 4-week period, and cumulative hours of work for all College Interns in the calendar year. The District shall ensure that the EA President or designee is in receipt of this written report no later than 14 calendar days from the end of the preceding 4-week period.
5. College Interns shall not be eligible to become members of the EA and are not covered by the MOU.
6. The hourly pay rate for Air Quality Intern shall be equivalent to that of step A of the entry level job classification of the specified series most closely related to the specific assignment.

PART B: HIGH SCHOOL INTERNS

1. The EA and the District have established the High School Intern Program guidelines and the High School Intern classification. The District shall have the right to determine where High School Interns are assigned. The District agrees High School Interns shall perform work consistent with the class specification only. The High School Intern classification shall be in place and in effect prior to the implementation of Part B.
2. The District has the right to determine the number of High School Interns to use in this Program. The cumulative hours for all High School Interns shall not exceed 2,000 hours in each calendar year.
3. The District has the right to determine each High School Intern's work schedule. The District shall be allowed to assign intermittent, part-time or full-time work schedules to High School Interns. High School Interns shall not be assigned work in excess of 40 hours in a workweek. High School Interns are subject to FLSA. High School Interns shall not be eligible to perform work done by regular employees as an overtime assignment that includes

but not limited to, home and garden shows, county fairs, lawn mower exchange programs, wood stove exchange programs, ethnic celebrations and earth day fairs.

4. For each 4-week period (two pay periods), the District shall report to the EA in writing the names, duties, hours of work in that 4-week period, and cumulative hours of work for all High School Interns in the calendar year. The District shall ensure that the EA President or designee is in receipt of this written report no later than 14 calendar days from the end of the preceding 4-week period.
5. High School Interns shall not be eligible to become members of the EA and are not covered by the MOU.
6. The hourly rate for High School Interns shall be the City and County of San Francisco minimum wage.

PART C: VIOLATIONS OF THIS AGREEMENT

1. If the EA believes this Side Letter is being violated, the President or designee shall request a meeting with the Human Resource Officer or designee to review concerns. The meeting shall be held within 5 calendar days of the request. In the event matters are not resolved to the EA's satisfaction, at the sole discretion of the EA, the EA may move any alleged violation of this Agreement to binding arbitration, beginning at Section 4.09 of the MOU. If an arbitrator determines that the District violated any provision in Part A and/or Part B of this Agreement, then Part A and/or Part B inclusive shall automatically be rendered null and void and terminated. For example, if an arbitrator determined that the District only violated a provision in Part A of this Agreement, the District would terminate the College Intern Program. The High School Intern Program would not be affected. If an Intern Program is terminated, all Interns in that program shall be terminated within 7 calendar days from the date of receipt of the arbitrator's decision. If an arbitrator determines that the District violated any provision in Part E of this Agreement, then Part A and Part B shall automatically be rendered null and void and terminated.
2. Upon termination of Part A and/or Part B, as a result of the arbitrator's decision, the District shall have the right to discontinue the work performed by an Intern or offer current bargaining unit employees overtime to complete the work that was previously performed by the Interns.

PART D LAYOFFS AND BUMPING

Except as provided under Section 16.02 of the MOU, if for any reason layoffs and/or bumping is implemented, then all non-regular employees (e.g. temporary part-time or full time worker, College Intern or High School Intern) performing bargaining unit work shall be terminated prior to layoffs and/or bumping of any regular bargaining unit employee. A regular employee is an employee who is hired on a permanent basis.

PART E MISCELLANEOUS

1. The District shall pay to the EA an equivalent amount of dues, that the College Interns would have paid had they been EA members, as applicable under Section 2.06 of the MOU.
2. Except as provided in Section 16.02 of the MOU, all other temporary employees performing bargaining unit work shall be terminated for the duration of this agreement.
3. In the event that part A and or Part B are terminated the remaining provisions of this agreement remain in full force and effect.
4. Non-bargaining unit employees (Temporary workers) employed by the District for the purpose of filling a bargaining unit position (not a vacant position) while a bargaining unit employee is on approved leave need not be terminated for the duration of the approved leave.

SECTION 16.04 I-BOND PROGRAM

1. A category of limited term appointments shall be established to perform work necessitated by the I-Bond grant program, or to backfill vacancies created when District employees accept such limited term appointments.
 - A. "Limited Term" is defined as employment that is paid for by I-Bond funds and is not to exceed the duration of the I-Bond grant funding.
 - B. When I-Bond funding terminates, either for an individual position or the program, limited term appointments associated with that funding shall terminate. Employees in limited term positions are not subject to Article 10 of the collective bargaining agreement.
 - C. Limited term employees shall be considered employees represented by the Bay Area Quality Management District Employees' Association, Inc.
 - D. Limited term employees shall be limited to non-supervisory positions.
 - E. This agreement is not intended to prohibit the District from hiring full-time regular employees for any purpose.
2. For I-Bond limited term appointments only, a separate promotional recruitment process may run concurrent with an open recruitment process.
 - A. The Association waives Article 16.01 Sections 8 A, B and C of the collective bargaining agreement for these I-Bond limited term appointments only.
 - B. Qualified regular full-time employees shall be considered prior to consideration of candidates from an open recruitment.

3. Regular full-time employees of the Bay Area Air Quality Management District who are hired into an I-Bond limited term position shall have the right to return to her/his regular full-time position when I-Bond funding terminates.
4. Contract employees shall not be used for I-Bond projects after April 30, 2009 unless otherwise agreed to by the parties. The Association shall not unreasonably withhold agreement. Disputes regarding application of this provision will be subject to expedited binding arbitration, using a pre-determined list of arbitrators; selection from the list will be based on the first available arbitrator. The date of the arbitration shall not exceed 30 days from the date of request. Arbitration decisions pursuant to this provision will be issued at the conclusion of the arbitration hearing.

ARTICLE XVII MEMORANDUM OF UNDERSTANDING

SECTION 17.01 ENTIRE AGREEMENT

It is the intent of the parties hereto that the provisions of this Memorandum of Understanding supersede previous agreements between the parties.

This Memorandum of Understanding supersedes any and all other statements of policy or procedure established by this District through its Board of Directors insofar as such provisions relate directly to the matters specifically dealt with herein. Matters not the subject to bilateral agreement through this Memorandum of Understanding remain in full force and effect. Unless specifically amended by the terms of this Understanding, all other terms and conditions of employment remain as previously established.

SECTION 17.02 CONSISTENCY WITH ADMINISTRATIVE CODE

To the extent that any provisions of said Policies and Procedures, which pertain to any subject within the scope of representation, are inconsistent with the terms of this Memorandum of Understanding, the terms of this Memorandum of Understanding shall prevail. During the term of this Memorandum of Understanding, no new provision or amendment to said Policies and Procedures not in accord with this Memorandum or which directly affect wages, hours, terms or conditions of employment of employees covered by this Memorandum of Understanding shall be adopted and/or implemented by the District except upon written agreement with the Association following meet and confer with bargaining representatives.

SECTION 17.03 SEVERABILITY

It is understood that this Memorandum of Understanding is not intended to conflict with any State or Federal law; however, should any provision be deemed ineffective or null and void by reason of law, the remaining provisions shall remain in full force and effect.

SECTION 17.04 INTERIM BARGAINING

Nothing contained in this Memorandum of Understanding, included but not limited to any reopener provision, shall allow any modifications to this Agreement without written consent of the parties hereto.

ARTICLE XVIII INTERIM ADJUSTMENTS

During the term of this MOU any and all increases in salary or benefits granted to all confidential employees not expressly provided herein to the Association members shall be immediately incorporated into this MOU.

ARTICLE XIX SAVINGS PROVISION

Should any provision of this Agreement be found to be in contravention of any Federal or State law, or by a court of competent jurisdiction, such particular provision shall be null and void, but all other provisions of this Agreement shall remain in full force and effect until otherwise canceled or amended by mutual agreement of the parties. In the event that any provision shall be held unlawful and unenforceable by any court of competent jurisdiction, the parties agree to meet forthwith for the purpose of renegotiating such provision in an attempt to reach a valid agreement.

ARTICLE XX TERM OF AGREEMENT

The District and the Association agree that the term of this Agreement shall commence July 1, The District and the Association agree that the term of this Agreement shall commence July 1, ~~2014~~2017 and expire at midnight on June 30, ~~2017~~2019. No less than ninety (90) days prior to the expiration of this MOU the parties shall commence negotiation for a successor MOU. No less than six months before the expiration of this agreement, the parties may, by mutual agreement, extend the term of this Agreement for one additional year. If the parties agree to such an extension, the salary, transit subsidies, and the benefit allowance provisions shall also be applied for one additional year, and the respective amounts shall be adjusted accordingly.

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ARTICLE XXI SUBMISSION TO BOARD OF DIRECTORS

The provisions of the Memorandum of Understanding are hereby being submitted to the Board of Directors of the Bay Area Air Quality Management District for its approval.

For the District

Date

For the BAAQMD Employees' Association, Inc.

Date

APPENDIX A: CLASSIFICATIONS

Accountant	Principal Air Quality Engineer
Accounting Assistant I/II	Principal Air Quality Specialist
Administrative Analyst	Principal Environmental Planner
Administrative Secretary	Programmer Analyst I/II
Advanced Projects Advisor	Public Information Officer I/II
Air Quality Case Settlement Specialist I/II	Radio Telephone Operator
Air Quality Chemist I/II	Radio Telephone Operator Supervisor
Air Quality Engineer I/II	Receptionist
Air Quality Inspector I/II	Research Analyst
Air Quality Instrument Specialist I/II	Secretary
Air Quality Laboratory Technician I/II	Senior Accounting Assistant
Air Quality Meteorologist I/II	Senior Advanced Projects Advisor
Air Quality Permit Technician I/II	Senior Air Quality Chemist
Air Quality Specialist I/II	Senior Air Quality Engineer
Air Quality Technical Assistant	Senior Air Quality Inspector
Air Quality Technician I/II	Senior Air Quality Instrument Specialist
Atmospheric Modeler	Senior Air Quality Meteorologist
Building Maintenance Mechanic	Senior Air Quality Permit Technician
Data Entry Operator	Senior Air Quality Technician
Database Specialist	Senior Air Quality Specialist
Deputy Clerk of the Boards	Senior Atmospheric Modeler
Environmental Planner I/II	Senior Environmental Planner
Facilities Maintenance Worker	Senior Public Information Officer
Facilities Services Supervisor	Statistician
Fiscal Services Coordinator	Supervising Air Quality Engineer
Legislative Analyst	Supervising Air Quality Inspector
Librarian	Supervising Air Quality Instrument Specialist
Mechanic I/II	Supervising Air Quality Meteorologist
Office Assistant I/II	Supervising Air Quality Specialist
Office Services Supervisor	Supervising Environmental Planner
Organization Development & Training Spec.	Supervising Public Information Officer
Permit Coordinator	Supervising Systems Analyst
Principal Accountant	Systems Analyst
Principal Air & Meteorological Monitoring Specialist	Systems Quality Assurance Specialist
Principal Air Quality Chemist	Toxicologist
	Web Master

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. -----

**A Resolution to Approve a Successor Memorandum of Understanding Between
the Air District and the Bay Area Air Quality Management District
Employees' Association**

WHEREAS, the current Memorandum of Understanding (MOU) between the Bay Area Air Quality Management District ("Air District") and the Bay Area Air Quality Management District Employees' Association ("Association") representing the Technical/General representation group and the Professional representation group (collectively, the "Representation Groups") was approved by the Board on June 18, 2014, by Resolution No. 2014-06 said MOU having an expiration date of June 30, 2017; and

WHEREAS, representatives of the Air District, as authorized by this Board, have met and conferred in good faith with representatives of the Association regarding salaries, fringe benefits, and other terms and conditions of employment for the Representation Groups; and

WHEREAS, the Air District and Association negotiators reached an Agreement for a new Memorandum of Understanding from July 1, 2017 through June 30, 2019; and

WHEREAS, the attached MOU reflects the changes agreed to by the Air District and the Association, including changes agreed to pursuant to interim bargaining that have already been approved by the Board of Directors; and

WHEREAS, the Agreement as reflected in the attached MOU has been duly ratified by the membership of the Association;

NOW, THEREFORE, BE IT RESOLVED that the attached MOU between the Air District and the Association be, and is, hereby approved.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the _____ day of _____ 2017 by the following vote of the Board:

AYES:

NOES:

ABSENT:

ATTEST:

LIZ KNISS
Chairperson of the Board of Directors

KATIE RICE
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 19, 2017

Re: Consider Establishing New Job Classifications of Assistant Staff Specialist I at Salary Level 122 and Assistant Staff Specialist II at Salary Level 126

RECOMMENDATION

Establish the new job classifications of Assistant Staff Specialist I at Salary Level 122 (\$66,209 - \$80,478) and Assistant Staff Specialist II at Salary Level 126 (\$72,996 - \$88,727).

BACKGROUND

In 2015, the Board of Directors adopted the Staff Specialist job classification series to perform a variety of administrative, technical, and specialized functions in various Air District programs. The job classification series was intended for staff mobility and promotional opportunity. This job classification series included a journey level, senior level and supervisory level. There is a need to expand this series to include an entry level.

DISCUSSION

The Assistant Staff Specialist I/II job classification is an entry level position designed to perform a variety of administrative work in areas such as incentives, contracts, business services, finance, budget, facility management programs, and other programs as needed. This newly created job classification will allow more flexibility in recruiting for administrative type positions. It is also intended to provide staff mobility and promotional opportunities within the agency.

BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no budget impact beyond that already contemplated in the fiscal year ending 2017 budget. This recommendation will not increase FTEs.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Judy Yu
Reviewed by: Rex Sanders

Attachment 8A: Draft of Assistant Staff Specialist I/II Job Description

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

DRAFT JUNE 2017

ASSISTANT STAFF SPECIALIST I/II

DEFINITION

Under general supervision, performs a variety of administrative work limited to the areas of incentives, contracts, business services, finance, budget, facility management programs, and other programs as needed; performs related work as assigned.

DISTINGUISHING CHARACTERISTICS

Assistant Staff Specialist I is the entry level in this classification. Initially under close supervision, incumbents learn District procedures and policies while performing the more routine duties. As experience is gained, assignments become more diversified and are performed with less supervision. This class is alternately staffed with Assistant Staff Specialist II and incumbents may advance to the higher level classification after gaining experience and demonstrating proficiency which meet the qualifications of the higher level class.

Assistant Staff Specialist II is the journey level in this classification, fully proficient to perform higher-level program work than the Assistant Staff Specialist I. Incumbents perform a variety of administrative support functions in the programs listed in the definition above, and perform other related work as required. This class is distinguished from administrative support positions in that the latter provide general and routine office administrative support. This class is further distinguished from Staff Specialist in that the latter performs specialized functions in assigned programs at a professional level.

EXAMPLES OF DUTIES: The Assistant Staff Specialist duties will vary by Division, and will include a subset of the example duties listed below for the specific position.

Assists in the administration and coordination of a variety of District programs and projects; performs administrative tasks.

Assists in the development and implementation of new or improved systems to increase program effectiveness and reduce operational cost; assists in the preparation of cost analyses

Researches and compiles a variety of data and informational materials related to District programs; analyzes and summarizes such information as directed; Assist in preparing verbal and written reports.

Receives and screens visitors and telephone calls, providing factual information which requires the interpretation of policies and procedures.

Responds orally and in writing to inquiries regarding District programs to District staff, industry, public, and other agencies.

Maintains and updates computer databases and systems.

Receives, logs, reviews, processes documents, reports, and applications in accordance with established procedures and in compliance with regulations.

Schedules, attends, and participates in workshops, meetings, and trainings; prepares materials and follows up as required.

Assists in drafting new and revised policies and procedures for various programs.

Confers with industry representatives, District staff, the public and other agencies to obtain and disseminate technical and operational information regarding District programs.

Assists with internal and external program audits.

QUALIFICATIONS

Knowledge of: The Assistant Staff Specialist duties will vary by Division, and will require knowledge of a subset of the items listed below for the specific position.

Basic principles of program administration and management including principles, practices and methods of administrative, organization, financial analysis.

Public financing, budgeting and accounting.

Business organizational functions, operations and objectives.

Basic principles and practices of public personnel administration.

Basic principles, methods, and techniques of research, data analysis and statistics.

Principles of work scheduling and coordination.

Report writing methods and techniques.

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

Correct English usage, including spelling, grammar and punctuation.

Basic theories, principles and practices of air quality and emissions sources.

Skill in: The Assistant Staff Specialist duties will vary by Division, and will require a subset of the skills listed below for the specific position.

Assisting in research studies and reports including the collection, organization, analysis and development of administrative, financial, and organization recommendations.

Preparing basic written analysis and reports.

Understanding budget, financial and account analysis work.

Understanding rules, regulations and guidelines; Be able to assist in explaining requirements to both technical and non-technical audiences.

Communicating effectively with industry representatives, District staff, members of the public and other agencies, orally and in writing.

Maintaining required confidentiality in carrying out assignments, studies and projects.

Using initiative and sound independent judgment; follow established guidelines.

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

Education and Experience:

A typical way to obtain the knowledge and skills is:

Assistant Staff Specialist I: Equivalent to an Associate degree and one year of experience in office, program, or administrative support.

Assistant Staff Specialist II: In addition to the above, two years of experience providing administrative support services, preferably in an environmental program.

Other Requirements:

Specified positions may require the possession of a valid California driver's license.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 19, 2017

Re: Consider Amending the Salary Range for the Human Resources Technician I Job
Classification from Salary Range 116 to 122 and the Human Resources Technician II
Job Classification from Salary Range 120 to 126

RECOMMENDATION

Amend the salary range for the Human Resources Technician I job classification from Salary Range 116 to 122 (\$66,209 - \$80,478) and the Human Resources Technician II job classification from Salary Range 120 to 126 (\$72,996 - \$88,727).

BACKGROUND

The Air District's salary plan is designed to equalize the salary for positions that are equivalent in the type and level of work it performs, as well as determining internal equity. The Human Resources Technician I/II job classification is currently paid at a rate that is lower than all other technician-level classifications at the Air District for the same level of responsibility.

DISCUSSION

The Human Resources Technician I/II position provides administrative, technical, and specialized work in a variety of human resources programs. The level of work and responsibility is equivalent to that of all other technician-level classifications at the Air District. The increase in salary range will adjust the internal equity of the position and allow the Air District to be competitive in recruiting and retaining staff in the future.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This recommendation will increase the budget ending 2018 by approximately \$11,764. The recommendation will not increase full time employees (FTEs).

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Judy Yu
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 28, 2017

Re: Consider Authorizing the Executive Officer/APCO to Execute a Contract in an amount not to exceed \$150,000 for the purpose of Agricultural Waste Chipping in Lieu of Open Burning

RECOMMENDED ACTION

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with The Davey Tree Expert Company, or with another vendor at Staff's discretion, in an amount not to exceed \$150,000, for the purpose of contracting for an Agricultural Waste Chipping Program to reduce open burning and its associated particulate matter emissions.

BACKGROUND

The Air District (District) wishes to enter into an agreement in an amount not to exceed \$150,000 to provide agricultural waste chipping services to private property owners who decide to chip their agricultural waste in lieu of open burning the material.

DISCUSSION

The Agricultural Waste Chipping Program assists property owners in disposing of agricultural waste materials from certain qualifying agricultural operations by providing free chipping services in lieu of open burning the material. As a non-burning disposal method, chipping this material is expected to reduce particulate matter emissions compared to burning. The District is non-attainment for the daily federal and annual state PM_{2.5} standards, and reducing open burning will reduce PM loading into the District's air basin, especially during the wintertime season when particulate pollution is heaviest.

This work results in a contract amount that exceeds \$100,000 and therefore requires Board of Directors approval.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funding for this project is included in the Fiscal Year Ending 2018 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael Wall
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Report of the Climate Protection Committee Meeting of May 18, 2017

RECOMMENDED ACTION

The Climate Protection Committee (Committee) received only informational items and has no recommendations of approval by the Board of Directors (Board).

BACKGROUND

The Committee met on Thursday, May 18, 2017, and received the following reports:

- A) Statewide Scoping Plan Update
- B) Plan Bay Area 2040; and
- C) Implementation of the 2017 Clean Air Plan

Chairperson Teresa Barrett will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None.
- B) None; and
- C) Resources to begin implementation of the 2017 Plan have been included in the Fiscal Year Ending (FYE) and he proposed FYE 2018 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 11A: 05/18/17 – Climate Protection Committee Meeting Agenda #4
Attachment 11B: 05/18/17 – Climate Protection Committee Meeting Agenda #5
Attachment 11C: 05/18/17 – Climate Protection Committee Meeting Agenda #6

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2017

Re: Statewide Scoping Plan Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Statewide Climate Change Scoping Plan (Scoping Plan) describes the framework for California's efforts to reduce emissions of greenhouse gases (GHGs) and protect the climate. The initial Scoping Plan was adopted by the Air Resources Board (ARB) in 2008, in response to AB 32, the Global Warming Solution Act signed into law in 2006. The Scoping Plan must be updated every five years. The first update to the Scoping Plan was approved by the ARB Board in May 2014. In 2016, the Legislature passed SB 32, which codifies a 2030 GHG emissions reduction target of 40 percent below 1990 levels. The Legislature also passed AB 197, companion legislation which provides additional direction for developing the Scoping Plan.

DISCUSSION

ARB is moving forward with a second update to the Scoping Plan to reflect the 2030 target codified by SB 32, as well as making significant progress toward the long-term target of reducing GHG emissions 80 percent below 1990 levels pursuant to the Governor's Executive Order S-3-05. ARB released the Proposed Scoping Plan Update in January 2017. Air District staff has followed this process closely and provided comments on the proposed update, and considered Scoping Plan policies and programs in the recently-adopted 2017 Clean Air Plan. The ARB governing board is expected to take action on the Scoping Plan Update in June 2017. ARB staff will describe the Proposed Scoping Plan Update to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Burch
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2017

Re: Plan Bay Area 2040

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) have been working together to update Plan Bay Area (PBA). The two agencies issued the Draft Plan Bay Area 2040 in early April, as a limited and focused update to the initial PBA adopted in 2013. PBA 2040 describes the long-range regional transportation and land use strategy; serves as the region's "sustainable communities strategy" pursuant to Senate Bill 375; and provides a strategy to reduce per-capita greenhouse gases (GHG) emissions from light-duty cars and trucks in order to achieve the State-mandated target for the Bay Area. MTC and ABAG are currently holding a series of nine open houses across the Bay Area to receive public input on the Draft PBA 2040, with adoption of the plan by their governing boards slated for July 2017.

DISCUSSION

The Bay Area economy has grown rapidly since 2010, and the region is currently grappling with the impacts of the rapid increase in jobs, on our housing, and transportation sectors. PBA 2040 projects that the Bay Area will continue to experience robust growth over the next several decades, adding 2.4 million new residents and 1.3 million new jobs from 2010 to 2040. While economic growth brings many benefits, it also poses challenges in terms of longer commutes and more traffic congestion, increased emissions of air pollutants and GHGs, displacement of lower-income families from desirable urban neighborhoods, more development pressures in outlying areas. Managing the anticipated growth to address these challenges will be critical to protect the environment and promote social equity.

Since the transportation sector is the largest source of air pollutants and GHGs in the Bay Area, PBA 2040 will play a critical role in achieving our air quality and climate protection goals. Pursuant to the requirements of Senate Bill 375, the plan focuses on reducing per-capita GHG emissions from light-duty vehicles, and providing sufficient housing for all income levels of the

projected regional population. The land use and transportation strategy described in PBA 2040 is based upon directing future growth to “priority development areas” (PDAs) in existing communities that are well-served by existing transportation infrastructure and amenable to transit, biking, and walking. To complement the land use strategy, PBA 2040 also describes a transportation investment strategy for the \$300 billion in revenues anticipated through 2040. The transportation investment strategy focuses on maintenance and modernization to improve the operational efficiency of the existing transit and roadway network.

PBA 2040 also identifies specific programs to improve air quality and protect the climate. To help reduce per-capita GHG emissions from light- and medium-duty vehicles, the plan will direct \$226 million through 2040 to continue and expand successful climate initiatives, including transportation demand management programs, car-sharing, and advanced-technology and low-emission vehicles. In addition, PBA 2040 identifies \$350 million for a Clean Fuels and Impact Reduction program to implement the Freight Emissions Reduction Action Plan. The freight plan was developed by MTC in conjunction with the Air District and other stakeholders as a companion document to PBA 2040.

The land-use policies and transportation investments in PBA 2040 will play an important role in helping to implement the comprehensive set of transportation sector measures described in the Air District’s recently-adopted 2017 Clean Air Plan (2017 CAP). In combination, the 2017 CAP and PBA 2040 provide a roadmap to accommodate growth, while protecting the Bay Area’s environment and quality of life.

MTC staff will describe PBA 2040 and explain how the plan complements the air quality and climate protection strategy described in the 2017 Clean Air Plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Burch
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 5, 2017

Re: Implementation of the 2017 Clean Air Plan

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On April 19, 2017, the Board of Directors adopted *Spare the Air – Cool the Climate*, the Air District's 2017 Clean Air Plan (Plan). The Plan serves as an update to the Bay Area's regional air quality plan pursuant to state ozone planning requirements. In addition to ozone precursors, the Plan addresses emissions of other criteria pollutants, toxic air contaminants and greenhouse gases. The Plan proposes an ambitious and comprehensive set of 85 control measures designed to reduce these emissions over the next three to five years.

DISCUSSION

The Plan's control strategy includes an aggressive rule-making schedule, as well as many non-regulatory control measures that identify activities the Air District will undertake to achieve GHG and air pollutant emission reductions. Non-regulatory measures include grants and incentives, support for local government activities, outreach and education activities, collaborations with different stakeholder groups, research, etc. Staff will update the Committee on the implementation strategy for the Plan and early actions for which implementation has already begun.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Resources to begin implementation of the 2017 Plan have been included in the Fiscal Year Ending (FYE) 2017 and the proposed FYE 2018 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Report of the Mobile Source Committee Meeting of May 25, 2017

RECOMMENDED ACTION

The Mobile Source Committee (Committee) recommends Board of Directors' approval of the following items:

- A) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria and a Proposed Amendment to One FYE 2017 TFCA Regional Fund Policy
 - 1) Approve the proposed FYE 2018 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; and
 - 2) Approve the proposed amendment to the readiness policy in the FYE 2017 TFCA Regional Fund Policies
- B) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Expenditure Plans
 - 1) Approve the allocation of new FYE 2018 TFCA CPM Funds listed in Table 1; and
 - 2) Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the total funds to be programmed in FYE 2018, listed in Table 1
- C) Update on Regional Efforts to Deploy Electric Vehicles and Infrastructure
 - 1) None; receive and file

BACKGROUND

The Committee met on Thursday, May 25, 2017, and received the following reports:

- A) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria and a Proposed Amendment to One FYE 2017 TFCA Regional Fund;
- B) Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Expenditure Plans; and
- C) Update on Regional Efforts to Deploy Electric Vehicles and Infrastructure

Chairperson Karen Mitchoff will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source;
- B) None. TFCA CPM revenues are generated from Department of Motor Vehicles registration fees and 40% of the revenues are passed through to the CPMs; and
- C) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha Galimba
Reviewed by: Maricela Martinez

Attachment 12A: 05/17/17 – Mobile Source Committee Meeting Agenda #4
Attachment 12B: 05/17/17 – Mobile Source Committee Meeting Agenda #5
Attachment 12C: 05/17/17 – Mobile Source Committee Meeting Agenda #6

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Karen Mitchoff and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 10, 2017

Re: Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) Regional
Fund Policies and Evaluation Criteria and a Proposed Amendment to One FYE 2017
TFCA Regional Fund Policy

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve the proposed FYE 2018 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; and
2. Approve the proposed amendment to the readiness policy in the FYE 2017 TFCA Regional Fund Policies.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority for the Transportation Fund For Clean Air (TFCA) and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. The authorizing legislation requires that the Air District's Board of Directors (Board) adopt cost-effectiveness criteria that govern the use of TFCA funds.

Sixty percent of TFCA funds are allocated by the Board to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and to a program referred to as the TFCA Regional Fund. The Board approved an allocation of \$29.24 million, including \$13.93 million in new TFCA monies, for FYE 2018 on April 19, 2017.

Per Board direction on December 16, 2009, the Executive Officer/APCO is authorized to execute grant agreements with project sponsors who propose projects with individual grant award amounts up to \$100,000 for projects that meet the respective governing policies and guidelines. TFCA Regional Fund projects with grant award amounts over \$100,000 are brought to the Air District's Mobile Source Committee for consideration at least on a quarterly basis.

DISCUSSION

Outreach

The proposed FYE 2018 Policies reflect extensive feedback received from stakeholders over the past year. On January 26, 2017, the Air District posted the proposed policies on the Air District's website and opened the public comment period. The public comment process was advertised via the Air District's TFCA grants email notification system, which was sent to more than 800 stakeholders and to representatives from each of the nine Bay Area Congestion Management Agencies (CMA). The process was also advertised at other public meetings, such as the January 2017 CMA Directors' meeting. Three webinar workshops were held to discuss the policies and proposed changes for FYE 2018 (on February 14, 15, and March 2, 2017); in total, these webinars were attended by 35 stakeholders. The Air District received six sets of comments by the close of the comment period on March 13, 2017. Attachment C provides a summary of the six public comments received by the deadline along with staff's responses.

Proposed FYE 2018 Policies

The proposed FYE 2018 Policies (Attachment A) include both general requirements that are applicable to all TFCA Regional Fund project types, as well as project-specific requirements for nine project categories. Public stakeholder input received over the past year and during the public comment period was reviewed and considered for incorporation into the proposed FYE 2018 Policies. Language and grammatical revisions were also made for clarification purposes. A redline copy of the FYE 2018 policies that shows the changes from the previous year policies are included as Attachment B. Table 1 below shows the key revisions proposed in the FYE 2018 Policies.

Table 1: Summary of Key Revisions to TFCA Regional Fund Policies and Evaluation Criteria

Policy # and Title	Description of Proposed Change
#2. TFCA Cost-Effectiveness	Add the cost-effectiveness for Hydrogen Stations.
#8. Readiness	Revise the time frame to allow a project to commence 12 months from the date the funding agreement is fully executed.
#32. Bikeways	Clarify the distance that a proposed bikeway must be from a qualifying location is based on the bikeable distance.

Amendment to Policy #8 of the FYE 2017 TFCA Regional Fund Policies

The solicitations for the FYE 2017 Regional Fund Programs are released as they are developed and new solicitations are expected to open later this year. While the current Policy #8 (Readiness) requires projects to commence by the end of calendar year 2017, funding awards will be made and funding agreements will be generated throughout calendar year 2017, and project sponsors have expressed concerns meeting this requirement for projects awarded close to the deadline. To address this issue, staff is recommending a change to Policy #8 (Readiness) in the Board-adopted FYE 2017 TFCA Regional Fund Policies. The proposed amendment allows Project Sponsors one year from the date that the funding agreement is executed to commence their projects.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael Neward
Reviewed by: Karen Schkolnick

- Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018 (Clean)
- Attachment B: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018 (Redline)
- Attachment C: Comments Received and Staff Responses to Proposed FYE 2018 Policies

**TFCA REGIONAL FUND POLICIES
AND EVALUATION CRITERIA FOR FYE 2018**

The following policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) 2018

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project’s funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness (\$/weighted ton) is based on the ratio of TFCA funds awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project’s useful life.

Table 1: Maximum Cost-Effectiveness for FYE 2018 TFCA Regional Fund Projects

Policy #	Project Category	Maximum C-E (\$/weighted ton)
22	On-Road Truck Replacements	\$90,000
23	Light-Duty Zero- and Partial-Zero Emissions Vehicles for Fleets	\$250,000
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	\$250,000
25	Hydrogen Stations	\$500,000
26	Reserved	Reserved
27	Reserved	Reserved
28	Existing Shuttle/Feeder Bus Services	\$200,000; \$250,000 for services in CARE Areas or PDAs
29	Pilot Trip Reduction — in Community Air Risk Evaluation (CARE) areas or Priority Development Areas (PDAs)	\$250,000
30	Existing Regional Ridesharing Services	\$150,000
31	Electronic Bicycle Lockers	\$250,000
32	Bikeways	\$250,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards; those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted Federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

Agenda 4 – Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018 (Clean)

- ii. **Non-public entities** are only eligible to apply for Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).
 - b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant’s representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 32, project applicants must demonstrate evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Unless otherwise specified in policies #22 through 32, the maximum grant award amounts are:
 - a. Each public agency may be awarded up to \$1,500,000 per calendar year; and
 - b. Each non-public entity may be awarded up to \$500,000 per calendar year.
8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2018 or a total of 12 months from the date of execution of funding agreement by the Air District, whichever is later. For purposes of this policy, “commence” means a tangible preparatory action taken in connection with the projects’ operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. “Commence” can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through 32, FYE 2018 TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects)
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at of the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who have an unresolved violation of Air District, state or federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District’s final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the TFCA Regional Funds’ requirements and/or requirements of HSC Code section 44220 et seq.; the project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund; or otherwise failed to comply with the approved project scope, as set forth in the project funding agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District’s award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements, which includes the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

INELIGIBLE PROJECTS

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are both: 1) directly related to the implementation of a specific project or program, and 2) directly contribute to the project’s emissions reductions.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

USE OF TFCA FUNDS

19. **Combined Funds:** Unless otherwise specified in policies #22 through 32, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** Unless otherwise specified in policies #22 through 32, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited

to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.

21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

ELIGIBLE PROJECT CATEGORIES

To be eligible for TFCA Regional funding, a proposed project must meet the purposes and requirements for the particular category's type of project.

Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project will replace Class 6, Class 7, or Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA)) with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction, and must be scrapped after replacement.
23. **Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets:** The project will accelerate the deployment of zero- and partial-zero-emissions light-duty vehicles:
- a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
 - b. Each vehicle must be 2017 model year or newer, and have a GVWR of 14,000 lbs. or lighter;
 - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;
 - d. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, and fuel cell vehicles approved for on-road use by the CARB; and
 - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
 - f. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
 - g. The amount of TFCA funds awarded may not exceed 90% of the vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
24. **Heavy-Duty Zero- and Partial-Zero-Emissions Vehicles:** The project will help fleet operators achieve significant voluntary emission reductions by encouraging the replacement of older, compliant vehicles with the cleanest available technology, and help fleet operators who are expanding their fleet to choose the cleanest available technology:
- a. Vehicles must be new, 2017 model year or newer, and have a GVWR of greater than 14,000 lbs.;
 - b. Vehicles may be purchased or leased;
 - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;

Agenda 4 – Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018 (Clean)

- d. Eligible vehicles must be approved by the CARB; and
 - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
 - f. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
 - g. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
 - h. The amount of TFCA funds awarded may not exceed 90% of a vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
25. **Hydrogen Stations:** These projects are intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:
- a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;
 - b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
 - c. Each station must be maintained and operated for a minimum of three years.
 - d. TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.
 - e. TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$250,000 per station.
 - f. Stations must have received a passing score and/or received approval for funding from a State or federal agency.

26. **Reserved.**

27. **Reserved.**

Trip Reduction Projects

28. **Existing Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:
- a. The service must provide direct service connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;
 - b. The service's schedule must be coordinated to have a timely connection with the corresponding mass transit service;
 - c. The service must be available for use by all members of the public;
 - d. TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed "comparable" to an existing service if the passengers' proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service's travel time to the proposed destination;
 - e. **Reserved.**

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- f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
- g. Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) and the administrative costs paid for by TFCA Regional Funds;
- h. Project Sponsors must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency; and
- i. Applicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.
- j. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).

29. **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital for the startup of Pilots, with the goal of transitioning the project to be financially self-sustaining within three years from the project's start date:

- a. The proposed project must be located in a Highly Impacted Community or Episodic Area as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in a Priority Development Area (PDA);
- b. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants;
- c. The proposed service must be available for use by all members of the public;
- d. Applicants must attend a mandatory pre-application workshop to discuss their proposed project with the Air District; and
- e. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining within three years.

In addition, for pilot service projects:

- f. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- g. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
- h. Pilot shuttle/feeder bus and ridesharing service projects must comply with all applicable requirements in policies #28 and #30.

30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

Bicycle Projects

31. **Electronic Bicycle Lockers:** The project will expand the public's access to new electronic bicycle lockers. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan, and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of lockers, at the rate of \$2,500 per locker, for example, a quad contains four lockers and would be eligible for a maximum award amount of \$10,000.

Monies expended by Project Sponsors to pay for the purchase and installation of lockers and for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible for use as matching funds. Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible for use as matching funds.

32. **Bikeways:** The project will construct and/or install new bikeways that are included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), countywide transportation plan (CTP), city general plan or area-specific plan, or the Metropolitan Transportation Commission's Regional Bicycle Plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet at least one of the following conditions:

- a. Be located within one-half mile biking distance from the closer of a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals) or a bike share station;
- b. Be located within one-half mile biking distance from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts);
- c. Be located within one-half mile biking distance from three activity centers (e.g., employment centers, schools, business districts).

Projects are limited to the following types of bikeways:

- a. New Class-I bicycle paths;
- b. New Class-II bicycle lanes;
- c. New Class-III bicycle routes; or
- d. New Class-IV cycle tracks or separated bikeways.

REGIONAL FUND EVALUATION CRITERIA:

1. Projects must meet all of the applicable TFCA Regional Fund policies.
2. Applications will also be evaluated using the evaluation process listed in Table 2:

Table 2: Evaluation Process by Project Category

Policy #	Project Category	Evaluation Process
22	On-Road Truck Replacements	Applications will be reviewed on a first-come, first-served basis, and funding amounts for eligible projects will be determined based on a project’s cost-effectiveness and conformity to their respective project specific Policy requirements.
23	Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets	
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	
25	Hydrogen Stations	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and conformity to Policy #25.
26	Reserved	Reserved
27	Reserved	Reserved
28	Existing Shuttle/Feeder Bus Services	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and conformity to their respective project specific Policy requirements.
29	Pilot Trip Reduction	
30	Existing Regional Ridesharing Services	
31	Electronic Bicycle Lockers	Applications will be reviewed on a first-come, first-served basis, and eligible projects will be recommended for funding until funding has been depleted.
32	Bikeways	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and conformity to Policy #32. Projects that serve regional or county-wide transit stops/stations/terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) or bike share stations will receive a higher priority.

3. Up to sixty percent (60%) of TFCA Regional Funds will be prioritized for projects that meet one or more of the following criteria:
 - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
 - b. Projects in Priority Development Areas (PDAs).

**TFCA REGIONAL FUND POLICIES
AND EVALUATION CRITERIA FOR FYE ~~2017~~2018**

The following policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) ~~2017~~2018-

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE ~~2017~~2018.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project’s funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness (\$/weighted ton) is based on the ratio of TFCA funds awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project’s useful life.

Table 1: Maximum Cost-Effectiveness for FYE ~~2016~~ TFCA Regional Fund Projects

Policy #	Project Category	Maximum C-E (\$/weighted ton)
22	On-Road Truck Replacements	\$90,000
23	Light-Duty Zero- and Partial-Zero Emissions Vehicles for Fleets	\$250,000
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	\$250,000
25	Hydrogen Stations Reserved	\$500,000Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	Existing Shuttle/Feeder Bus Services	\$200,000; \$250,000 for services in CARE Areas or PDAs
29	Pilot Trip Reduction — in Community Air Risk Evaluation (CARE) areas or Priority Development Areas (PDAs)	\$250,000
30	Existing Regional Ridesharing Services	\$150,000
31	Electronic Bicycle Lockers	\$250,000
32	Bikeways	\$250,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards; those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted Federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

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- ii. **Non-public entities** are only eligible to apply for Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).
 - b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 32, project applicants must demonstrate evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Unless otherwise specified in policies #22 through 32, the maximum grant award amounts are:
 - a. Each public agency may be awarded up to \$1,500,000 per calendar year; and
 - b. Each non-public entity may be awarded up to \$500,000 per calendar year.
8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year ~~2017~~2018 or a total of 12 months from the date of execution of funding agreement by the Air District, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the projects' operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through 32, ~~FYE~~ 2017FYE 2018 TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects)
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at of the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who have an unresolved violation of Air District, state or federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District’s final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the TFCA Regional Funds’ requirements and/or requirements of HSC Code section 44220 et seq.; the project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund; or otherwise failed to comply with the approved project scope, as set forth in the project funding agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District’s award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements, which includes the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

INELIGIBLE PROJECTS

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are both: 1) directly related to the implementation of a specific project or program, and 2) directly contribute to the project’s emissions reductions.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

USE OF TFCA FUNDS

19. **Combined Funds:** Unless otherwise specified in policies #22 through 32, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** Unless otherwise specified in policies #22 through 32, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited

to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.

21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

ELIGIBLE PROJECT CATEGORIES

To be eligible for TFCA Regional funding, a proposed project must meet the purposes and requirements for the particular category's type of project.

Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project will replace Class 6, Class 7, or Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA)) with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction, and must be scrapped after replacement.
23. **Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets:** The project will accelerate the deployment of zero- and partial-zero-emissions light-duty vehicles:
- a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
 - b. Each vehicle must be 2016⁷ model year or newer, and have a GVWR of 14,000 lbs. or lighter;
 - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;
 - d. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, and fuel cell vehicles approved for on-road use by the CARB; and
 - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
 - f. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
 - g. The amount of TFCA funds awarded may not exceed 90% of the vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
24. **Heavy-Duty Zero- and Partial-Zero-Emissions Vehicles:** The project will help fleet operators achieve significant voluntary emission reductions by encouraging the replacement of older, compliant vehicles with the cleanest available technology, and help fleet operators who are expanding their fleet to choose the cleanest available technology:
- a. Vehicles must be new, 2016⁷ model year or newer, and have a GVWR of greater than 14,000 lbs.;
 - b. Vehicles may be purchased or leased;
 - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;

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- d. Eligible vehicles must be approved by the CARB; and
 - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
 - f. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
 - g. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
 - h. The amount of TFCA funds awarded may not exceed 90% of a vehicle’s cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
25. **Hydrogen Stations:** These projects are intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:
- a. Stations must be located within the Air District’s jurisdiction and be available and accessible to the public;
 - b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
 - c. Each station must be maintained and operated for a minimum of three years.
 - d. TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.
 - e. TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$250,000 per station.
 - f. Stations must have received a passing score and/or received approval for funding from a State or Federal agency.

26. **Reserved.**

27. **Reserved.**

Trip Reduction Projects

28. **Existing Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:
- a. The service must provide direct service connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;
 - b. The service’s schedule must be coordinated to have a timely connection with the corresponding mass transit service;
 - c. The service must be available for use by all members of the public;
 - d. TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, “comparable service” means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed “comparable” to an existing service if the passengers’ proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service’s travel time to the proposed destination;
 - e. **Reserved.**

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- f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
- g. Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) and the administrative costs paid for by TFCA Regional Funds;
- h. Project Sponsors must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency; and
- i. Applicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.
- j. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).

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- a. The proposed project must be located in a Highly Impacted Community or Episodic Area as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in a Priority Development Area (PDA);
- b. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants;
- c. The proposed service must be available for use by all members of the public;
- d. Applicants must attend a mandatory pre-application workshop to discuss their proposed project with the Air District; and
- e. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining within three years.

In addition, for pilot service projects:

- f. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- g. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
- h. Pilot shuttle/feeder bus and ridesharing service projects must comply with all applicable requirements in policies #28 and #30.

30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

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31. **Electronic Bicycle Lockers:** The project will expand the public’s access to new electronic bicycle lockers. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission’s Regional Bicycle Plan, and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of lockers, at the rate of \$2,500 per locker, for example, a quad contains four lockers and would be eligible for a maximum award amount of \$10,000.

Monies expended by Project Sponsors to pay for the purchase and installation of lockers and for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible for use as matching funds. Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible for use as matching funds.

32. **Bikeways:** The project will construct and/or install new bikeways that are included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), countywide transportation plan (CTP), city general plan or area-specific plan, or the Metropolitan Transportation Commission’s Regional Bicycle Plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet at least one ~~or more~~ of the following conditions:

- a. Be located within one-half mile ~~(1/2)~~ biking distance from ~~the closer of~~ a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals, ~~bike share station~~) or a bike share station;
- b. Be located within one-half mile ~~(1/2)~~ biking distance from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts);
- c. Be located within one-half mile ~~(1/2)~~ biking distance from three activity centers (e.g., employment centers, schools, business districts).

Projects are limited to the following types of bikeways:

- a. New Class-I bicycle paths;
- b. New Class-II bicycle lanes;
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- d. New Class-IV cycle tracks or separated bikeways.

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23	Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets	
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	
25	Reserved <u>Hydrogen Stations</u>	<u>Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and conformity to Policy #25.</u> Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	Existing Shuttle/Feeder Bus Services	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness <u>conformity</u> to their respective project specific Policy requirements.
29	Pilot Trip Reduction	
30	Existing Regional Ridesharing Services	
31	Electronic Bicycle Lockers	Applications will be reviewed on a first-come, first-served basis, and eligible projects will be recommended for funding until funding has been depleted.
32	Bikeways	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness <u>conformity</u> to Policy #32. Projects that serve regional or county-wide transit stops/stations/terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) or bike share stations will receive a higher priority.

3. Up to sixty percent (60%) of TFCA Regional Funds will ~~receive a higher priority for~~be prioritized for projects that meet one or more of the following criteria:
 - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
 - b. Projects in Priority Development Areas (PDAs).

Agenda 4 Attachment C: Comments Received and Staff Responses to Proposed FYE 2018 TFCA Regional Fund Policies

Committer and Agency	Comment	Staff Response
<p>Peter Skinner; SamTrans, San Mateo County Transit District</p>	<p>(In Reference to Policy # 29, Pilot Trip Reduction): The first sentence states “The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where <i>no similar service</i> was available within the past three years, or will result in significantly expanded service to an existing area.”</p> <p>What type of service are you referring to in the highlighted text? Are you referring to transportation services in general (such as traditional transit service like a bus) or just similar to the pilot?</p> <p>If the answer is transportation services in general, it should be refined to just refer to a program similar to the pilot. An example of an acceptable pilot might be a transit agency wants to eliminate underperforming bus routes and try a pilot program to provide vouchers for Transportation Network Carriers (such as Uber or Lyft) to encourage people who would not take traditional transit service (bus) to take a more personalized transportation service. Without taking into account the cost effectiveness of the program or other requirements, a proposal like this should be considered under the pilot program criteria.</p>	<p>“Similar service” in the sentence “no similar service was available within the last three years” refers to both traditional transit services (e.g. fixed-route shuttle bus) and any trip reduction/mobility programs that are similar to the proposed project, such as an on-demand services program coordinated and/or sponsored by a local agency in the same area as the proposed project.</p>
<p>Zachary Kahn; BYD America</p>	<p>We would strongly encourage the BAAQMD to amend the current proposed draft, which allows funding to be utilized for non zero-emission technologies, and instead focus funding on zero emission technologies only. Diverting funding that could be utilized for zero emission technologies towards legacy partial-zero polluting technologies diminishes the opportunity to leverage the TFCA Zero Emission program to its maximum potential. Now that zero emission battery electric technology is fully mature and cost competitive with legacy technologies, there is simply no reason to keep funneling public dollars into polluting legacy technologies. Possible cuts to other funding sources that promote clean air and clean transportation only make it more important to focus programs like the TFCA around zero emission technologies.</p>	<p>The proposed policies are designed to provide higher levels of funding for projects that deploy zero emissions vehicles, while still providing opportunities for replacement of older diesel vehicles to cleaner options.</p>

Agenda 4 Attachment C: Comments Received and Staff Responses to Proposed FYE 2018 TFCA Regional Fund Policies

Committer and Agency	Comment	Staff Response
<p>Erik Neandross and JoAnne Golden-Stewart; Gladstein, Neandross & Associates</p>	<p>The Draft FYE 2017 TFCA Regional Fund notes that “new vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible” for funding. However, given recent advancements in ultra-low NOx emitting natural gas vehicles (NGVs), especially when used in conjunction with increasingly available renewable natural gas (RNG) fuel, this advanced NGV technologies can provide an immediate, cost-effective opportunity for TFCA to achieve critical emission reductions. Natural gas already powers growing number of trucks and buses in key niches, such as sanitation and solid waste, school and transit buses, urban delivery, port drayage, and, where the fueling infrastructure supports it, long-haul trucking. Having an immediate, easily-integrated engine and drop-in renewable fuel option for existing fleets creates the opportunity for significant and meaningful criteria pollutant and GHG reductions</p> <p>Given that the TFCA has already identified a maximum cost-effectiveness threshold for heavy-duty zero- and partial-zero emission vehicles of \$250,000 per weighted ton, we strongly urge the BAAQMD to provide a technology-neutral solicitation where all clean and renewable technologies can compete, thereby supporting significantly more cost-effective and immediate air quality improvements for the region. We also request the reinstatement of natural gas fueling stations for funding eligibility. Both the proposed FY 2017 and current FY 2016 funding plans exclude natural gas fueling stations from eligibility, and conversations with BAAQMD staff indicate that this is due in part to the perception that NGVs don’t help the BAAQMD achieve surplus emission reductions. As the following analysis will show, support for new, advanced NGVs and supporting refueling infrastructure can have a significant near-term impact on criteria pollutant and GHG emissions and impacts.</p>	<p>Natural gas and low-NOx heavy-duty vehicles are eligible for funding under policy #22, which applies to projects that replace older diesel vehicles, with cleaner options.</p> <p>The Air District has previously provided grant funds to CNG fueling infrastructure; However, the current heavy-duty engine standards are the same for diesel and CNG trucks so there are no surplus emissions benefits between the two technologies. Since the fueling stations funded by the Air District are required to be available and accessible to the public, it would be difficult to ensure that only vehicles with engines certified to the optionally cleaner low-NOx standards utilize the funded infrastructure (vs. traditional CNG vehicles certified to the current standards). The Air District would like to focus on accelerating the deployment of fueling stations that can only be used by the clean motor vehicle technologies that are available to provide surplus emissions reduction benefits today, e.g. hydrogen fuel cell vehicles.</p>
<p>Dana Turrey; Sonoma County Transportation Authority</p>	<p>The Sonoma County Transportation Authority (SCTA) would like to see the Regional Fund Policies allow for Bike Share projects, consistent with the County Program Manager Fund policy number 30</p>	<p>In 2015, the Air District transferred bikeshare funding and oversight responsibilities to the Metropolitan Transportation Commission (MTC), with the understanding that the Air District would maintain responsibility for funding and oversight to support the acceleration of electric vehicles in the region. For that reason, the policies for bikeshare are not included in these policies. However, funding for this project category is still available through the TFCA’s County Program Manager Fund.</p>

Agenda 4 Attachment C: Comments Received and Staff Responses to Proposed FYE 2018 TFCA Regional Fund Policies

Committer and Agency	Comment	Staff Response
<p>Maria Timofeyeva; ALTRANS</p>	<p>I'm a manager of a community shuttle program. It carries about 15,000 people per month and runs around the town. One of the destinations is a Caltrain station. It is privately owned but is available for public for free. We serve senior communities, public schools, movie theater, shopping plazas, etc.</p> <p>So, since our program is not a first/last mile service, we are not going to buy any new vehicles next year because we already have our own electric plus gas backup buses, I wonder under which category we should apply for a grant. Will a specific category for community shuttle programs which already exists in Palo Alto, Mountain View, S.San Francisco, ect. be added?</p> <p>With all the changes coming from VTA we are looking for a support to be able to increase service to some areas of the community and would like to have resources to create new routes.</p> <p>From webinar: I have a question regarding a community shuttle programs. Will they be eligible or only shuttles going to work places? Our program is using electric buses.</p>	<p>The authorizing legislation for the TFCA requires that sponsors of feeder bus and shuttle service projects be a public agency. Non-public agencies are eligible to apply for vehicle based-projects, such as funding to deploy zero-emissions or 2010-standard and cleaner vehicles.</p> <p>Additionally, non-public entities are also eligible to apply to the District's <i>Charge!</i> Program, which provides funding to support the purchase and installation of electric vehicle charging equipment.</p>
<p>Tong Reanna; City of Palo Alto</p>	<p>For bikeshare projects, are you still requiring bike systems to be part of Bay Area Bike Share?</p>	<p>The TFCA Regional Fund does not include any requirements for Bikeshare projects. Anyone interested in learning about available funding opportunities and requirements for a bicycle sharing systems are encouraged to contact their local liaison for the County Program Manager Fund.</p>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Karen Mitchoff and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 10, 2017

Re: Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) County
Program Manager (CPM) Expenditure Plans

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve the allocation of new FYE 2018 TFCA CPM Funds listed in Table 1; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the total funds to be programmed in FYE 2018, listed in Table 1.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242. The authorizing legislation requires the Air District Board of Directors (Board) to annually adopt policies that govern the use of TFCA funding to maximize emissions reductions and public health benefit. Policies for the upcoming FYE 2018 cycle were adopted by the Board on November 16, 2016.

By law, forty percent (40%) of these revenues are distributed to the designated CPM in each of the nine counties within the Air District's jurisdiction and the funds are distributed proportionally to the fees generated in each county.

Every year, each CPM submits an expenditure plan application to the Air District specifying the funding available for projects and program administration for the upcoming fiscal year. The authorizing legislation allows CPMs to allocate and use up to 5% of new TFCA monies that were received prior to January 1, 2016, and up to 6.25% of new TFCA monies that are received after January 1, 2016, to fund their administrative costs. CPMs are also required to allocate any available TFCA funds to eligible projects within six months of the Board's approval of their expenditure plan.

DISCUSSION

FYE 2018 Expenditure Plans

For FYE 2018, seven of the nine CPMs submitted compliant expenditure plan applications by the March 3, 2017 deadline, and two CPMs submitted applications by March 14, 2017.

Table 1 shows the funds that are estimated to be available to CPMs in FYE 2018:

- **Column A** (highlighted in blue) shows the amount of new TFCA funds (revenue monies) that are projected for each county in FYE 2018.
- **Column B** shows the amount of TFCA funds that were reported by CPMs in their expenditure plans that are available for reprogramming from prior-year projects that were recently completed under budget or canceled, and interest earned.
- **Column C** shows the sum of columns A and B, and is the total amount of funds that are estimated to be available to each of the nine CPMs in FYE 2018.

Table 1: FYE 2018 TFCA Funding for County Program Managers

	A	B	C
County Program Manager	Estimated New TFCA Funds	TFCA Funds to be Reprogrammed*	Total FYE 2017 Funds
Alameda County Transportation Commission	\$2,024,825	\$195,463	\$2,220,288
Contra Costa Transportation Authority	\$1,509,966	\$22,242	\$1,532,208
Transportation Authority of Marin	\$356,940	\$138,463	\$495,403
Napa Valley Transportation Authority	\$199,236	\$22,315	\$221,551
San Francisco County Transportation Authority	\$736,049	\$36,714	\$772,763
San Mateo City/County Association of Governments	\$1,079,043	\$464,611	\$1,543,654
Santa Clara Valley Transportation Agency	\$2,482,587	\$408,718	\$2,891,305
Solano Transportation Authority	\$312,902	\$2,660	\$315,562
Sonoma County Transportation Authority	\$644,505	\$11,650	\$656,155
TOTAL	\$9,346,053	\$1,302,836	\$10,648,889

*Based on funds available for reprogramming from prior-year CPM projects that were recently completed under budget or canceled, and interest earned.

Summary of Projects Awarded CPM TFCA Funding in FYE 2017

At the March 2017 meeting of the Mobile Source Committee, Board Members inquired about the types of projects that are funded by the County Program Managers. Attachment 1 lists the projects that were awarded TFCA funds by the CPMs in FYE 2017.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA CPM revenues are generated from Department of Motor Vehicles registration fees and 40% of the revenues are passed through to the CPMs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael Neward
Reviewed by: Chengfeng Wang and Karen Schkolnick

Attachment 1: Summary of projects that were awarded TFCA funds by the County Program Managers in FYE 2017

AGENDA 5 - ATTACHMENT 1

Summary of projects that were awarded TFCA funds by the County Program Managers in Fiscal Year Ending (FYE) 2017

Project #	Project Category	Project Description	Award Amount	Project Sponsor	Emission Reductions (Tons per year)			County
					ROG	NO _x	PM	
17ALA01	Shuttle & Rideshare	Countywide SR2S Program, FYs 16/17 & 17/18	\$ 100,000.00	Alameda County Transportation Commission (CTC)	0.1581	0.0781	0.0687	Alameda
17ALA02	Shuttle & Rideshare	Countywide Bicycling, Transit and Carpool Promotion Programs	\$ 105,000.00	Alameda County Transportation Commission (CTC)	0.5731	0.5288	0.8729	Alameda
17ALA03	Bicycle Facilities	San Pablo Ave Cycle Track Gap Closure	\$ 123,000.00	City of Albany	0.0243	0.0149	0.0244	Alameda
17ALA04	Bicycle Facilities	Hearst Ave Class 2 Bike Lanes	\$ 88,000.00	City of Berkeley	0.0175	0.0107	0.0175	Alameda
17ALA05	Arterial Management & Signal Timing	South Fremont Arterial Management	\$ 425,000.00	City of Fremont	0.1420	0.5166	0.0000	Alameda
17ALA06	Shuttle & Rideshare	Oakland Broadway B Shuttle	\$ 264,000.00	City of Oakland	0.2572	0.0648	0.3609	Alameda
17ALA07	Shuttle & Rideshare	Bernal Ave Park and Ride Lot	\$ 189,000.00	City of Pleasanton	0.1600	0.1580	0.2707	Alameda
17ALA08	Shuttle & Rideshare	San Leandro LINKS Shuttle, Fys 17/18 & 18/19	\$ 104,000.00	City of San Leandro	0.1000	0.0531	0.0879	Alameda
17ALA09	Shuttle & Rideshare	CSUEB - Hayward BART 2nd Shuttle, FY 17/18	\$ 128,000.00	California State University, East Bay	0.1767	0.1619	0.2685	Alameda
17ALA10	Shuttle & Rideshare	LAVTA Rte 30 BRT Operations, FYs 17/18-18/19	\$ 318,000.00	Livermore Amador Valley Transit Authority (LAVTA)	0.4356	-0.3581	0.5940	Alameda
17CC01	Other Trip Reduction Programs	West Contra Costa Trip Reduction Program	\$ 316,676.81	West Contra Costa Transportation Advisory Committee (WCCTAC)	1.7984	1.5742	2.5227	Contra Costa
17CC02	Other Trip Reduction Programs	Central/East SOV Trip/Emissions Reduction Program	\$ 801,666.00	Contra Costa Transportation Authority	3.2594	2.9819	4.8994	Contra Costa
17CC03	Other Trip Reduction Programs	Southwest Contra Costa County Emissions/Trip Reduction Program	\$ 283,602.00	City of San Ramon	1.3092	1.0699	1.6434	Contra Costa
17MAR01	Bicycle Facilities	Gate 6/Bridgeway Intersection Improvements	\$ 344,659.00	City of Sausalito	0.0833	0.0696	0.1441	Marin
17NAP01	Electric Vehicles	Calistoga EV Charging Station	\$ 8,000.00	City of Calistoga	0.0044	0.0033	0.0006	Napa
17NAP02	Bicycle Facilities	Donaldson Way Sidewalk Gap Project	\$ 101,249.00	City of American Canyon	0.0165	0.0101	0.0165	Napa
17NAP03	Other Trip Reduction Programs	SNCI Napa County Marketing and Commute Incentives	\$ 50,000.00	Solano Napa Commuter Information (SNCI)	0.5525	0.5523	0.4586	Napa
17SF01	Shuttle & Rideshare	Gator Pass Implementation Project	\$ 350,000.00	San Francisco State University	1.9735	1.7514	2.8293	San Francisco
17SF02	Electric Vehicles	Alternative Fuel Taxicab Vehicle Incentive Program	\$ 250,000.00	San Francisco Municipal Transportation Agency	0.6111	0.3849	0.0030	San Francisco
17SF03	Other Trip Reduction Programs	San Francisco Emergency Ride Home Program	\$ 36,269.00	San Francisco Department of the Environment	0.1217	0.1066	0.1708	San Francisco
17SF04	Bicycle Facilities	Short-Term Bicycle Parking	\$ 335,988.00	San Francisco Municipal Transportation Agency	0.1692	0.1079	0.1352	San Francisco
17SM01	Shuttle & Rideshare	Countywide Voluntary Trip Reduction Program	\$ 525,000.00	Peninsula Traffic Congestion Relief Alliance	5.8827	5.2591	8.6000	San Mateo
17SM02	Shuttle & Rideshare	SamTrans Shuttle Program	\$ 109,000.00	SamTrans	0.2166	0.1294	0.3512	San Mateo
17SM03	Shuttle & Rideshare	San Carlos Transit Connector Shuttle	\$ 162,860.00	SamTrans and City of San Carlos	0.0782	0.0544	0.0812	San Mateo
17SM04	Bicycle Facilities	SamTrans Bike Racks on Buses	\$ 160,128.00	SamTrans	0.0800	0.0500	0.0600	San Mateo
17SM05	Arterial Management & Signal Timing	San Mateo County Smart Corridor - South San Francisco Expansion	\$ 267,012.00	City/County Association of Governments of San Mateo County	0.5600	0.2400	0.0000	San Mateo
17SC01	Shuttle & Rideshare	DASH Shuttle	\$ 826,000.00	Santa Clara Valley Transportation Authority	1.2218	1.1672	2.0252	Santa Clara
17SC02	Arterial Management & Signal Timing	Lafayette Signal Timing Project	\$ 210,000.00	City of Santa Clara	0.1514	0.3595	0.0029	Santa Clara
17SC03	Arterial Management & Signal Timing	Bowers Signal Timing Project	\$ 590,000.00	City of Santa Clara	0.3001	0.7335	0.0275	Santa Clara
17SC04	Other Trip Reduction Programs	School Improvements	\$ 290,000.00	City of Santa Clara	0.2901	0.1338	0.1439	Santa Clara
17SC05	Arterial Management & Signal Timing	Fremont Avenue Signal Timing Improvements	\$ 55,321.00	City of Sunnyvale	0.2592	0.4183	0.0000	Santa Clara
17SC06	Arterial Management & Signal Timing	Mary Avenue Signal Timing Improvements	\$ 98,724.00	City of Sunnyvale	0.2571	0.7038	0.0000	Santa Clara
17SC07	Arterial Management & Signal Timing	Hollenbeck Avenue Signal Timing Improvements	\$ 59,869.00	City of Sunnyvale	0.1438	0.3394	0.0000	Santa Clara
17SC08	Arterial Management & Signal Timing	Remington Drive Signal Timing Improvements	\$ 38,897.00	City of Sunnyvale	0.1388	0.3162	0.0000	Santa Clara
17SC10	Arterial Management & Signal Timing	Weekend Signal Timing Coordination of Capitol Expressway, Foothill Expressway, Lawrence Expressway, and San Tomas Expressway	\$ 180,000.00	County of Santa Clara Roads and Airports Department	0.4249	1.1575	0.0000	Santa Clara
17SC11	Bicycle Facilities	Interim Bicycle Improvement through I-280/Page Mill Interchange Area	\$ 125,000.00	Santa Clara County	0.0302	0.0185	0.0302	Santa Clara

AGENDA 5 - ATTACHMENT 1

Summary of projects that were awarded TFCA funds by the County Program Managers in Fiscal Year Ending (FYE) 2017

Project #	Project Category	Project Description	Award Amount	Project Sponsor	Emission Reductions (Tons per year)			County
					ROG	NO _x	PM	
17SC12	Bicycle Facilities	Mary Avenue Bicycle and Traffic Calming Project	\$ 245,000.00	City of Sunnyvale	0.0483	0.0297	0.0483	Santa Clara
17SC13	Other Trip Reduction Programs	Safe Routes to School - Pedestrian Infrastructure Improvements	\$ 415,961.00	City of Sunnyvale	0.3254	0.1553	0.1274	Santa Clara
17SOL01	Other Trip Reduction Programs	Solano Commute Alternatives Outreach and Incentive Program	\$ 340,664.00	Solano Transportation Authority/Solano Napa Commuter Information	2.6513	2.6902	2.3013	Solano
17SON01	Other Trip Reduction Programs	Santa Rosa Trip Reduction Incentive Program	\$ 234,670.00	City of Santa Rosa - Transit Division	0.7660	0.5322	0.7233	Sonoma
17SON02	Electric Vehicles	Santa Rosa EV Chargers, Public Access Courthouse Square Reunification Project	\$ 25,000.00	City of Santa Rosa	0.0192	0.0141	0.0015	Sonoma
17SON03	Other Trip Reduction Programs	Transit Marketing Program	\$ 71,265.00	Sonoma County Transit	0.1702	0.1490	0.2389	Sonoma
17SON04	Shuttle & Rideshare	Sonoma County Transit - SMART / Airport Area Shuttle	\$ 70,000.00	Sonoma County Transit	0.0315	0.0191	0.0227	Sonoma
17SON05	Bicycle Facilities	Sebastopol Local City Streets Bikeway Gap Closures	\$ 50,000.00	City of Sebastopol	0.0204	0.0160	0.0320	Sonoma
17SON06	Other Trip Reduction Programs	Youth Bus Pass Subsidy Program	\$ 13,000.00	City of Petaluma	0.0589	0.0342	0.0386	Sonoma
17SON07	Other Trip Reduction Programs	Petaluma Transit Marketing	\$ 67,731.00	City of Petaluma	0.3128	0.1818	0.2051	Sonoma
17SON08	Arterial Management & Signal Timing	Petaluma Transit: Transit Signal Priority Project	\$ 52,724.00	City of Petaluma	0.0569	0.0363	0.0455	Sonoma

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Karen Mitchoff and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 10, 2017

Re: Update on Regional Efforts to Deploy Electric Vehicles and Infrastructure

RECOMMENDATIONS

None; receive and file.

BACKGROUND

The Bay Area is home to over 5 million on-road vehicles that are responsible for approximately 40% of the criteria pollutants and 36% of the greenhouse gases emitted in the region.^{1, 2} Additionally, the heavy-duty vehicles in this population are responsible for over 80% of the cancer health risk from toxic air contaminants, principally due to diesel particulate matter (DPM) emissions. The Bay Area Air Quality Management District's (Air District) Community Air Risk Evaluation (CARE) program has shown that DPM has disproportionate impacts on communities located along Bay Area highways and around major cargo hubs such as the Port of Oakland.

Because these emissions adversely affect the region's air quality and impacts the region's most vulnerable communities, the Air District has invested over \$146 million in funding since 2012, and has concentrated significant portions of its grant, enforcement, and educational and outreach programs (e.g., Spare the Air) to reduce tailpipe emissions from these vehicles. These efforts have directly resulted in the deployment of 1,561 passenger electric vehicles (EVs), 271 zero emissions heavy duty trucks and buses, 1,041 publicly available Level 2 and 53 DC fast chargers, 1,400 residential chargers and 12 hydrogen fueling stations.

In addition, the Air District estimates that its investments have expanded the region's network of 4,483 publicly available EV chargers by over 24% and have helped the region achieve the highest EV adoption rates in the country, with more than 91,000 EVs, or 38% of California's EV population, registered to Bay Area drivers.

¹ BAAQMD, [Bay Area Emissions Inventory Summary Report: Criteria Air Pollutants Base Year 2011](#), May 2014.

² BAAQMD, [Bay Area Emissions Inventory Summary Report: Greenhouse Gases Base Year 2011](#), January 2015.

DISCUSSION

While significant progress is being made to reduce emissions from the transportation sector, the Air District's electric vehicle deployment roadmap – *The Bay Area Plug-In Electric Vehicle Readiness Plan (2013)* – shows that the region needs to deploy 247,000 electric vehicles by the year 2025 in order to meet the requirements in the California Air Resources Board's light duty vehicle regulation and the greenhouse gas emissions reductions targets set in the Metropolitan Transportation Commission's Plan Bay Area. In addition to these goals, the Air District's 2017 Clean Air Plan has set aggressive targets to decarbonize transportation, which extend far beyond 2025.

The Air District's investments and efforts have, and will continue to, play a significant role in catalyzing the Bay Area's shift towards zero emission transportation; however, it cannot complete these efforts alone. As part of this item, staff will update the Committee on the status of two significant new programs in development by the Pacific Gas & Electric Company and Volkswagen's - Electrify America.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: July 18, 2017

Re: Report of the Personnel Committee Meeting of June 2, 2017

RECOMMENDED ACTION

The Personnel Committee (Committee) recommends Board of Directors' approval of the following item:

- A) Conduct Interviews and Consider Recommending Board of Directors' Approval of Candidates for Appointment to the Air District's Hearing Board:
 - 1) The appointment of Danny Cullenward as Attorney Category Alternate

BACKGROUND

The Committee met on Friday, June 2, 2017 and received the following report and recommendations:

- A) Conduct Interviews and Consider Recommending Board of Directors' Approval of a Candidate for Appointment to the Air District's Hearing Board.

Chairperson Jim Spering will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Fremming
Reviewed by: Maricela Martinez

Attachment 13A: 06/02/17 – Personnel Committee Meeting Agenda #4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Jim Spering and Members
of the Personnel Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 17, 2017

Re: Conduct Interviews and Consider Recommending Board of Directors Approval of
Candidates for Appointment to the Air District's Hearing Board

RECOMMENDED ACTION

Conduct interviews and consider recommending Board of Directors approval of candidates for appointment to the Air District's Hearing Board.

BACKGROUND

Pursuant to Section 40800 of the California Health and Safety Code, the Air District is required to maintain a Hearing Board consisting of five members including, one 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 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 member admitted to the practice of law in this state, and two public members. The Air District board 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 Division I, Section 8.6 of the Air District's Administrative Code, Hearing Board Member terms are limited to fifteen (15) consecutive years, with re-appointment possible after a three-year absence.

DISCUSSION

The Board of Directors recently appointed an alternate member in the Attorney category to a principal position in the Public Member category. As a result, there is one vacant position. Staff initiated a recruitment effort to fill the positions.

Staff outreached and advertised the positions to the following sites:

- Bay Area Newspapers
- Governmentjobs.com
- California Air Pollution Control Officers Association (CAPCOA)
- The Bar Association of San Francisco
- Alameda County Bar Association
- Lawcrossing.com
- Lawjobs.com
- Environmentaljobs.com
- Vetjobs.com
- Indeed.com
- Craigslist.org
- Community Mailing Lists

After extensive recruitment and outreach efforts, staff received a total of 9 applications. Staff and the Hearing Board Chair have assessed the candidates' experience and education relative to the position for which the candidates applied and have selected the top candidates with the most relevant qualifications to interview with the Personnel Committee.

Interviews of the candidates will occur during the Personnel Committee meeting. The length of each interview will be approximately fifteen minutes. The application materials of the candidates will be provided to you for your review.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Judy Yu
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Report of the Climate Protection Committee Meeting of July 20, 2017

RECOMMENDED ACTION

The Climate Protection Committee (Committee) recommends Board of Directors' approval of the following items:

- A) Air District Support for Paris Climate Agreement
 - 1) Supporting the "Under2" MOU and the "We Are Still In" sign-on letter
- B) Lower Emission School Bus Program Update and Funding Allocation
 - 1) None; receive and file.

BACKGROUND

The Committee met on Thursday, July 20, 2017, and received the following reports:

- A) Air District Support for Paris Climate Agreement; and
- B) Bay Area Model Solar Ordinance Project.

Chairperson Teresa Barrett will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None; and
- B) The Air District has funded consultant services and provided in-kind resources to support in-kind resources to support this project. Resources are included in the Fiscal Year Ending (FYE) 2018 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 14A: 07/20/17 – Climate Protection Committee Meeting Agenda #4
Attachment 14B: 07/20/17 – Climate Protection Committee Meeting Agenda #5

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 13, 2017

Re: Air District Support for Paris Climate Agreement

RECOMMENDED ACTION

Staff recommends that the Climate Protection Committee recommend that the Board of Directors demonstrate continuing Air District support for the Paris Climate Agreement by supporting the Under2 MOU and the We Are Still In sign-on letter.

BACKGROUND

Local governments around the world, including in the Bay Area, have been taking action to protect the climate since the early 1990's. Municipal commitment to reduce greenhouse gas (GHG) emissions has been demonstrated through local climate action plans, resolutions and joint statements for over twenty years, reflecting the view that acting to protect the climate yields a variety of benefits to local communities. President Trump's announcement on June 1, 2017 that the United States would withdraw from the Paris Climate Agreement has elicited a variety of responses among state and local governments, most notably the rise of public statements expressing solidarity with the rest of the world in support of the Paris Climate Agreement.

DISCUSSION

Collective, public statements on important issues provide opportunities to demonstrate leadership, particularly when they are reinforced by action. With the adoption of the *2017 Clean Air Plan – Spare the Air Cool the Climate*, the Air District has provided a bold vision and a comprehensive action strategy for a low-carbon Bay Area. By aligning with other sub-national leaders around the country to express support for the international climate agreement, we contribute to a global voice that strengthens our commitment, and enables us to serve as a model for action for other metropolitan regions.

Several public statements have arisen in direct response to President Trump's action, and several sign-on efforts that existed prior to June 1st have experienced renewed interest and visibility. Staff has researched the most relevant collective statements, including:

- *Under2 Coalition* commitment to reduce GHG emissions
- *We Are Still In* sign-on letter

- *U.S. Climate Alliance* governors' agreement
- *Climate Mayors* (Mayors National Climate Action Agenda) network

Staff recommends that the Air District participate in the Under2 Coalition and the We Are Still In sign-on statement, as these allow the Air District not only to make a strong, highly visible public statement, but to back that statement up with a commitment to action. The Under2 Coalition pre-dates the Paris Climate Accord and highlights the important role that sub-national jurisdictions have been playing in the effort to protect the climate. Signatories to the Coalition sign a "Global Climate Leadership MOU" (Attachment A), committing to reducing GHG emissions at least 80% below 1990 levels by 2050. Signatories must back up this commitment by demonstrating adopted targets and action plans. Participating in the Under2 Coalition will enable the Air District to join the ranks of major metropolitan regions and cities around the world that are taking aggressive action to reduce GHG emissions. A total of 176 jurisdictions worldwide have signed on to the Under2 MOU, including the State of California and the cities of San Francisco and Oakland.

The We Are Still In sign-on letter (Attachment B) was created in direct response to President Trump pulling the U.S. out of the Paris Climate Accord. We Are Still In invites interested parties to sign on to a statement to demonstrate to the Trump Administration and the international community that major sub-national leaders in the United States are still committed to ambitious action on climate change. Beyond signing the statement there is no substantive obligation. Signing the We Are Still In letter allows the Air District to make a strong, public statement on the specific issue of the President's withdrawal from the Paris Climate Accord, and signing the Under2 Coalition MOU backs that statement up with a commitment to action.

On July 12, 2017 Governor Jerry Brown and former New York City Mayor Michael Bloomberg announced the formation of America's Pledge, a new initiative to compile and quantify actions of states, cities, businesses and universities in the U.S. to reduce GHG emissions consistent with the goals of the Paris Agreement. The goal of this new initiative is to aggregate the commitments of the many local "subnational" climate protection activities throughout the U.S. and also spur increased local climate protection efforts. Details of the America's Pledge initiative are still being developed. Staff will track these efforts to assess whether Air District participation in this initiative is warranted.

Staff will present on the details of the recommended efforts.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Burch
Reviewed by: Henry Hilken

Attachment A: Under2 Coalition “Global Climate Leadership MOU”
Attachment B: We Are Still In sign-on statement

**GLOBAL CLIMATE LEADERSHIP
MEMORANDUM OF UNDERSTANDING (MOU)**

I. Statement of Purpose

- A. Climate change presents worldwide challenges and risks to environment and economies, impacting human health, increasing extreme weather events, threatening natural resources and triggering forced migration of populations. Impacts from climate change are already inevitable due to the greenhouse gas emissions (GHG) already resident in the atmosphere. At the same time, climate change responses and solutions create economic opportunities and benefits through sustainable energy and development. International efforts are necessary to ensure protection of humankind and our planet, and to limit the increase in global average temperature to below 2°C. To achieve this will require substantial emissions reductions over the next few decades and near zero emissions of CO₂ and other long-lived GHGs by the end of the century.

[(Intergovernmental Panel on Climate Change – Fifth assessment report (AR5))]

- B. Governments at all levels need act **now** to reduce GHG emissions in order to achieve long-term climate balance. Entities need to harness new technologies, policies, financing mechanisms, and economic incentives to reduce emissions while developing common metrics to measure their progress. Governments must also increase the resilience of infrastructure and natural systems to growing climate impacts.
- C. While the signatories to this MOU (hereinafter referred to as “the Parties”) acknowledge and affirm support of international activities and declarations to respond to climate change (including the Rio Declaration on Environment and Development (1992), the Montreal Declaration (2009), the Cancun Statement (2011), and the Lyon Declaration (2011)), international efforts on climate change to date have been inadequate to address the scale of the challenge we face. Despite limited progress in cooperation among nations, sub-national jurisdictions—including provinces, states, and cities—have led the world in setting ambitious climate targets and taking actions to reduce GHG emissions and protect against climate impacts.
- D. By working together and building on agreements such as the Declaration of Rio de Janeiro 2012 (Federated States and Regional Governments Committed to a New Paradigm for Sustainable Development and Poverty Eradication), subnational governments, together with interested nations, can help to accelerate the world’s response to climate change and provide a model for broader international cooperation among nations.

II. Reducing greenhouse gas emissions

- A. The guiding principle for reduction of GHG emissions by 2050 must be to limit global warming to less than 2°C. For Parties to this MOU this means pursuing emission reductions consistent with a trajectory of 80 to 95 percent below 1990 levels

by 2050 and/or achieving a per capita annual emission goal of less than 2 metric tons by 2050.

- B. In order to achieve this ambitious 2050 target, measurable progress must be made in the near-term to establish the trajectory of reductions needed. Midterm targets, including commitments for 2030 or earlier are critical. Recognizing that each party has unique challenges and opportunities, this agreement does not prescribe a specific path for 2030. Rather, Parties agree to undertake their own unique set of actions and plans in Appendix A to reach 2030 reduction goals and related targets.
- C. Parties aim at broadly increasing energy efficiency and a comprehensive development of renewable energy to achieve the GHG emission goals. Parties set forth their 2030 goals and targets for these and other critical areas in Appendix A.
- D. Specific areas of action, coordination, and cooperation:

The Parties agree that for actions related to this MOU, coordination and cooperation will be beneficial and will strengthen the efforts of participating states. The Parties agree to work together on solutions that provide near- and long-term environmental and economic co-benefits, including joint efforts where possible. The Parties may expand the list of specific areas of action set forth in this sub-section from time to time. The following is a non-exhaustive list of issues of interest for cooperation and coordination among the Parties:

1. Energy:

The Parties agree to share information and experience on redesign of the power supply and grid, technical solutions and advances in promoting large-scale switch to renewable energy and the integration of renewable energy sources, actions needed to ensure security of supply, and strategies to promote energy efficiency.

2. Traffic and Transport:

The Parties agree to take steps to reduce greenhouse gas emissions from passenger and freight vehicles, with the goal of broad adoption of "zero emission vehicles" and development of related zero emission infrastructure. The Parties agree to encourage land use planning and development that supports alternate modes of transit, especially public transit, biking, and walking.

3. Natural Resource Protection and Waste Reduction:

The Parties agree to collaborate on methods to reduce emissions from the natural resources and waste sectors, which exist at the nexus of climate mitigation and adaptation activity. Parties will share information about management techniques to sequester carbon and protect natural infrastructure. Parties will share technologies to reduce waste or convert waste to secondary raw materials or to energy.

4. Science and Technology:

The Parties agree to collaborate and coordinate on scientific assessment efforts, and share information and experience in technology development and deployment. Parties seek to help others learn from experience to maximize success of technological transitions and avoid potential obstacles.

5. Communication and Public Participation:

The Parties agree to collaborate and coordinate on messaging, transparency, public outreach around climate change, mitigation of GHG emissions, adaptation, and the subject matter of this MOU.

6. Short-lived Climate Pollutants:

The Parties agree to collaborate on the reduction of short-lived climate pollutants such as black carbon and methane, which will provide near-term air quality benefits, while also reducing potent climate forcing pollutants.

7. Inventory, Monitoring, Accounting, Transparency:

The Parties agree to work towards consistent monitoring, reporting, and verification across jurisdictions, and will work through mechanisms such as the Compact of States and Regions and the Compact of Mayors to that end.

III. Adaptation and Resilience

- A. The Parties agree to collaborate on actions to promote adaptation and resilience, with an eye toward maximizing benefits for both GHG emission reduction and climate adaptation.
- B. Parties will share best practices in modeling and assessment to understand projected climate impacts, especially at the regional and local scale. Entities will share best practices in integrating these findings into planning and investment.
- C. Parties will work together to build metrics and indicators that can help to track progress in reducing the risk of climate change to people, natural systems, and infrastructure.
- D. In working to reduce climate risk, Parties will look to natural or “green” infrastructure solutions that maximize ecological benefits while providing protection. Parties will share best practices in designing and deploying these solutions.
- E. Parties to this MOU will work to share innovative models for financing and supporting climate adaptation, including public-private partnerships, resilience funds, and competitive approaches.

IV. Means of Implementation

The Parties each have their own strategies to implement and achieve their goals and targets. While some strategies will be unique to particular Parties, others can be shared and/or modified by other Parties.

- A. Parties agree to collaborate and coordinate to advance respective interim targets consistent with 2050 goals and climate actions at the annual Conference of Parties and other international climate events.
- B. Parties agree to share and promote effective financing mechanisms domestically and internationally to the extent feasible.

- C. Parties agree to share technology to the extent feasible, such as through open source information.
- D. Parties agree to help build capacity for action and technology adaptation through technology transfer and expertise to the extent feasible.

This MOU is neither a contract nor a treaty.

WE ARE STILL IN

Open letter to the international community and parties to the Paris Agreement from U.S. state, local, and business leaders

We, the undersigned mayors, governors, college and university leaders, businesses, and investors are joining forces for the first time to declare that we will continue to support climate action to meet the Paris Agreement.

In December 2015 in Paris, world leaders signed the first global commitment to fight climate change. The landmark agreement succeeded where past attempts failed because it allowed each country to set its own emission reduction targets and adopt its own strategies for reaching them. In addition, nations - inspired by the actions of local and regional governments, along with businesses - came to recognize that fighting climate change brings significant economic and public health benefits.

The Trump administration's announcement undermines a key pillar in the fight against climate change and damages the world's ability to avoid the most dangerous and costly effects of climate change. Importantly, it is also out of step with what is happening in the United States.

In the U.S., it is local and state governments, along with businesses, that are primarily responsible for the dramatic decrease in greenhouse gas emissions in recent years. Actions by each group will multiply and accelerate in the years ahead, no matter what policies Washington may adopt.

In the absence of leadership from Washington, states, cities, colleges and universities, businesses and investors, representing a sizeable percentage of the U.S. economy will pursue ambitious climate goals, working together to take forceful action and to ensure that the U.S. remains a global leader in reducing emissions.

It is imperative that the world know that in the U.S., the actors that will provide the leadership necessary to meet our Paris commitment are found in city halls, state capitals, colleges and universities, investors and businesses. Together, we will remain actively engaged with the international community as part of the global effort to hold warming to well below 2°C and to accelerate the transition to a clean energy economy that will benefit our security, prosperity, and health.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 6, 2017

Re: Bay Area Model Solar Ordinance Project

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The State of California has long been a leader in promoting renewable energy, particularly solar power. Governor Brown has set a statewide goal of installing 12,000 megawatts of small-scale renewable projects, including rooftop solar, by 2020 – enough electric capacity to power approximately 2.5 million homes. As part of this statewide solar effort, the California Energy Commission (CEC) is implementing the New Solar Homes Partnership, with a goal of installing solar photovoltaic (PV) panels on 50 percent of all new homes statewide by 2020. CEC staff have recently drafted a model local ordinance requiring installation of solar PV panels on new residential construction.

An important long-term objective of the Air District's 2017 Clean Air Plan is to “decarbonize the energy system,” in part by making electricity carbon free. In support of this objective, the Plan calls for increasing the use of on-site renewable energy in buildings by developing model ordinances for local governments. In Fall of 2016, the Air District began collaborating with the Bay Area Regional Collaborative (BARC) and the Association of Bay Area Governments (ABAG) – through ABAG's Bay Area Regional Energy Network (BayREN) project – to develop a toolkit to help local governments adopt a model solar ordinance for new residential construction, based upon the CEC's draft ordinance.

DISCUSSION

Local governments wishing to adopt local building requirements more stringent than those included in California's Title 24 building standard must file an application through the CEC. This application must include a copy of the local ordinance and an analysis of the cost effectiveness of the proposed ordinance. Many local governments do not have the staff resources or expertise to develop ordinances or conduct cost-effectiveness studies. Air District staff, along with partner staff from BARC and ABAG, are jointly implementing the Model Solar Ordinance Project with the goal of making the adoption of the CEC's model ordinance streamlined and straightforward for Bay Area local governments.

The project team has reviewed and provided feedback on the CEC's draft solar ordinance, based on staff's internal technical review, interviews with Bay Area local government staff, and the input of a contractor hired to add technical expertise to the Project. The Project will produce a comprehensive toolkit designed to help local government staff navigate the process of gaining CEC approval for their proposed solar ordinance, culminating with local adoption. In addition to the model ordinance, the toolkit will include many tools to facilitate the process of seeing the ordinance through to adoption, including a template cost-effectiveness study required for CEC approval, a sample staff report, background information, etc. The toolkit will also include an outreach package including a presentation that can be used for local government meetings and presented to community groups to discuss the community benefits of adopting the solar ordinance.

Staff will present on the development and contents of the toolkit, and how staff will work with staff from BARC and ABAG to roll out and promote the use of the toolkit.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Air District has funded consultant services and provided in-kind resources to support this project. Resources are included in the Fiscal Year Ending (FYE) 2018 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Yvette DiCarlo
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 18, 2017

Re: Report of the Executive Committee Meeting of July 31, 2017

RECOMMENDED ACTION

The Executive Committee (Committee) may recommend Board of Directors' approval of the following items:

- A) Hearing Board Quarterly Report: January – March 2017 and April – June 2017
 - 1) None; receive and file.
- B) Contract Award for Spare the Air Website Redesign
 - 1) Authorize the Executive Officer/APCO to execute contract with Cylogy, Inc. in the amount of \$300,000 for website upgrades, architecture, rebuild, and design services for the Spare the Air website.
- C) Technology Implementation Office (TIO) Update
 - 1) None; receive and file.
- D) Update on My Air Online Permitting and Compliance System
 - 1) None; receive and file.

BACKGROUND

The Committee met on Monday, July 31, 2017 and received the following reports:

- A) Hearing Board Quarterly Report: January – March 2017 and April – June 2017;
- B) Contract Award for Spare the Air Website Redesign;
- C) Technology Implementation Office (TIO) Update; and
- D) Update on My Air Online Permitting and Compliance System.

Chairperson Liz Kniss will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) Funding for the vendor contract recommendations was held over the FYE 2017 budget and will be funded from the 303 Winter Spare the Air and 306 TFCA budgets;
- C) None; and
- D) Funding for the vendor contracts to support these activities will be provided from the My Air Online Program (#125) budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 15A: 7/31/17 – Executive Committee Meeting Agenda #4
Attachment 15B: 7/31/17 – Executive Committee Meeting Agenda #5
Attachment 15C: 7/31/17 – Executive Committee Meeting Agenda #6
Attachment 15D: 7/31/17 – Executive Committee Meeting Agenda #7

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Executive Committee

From: Chairperson Valerie Armento, Esq., and Members
of the Hearing Board

Date: July 17, 2017

Re: Hearing Board Quarterly Report: January – March 2017 & April – June 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Since the most recent Executive Committee meeting was held in February 2017, this report covers the first *and* second calendar quarters (January – March and April – June) of 2017.

During the first quarter of 2017 (January - March), the Hearing Board:

- Held no Hearings of any kind; and
- Processed a total of zero Orders; and
- Collected a total of \$0.00 in filing fees.

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

Location: Sonoma County; City of Petaluma

Docket: 3698 - APCO vs. Spring Hill Jersey Cheese, Inc., et al – *Accusation*

Regulation(s): Regulation 2, Rule 1; and Regulation 9, Rule 7

Synopsis: Complainant was informed and believed and thereon alleged that since 2004, Respondents had owned or been operating a facility in Petaluma, California without a District permit to operate two boilers and a milk dryer required pursuant to District Regulation 2, Rule 1, despite knowing about this requirement. Further, despite the prohibition to do so, Respondents had been operating the boilers, which violated requirements of District Regulation 9, Rule 7. Complainant sought an order that Respondents cease operating the unpermitted and non-compliant equipment until they complied with District Regulation 2, Rule 1 and Regulation 9, Rule 7.

Status: Accusation filed on February 28, 2017; Pre-Hearing Conference was scheduled for March 28, 2017, but was cancelled due to a schedule conflict of the Respondent; Hearing scheduled for April 18, 2017.

During the second quarter of 2017 (April - June), the Hearing Board:

- Held a total of one Pre-Hearing Conference (Docket No. 3700)
- Held a total of two Hearings (Docket No. 3698 and Docket No. 3699)
- Processed a total of three Orders, including one Order for Dismissal of a Respondent (3690), one Stipulated Conditional Order for Abatement (3698), and one Conditional Order for Abatement (3699); and
- Collected a total of \$0.00 in filing fees.

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

Location: Santa Clara County; City of Milpitas

Docket: 3690 APCO vs. SULAIMAN DOSOUQI, et al – *Accusation*

Regulation(s): Regulation 2, Rule 1 - Section 302

Synopsis: Respondents owned or operated a gas station in Milpitas, California for which they must hold a current and valid District permit to operate gasoline dispensing equipment, pursuant to District Regulation 2, Rule 1. Since at least October 2010, one or more of the Respondents had been conducting gasoline dispensing operations continuously at this gas station. Since at least September 1, 2012, they had been operating without a permit to operate, in violation of District Regulation 2-1-302. Complainant sought an order that Respondents cease gasoline dispensing operations at this facility until they obtained a current, valid District permit to do so.

Status: Pre-Hearing Conference held on May 20, 2016; Hearing held on June 9, 2016; Stipulated Conditional Order for Abatement filed on June 27, 2016, but Respondents failed to adhere to the conditions within the Order, and are currently in litigation with the District; Request by one of the Respondents (Hussain) to be removed from the action, due to parting company with the facility, filed on April 21, 2017; the request was considered as a Consent Calendar item on May 30, 2017; Order Dismissing Respondent Hussain from action filed on June 6, 2017.

Location: Sonoma County; City of Petaluma

Docket: 3698 - APCO vs. Spring Hill Jersey Cheese, Inc., et al – *Accusation*

Regulation(s): Regulation 2, Rule 1; and Regulation 9, Rule 7

Synopsis: Complainant was informed and believed and thereon alleged that since 2004, Respondents had owned or been operating a facility in Petaluma, California without a District permit to operate two boilers and a milk dryer required pursuant to District Regulation 2, Rule 1, despite knowing about this requirement. Further, despite the prohibition to do so, Respondents had been operating the boilers, which violated requirements of District Regulation 9, Rule 7. Complainant sought an order that Respondents cease operating the unpermitted and non-compliant equipment until they comply with District Regulation 2, Rule 1 and Regulation 9, Rule 7.

Status: Accusation filed on February 28, 2017; Pre-Hearing Conference was scheduled for March 28, 2017, but was cancelled due to a schedule conflict of the Respondent; Hearing held on April 18, 2017; Stipulated Conditional Order for Abatement filed on April 19, 2017; Continued Hearing scheduled for October 24, 2017.

Location: Alameda County; City of Fremont

Docket: 3699 - APCO vs. T&N Grimmer Enterprise Inc., et al - *Accusation*

Regulation(s): Regulation 2, Rule 1

Synopsis: Respondents own or operate a gas station in Fremont, California for which they must hold a current and valid District permit to operate gasoline dispensing equipment, pursuant to District Regulation 2, Rule 1. Since at least December 2013, one or more of the Respondents have been conducting gasoline dispensing operations continuously at this gas station without a District permit to operate, in violation of District Regulation 2-1-302. Complainant sought an order that Respondents cease gasoline dispensing operations at this facility until they obtain a current, valid District permit to do so.

Status: Accusation filed on May 4, 2017; Pre-Hearing Conference was scheduled for May 23, 2017, but was cancelled at request of Respondent; Hearing held on May 30, 2017, but Respondent failed to appear; Conditional Order for Abatement filed on June 21, 2017.

Location: San Mateo County; City of South San Francisco

Docket: 3700 – APCO vs. Manuel Campos, et al - *Accusation*

Regulation(s): Regulation 2, Rule 1

Synopsis: Respondents have owned or operated an auto body facility in South San Francisco, California where they conduct motor vehicle refinishing operations, for which they must hold a District permit to operate, pursuant to District Regulation 2, Rule 1. Since at least January 2006, Respondents have been operating – and are currently operating – the facility without a valid or current permit, despite their knowledge of the permit requirements. Complainant seeks an order that Respondents cease conducting these operations until they obtain a District permit to do so.

Status: Accusation filed on May 15, 2017; Pre-Hearing Conference held on June 20, 2017; Hearing scheduled for July 11, 2017.

Respectfully submitted,

Valerie Armento, Esq.
Chair, Hearing Board

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 17, 2017

Re: Contract Award for Spare the Air Website Redesign

RECOMMENDED ACTION

The Committee will consider recommending the Board of Directors:

- 1) Authorize the Executive Officer/APCO to execute a contract with Cylogy, Inc. in the amount of \$300,000 for website upgrades, architecture, rebuild, and design services for the Spare the Air website.

BACKGROUND

The Spare the Air program is now in its 26th year. The sparetheair.org website is the public face of the widely known Spare the Air program. The website provides easy access to information and questions about the program, Spare the Air Alerts and helpful commuter information for students, teachers, and the public. Visitors can access daily air quality forecasts, commuter benefit information links into the 511.org ride matching, bicycle mapping systems and more. The website was last updated in 2010.

An RFP was put out in May requesting bids from contractors with experience in Sitecore, the website content management system. We received bids from seven vendors throughout the United States who submitted proposals. We had a panel of five who reviewed and scored all proposals. Proposal scores are attached.

Cylogy, Inc. has provided website maintenance and support for the Air District since 2009. This company has an experienced team of website architects, designers and project team members to complete this project. They provided a realistic timeline to complete this project. The proposed budget was in the low to mid-range of all proposals submitted.

DISCUSSION

The Air District website was updated in 2015 with a new look and feel to create a better user experience for the information being searched for most often. It is time to update the Spare the Air website to a similar structure and design, while maintaining a friendly, more easily accessible website experience.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for the vendor contract recommendations was held over the FYE 2017 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Fasanao
Reviewed by: Jeff McKay

Attachment 5A: RFP Proposal Scores

AGENDA 5A - ATTACHMENT

**RFP #2017-006
Website Redesign
for Spare the Air**

Cylogy							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	4	4	3	4	3	4
Expertise	30	30	29	29	30	27	29
Design Capabilities	30	27	30	25	29	27	28
Cost	10	9	9	9	9	8	9
Approach	20	17	19	19	19	18	18
Firm's Specialty Focus Area	5	4	4	4	4	4	4
Total Points	100	91	95	89	95	87	91

Barretto-Co							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	4	2	3	3	1	3
Expertise	30	28	12	25	13	20	20
Design Capabilities	30	28	25	25	25	25	26
Cost	10	7	8	9	10	8	8
Approach	20	14	11	19	11	15	14
Firm's Specialty Focus Area	5	1	4	4	4	4	3
Total Points	100	82	62	85	66	73	74

Rightpoint							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	5	4	3	4	3	4
Expertise	30	26	20	25	28	27	25
Design Capabilities	30	25	18	25	16	20	21
Cost	10	3	2	2	2	1	2
Approach	20	18	19	18	19	18	18
Firm's Specialty Focus Area	5	1	2	2	2	1	2
Total Points	100	78	65	75	71	70	72

STI							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	4	4	4	5	3	4
Expertise	30	27	26	26	29	27	27
Design Capabilities	30	20	21	20	20	27	22
Cost	10	3	2	4	3	3	3
Approach	20	17	16	18	17	18	17
Firm's Specialty Focus Area	5	1	3	3	3	3	3
Total Points	100	72	72	75	77	81	75

Velir							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	4	4	4	4	3	4
Expertise	30	20	23	28	23	24	24
Design Capabilities	30	15	20	23	22	24	21
Cost	10	8	7	5	7	5	6
Approach	20	12	16	14	16	18	15
Firm's Specialty Focus Area	5	1	3	3	2	2	2
Total Points	100	60	73	77	74	76	72

Ameex							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	3	3	3	2	4	3
Expertise	30	15	20	24	21	10	18
Design Capabilities	30	13	20	20	14	20	17
Cost	10	9	5	7	4	8	7
Approach	20	10	13	12	15	10	12
Firm's Specialty Focus Area	5	1	2	2	0	0	1
Total Points	100	51	63	68	56	52	58

HQE Systems							
Evaluative Criteria	Points	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Avg
Organizational Background	5	3	4	4	4	2	3
Expertise	30	15	12	15	10	15	13
Design Capabilities	30	12	8	15	12	15	12
Cost	10	9	4	5	3	9	6
Approach	20	10	6	10	5	10	8
Firm's Specialty Focus Area	5	1	4	4	4	2	3
Total Points	100	50	38	53	38	53	46

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 17, 2017

Re: Technology Implementation Office (TIO) Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

At the Board of Directors (Board) Special Meeting on January 18, 2017, staff introduced the concept of establishing a Technology Implementation Office (TIO). The purpose of this office is to serve as a catalyst for innovation in the field of greenhouse gas (GHG) emissions reduction by deploying disruptive, low-cost solutions in the areas of zero emissions vehicles; smart/connected technologies; and zero emissions energy generation and efficiency technologies.

Staff believes that this office is necessary in order to assist regulated stationary sources with the deployment of the technologies that will help us achieve the goal of a carbon-free Bay Area by 2050, as envisioned in the Bay Area Air Quality Management District's (Air District's) Spare the Air, Cool the Climate Clean Air Plan (CAP). While the transportation and public sector have moved relatively quickly to embrace climate protection, the Air District believes that the stationary source sector has lagged in adopting climate change goals and technologies. This is in large part due to economic and regulatory uncertainties, a lack of information sharing across industry sectors and a reluctance to invest in unfamiliar technologies.

Additionally, while the electric vehicle and the enhanced and connected mobility sectors are thriving in the Bay Area, staff believes that additional support will be necessary for both to achieve the carbon free future envisioned in the CAP. In order to ensure that the Air District continues to encourage innovation and zero emissions technologies in the transportation sector, staff is proposing the transfer of the Electric Vehicle and Enhanced Mobility Programs from the Strategic Incentives Division to the TIO. This transfer will require an ongoing commitment of Transportation Fund for Clean Air monies to the TIO to support these efforts.

DISCUSSION

At the upcoming meeting, staff will introduce the Technology Officer, and describe a preliminary work plan and next steps for the office with the Executive Committee.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 17, 2017

Re: Update on My Air Online Permitting & Compliance System

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Staff will provide an update on the My Air Online permitting and compliance system progress for Fiscal Year End (FYE) 2017, and discuss the goals for the first half of FYE 2018.

DISCUSSION

My Air Online Program

The My Air Online Program is composed of the design, implementation and maintenance of online permitting and compliance systems and the public website. In FYE 2017, the My Air Online completed the following:

- Migration of legacy registered sources (char-broilers, mobile refinishing and graphic arts operations) of air pollution to newer online permitting platform
- Mobile inspections for asbestos renovation and demolition notifications
- Online stipulated abatement order agreements for small boilers
- Enhanced air quality complaint wizard for the public
- Enhanced air quality complaint dispatching and assignment

Staff plan to complete the following items in the first half of the FYE 2018:

- Training and rollout of new Asbestos Renovation/Demolition compliance program
- Enhanced investigations for air quality complaints
- Enforcement action (violations and notices to comply) processing
- Enhanced facility inspection dashboards and forms
- Initial design for complex facility emissions inventory reporting (BAAQMD Regulation 12, Rule 15)
- Enhancements to support toxic health risk assessment results (BAAQMD Regulation 11, Rule 18)
- Integration with new financial system (JD Edwards 9.2)

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Funding for the vendor contracts to support these activities will be provided from the My Air Online Program (#125) budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jaime A. Williams
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 26, 2017

Re: Update of Completed Fiscal Year Ending (FYE) 2016 James Cary Smith Community
Grant Projects

RECOMMENDED ACTION

None; review and file.

BACKGROUND

In October 2015, the Air District released a call for the first round of the James Cary Smith Community Grants with an allocation of \$250,000. The James Cary Smith Community Grant Program was developed as a means for supporting community groups, schools and nonprofits across the region to proactively address air quality issues. Historically, the Air District has sought to support community-based projects that reduce emissions, improve energy efficiency, provide air quality education and improve community health such as with the 2009 pilot Community Grant Program.

The FYE 2016 James Cary Smith Community Grants sought projects in the following focus areas: education and engagement; local air pollution impact mitigations; and community-based participatory research/citizen science. The grant program made a concerted effort to target CARE communities and communities near major road-ways.

DISCUSSION

The FYE 2016 Community Grant Program approved 11 projects in six-different counties all of which included direct partnerships with community-based organizations or with one or more local high/junior high schools. Projects ranged from targeted tree planting at school yards; installing indoor air bio-filters; building community bike events; education surveys on air quality; to researching air quality in neighborhoods.

Most of the projects focused on education and engagement activities. One project focused on citizen science/community-based participatory research; and two projects focused on local air pollution mitigation initiatives. All the selected projects directly involved CARE communities and one project targeted areas adjacent to a major freeway in Santa Rosa. Ten of these projects were fully completed and generated a lot of enthusiastic response while making important engagement inroads to addressing air pollution.

This presentation, with staff and community grantees, will highlight the results of the FYE 2016 round of community grant funding. Staff wishes to publicly acknowledge the work of the grantees and reiterate our interests in developing ongoing and lasting relations towards our collaborative efforts of improving the region's air quality.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Ralston
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 26, 2017

Re: Update on Cap and Trade and Related Legislation

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

AB 617, AB 398, and ACA 1 jointly make up the climate change package adopted by the Legislature on Monday, July 17, 2017, and signed by the Governor on July 25, 2017. Here is a summary of what these measures do.

AB 398 (Eduardo Garcia) extends California's landmark cap and trade program for an additional decade, through 2030. Passed with a super-majority vote, it sets a number of parameters for how the program will operate starting in 2021. For example, it requires that half of offsets used be generated in California, and requires price ceilings to guard against price shocks to the economy. Of particular note, it prevents local air districts from adopting or implementing carbon dioxide reduction rules on sources covered under cap and trade. It also bars the California Air Resources Board (ARB) from imposing emission reduction requirements beyond cap and trade on refineries and the oil and gas industry. It also repeals the State Responsibility Area fire fee and provides business tax exemptions. It received bipartisan support, passing the Assembly Floor with 55 members voting in support, and the Senate Floor with 28 members supporting.

AB 617 (Christina Garcia) is a companion piece focused on air quality. It includes language that would increase strict liability penalty ceilings for stationary source violations from \$1,000 per day to \$5,000 per day. It requires local air districts to adopt an expedited schedule to impose Best Available Retrofit Control Technology (BARCT) on cap and trade sources, emphasizing those sources that have gone the longest without updating their emissions controls. It requires ARB to develop monitoring plans for community and fence line monitoring by October 1, 2018, and to select the highest priority locations to establish such monitoring. Air districts would be required to implement the monitoring plans by July 1, 2019, and the number of monitored locations would increase over time. ARB would be required by October 1, 2018 to adopt a strategy for cutting emissions in communities affected by high cumulative exposure burdens, and to choose communities to benefit from emission reduction programs, which would be implemented by the local air district. Lastly, the bill imposes requirements to try to ensure that

reporting of emissions for cap and trade sources is uniform across the state. This majority vote bill passed the Senate with 27 votes, and the Assembly with 50 votes.

ACA 1 (Chad Mayes) is a constitutional amendment that deals with auction revenues from the cap and trade program. It requires that the first legislative appropriation of auction revenues in 2024 be subject to a super-majority vote. After that appropriation, a simple majority only would again be required for further appropriations. This passed with a super majority in both houses, and bipartisan support in the Assembly.

DISCUSSION

AB 398 is an urgency bill and went into effect on July 25, 2017 when the Governor signed the bill. AB 617 will go into effect on January 1, 2018.

AB 398 preempts the Air District from regulating CO2 from sources under the Cap and Trade Program. Consequently, Rule 12-16 is preempted. AB 398 does not preempt the Air District from regulating methane and other non-CO2 greenhouse gases from sources under the Cap and Trade Program, and it does not preempt the Air District from regulating CO2 or other greenhouse gases from sources not subject to the Cap and Trade Program. Consequently, the Air District can continue to use its regulatory authority to address climate change. The Air District can continue to use incentive, technical assistance, and educational programs to address climate change as well.

As described above, AB 617 establishes new and expanded responsibilities and authorities regarding penalties, air monitoring, community emission reduction programs, emission inventories, and best available retrofit control technology requirements for existing sources of non-attainment pollutants. This legislation provides a welcome increase in the Air District's penalty authority and provides an opportunity to build upon the Bay Area Air District's cutting-edge rule-making, air monitoring and community risk reduction efforts. The timelines included in AB 617 are extremely tight. Staff has been assured by the Governor's Office that resources to assist with implementing this legislation will be identified.

Staff is currently reviewing AB 617 and identifying the steps needed for implementation. In the Fall, staff will present a work program for implementing the provisions of AB 617, including collaboration with the Air Resources Board, the California Air Pollution Control Officers Association, and diverse Bay Area stakeholders.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Staff is evaluating the cost of implementing AB 617 and will be working with the Governor's Office to identify resources.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jean Roggenkamp