



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
ADMINISTRATION COMMITTEE

COMMITTEE MEMBERS

CINDY CHAVEZ – CO CHAIR
KAREN MITCHOFF – VICE CHAIR
JOHN BAUTERS
ERIN HANNIGAN
KATIE RICE
BRAD WAGENKNECHT

CAROLE GROOM – CO CHAIR
MARGARET ABE-KOGA
RICH CONSTANTINE
TYRONE JUE
MARK ROSS

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY
EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR GAVIN NEWSOM**

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT’S AGENDA WEBPAGE AT**

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- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE FOLLOWING LINK OR BY PHONE**

<https://bayareametro.zoom.us/j/8474599905>

(669) 900-6833 or (408) 638-0968

WEBINAR ID: 847 4599 9905

- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A COMMENT CAN USE THE “RAISE HAND” FEATURE BY DIALING “*9”. IN ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP TO DATE**

WEDNESDAY
MAY 19, 2021
9:30 A.M.

AGENDA

1. **CALL TO ORDER - ROLL CALL**

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

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

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

CONSENT CALENDAR (ITEM 2)

Staff/Phone (415) 749-

2. **APPROVAL OF THE MINUTES OF APRIL 21, 2021**

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Administration Committee meeting of April 21, 2021.

END OF CONSENT CALENDAR

PRESENTATION

3. **BAY AREA REGIONAL COLLABORATIVE (BARC) UPDATE** Allison Brooks
Executive Director, BARC

The Committee will receive an update from BARC Director, Allison Brooks, on the activities of the Bay Area Regional Collaborative.

END OF PRESENTATION

REGULAR AGENDA (ITEMS 4 - 6)

4. COMMUNITY MONITORING FUNDING AND EXPENDITURES UPDATE

G. Nudd/4786

gnudd@baaqmd.gov

The Committee will receive an update on community monitoring funding and expenditures.

5. DIRECTION ON COMMUNITY TOUR PROTOCOL

V. Eady/4646

veady@baaqmd.gov

The Committee will review recommendations and provide direction on a community tour protocol.

6. FOLLOW UP ON FISCAL YEAR ENDING (FYE) 2022 BUDGET DIRECTION

A. Community Benefit Fund

J. McKay/4629

gnudd@baaqmd.gov

The Committee will consider recommending a modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations to increase the Community Benefit designation.

B. Cost Recovery

J. McKay/4629

jmckay@baaqmd.gov

The Committee will review and consider next steps to reach full Cost Recovery.

C. Review Workplan to Initiate Management Audit

J. Chiladakis/4750

jchiladakis@baaqmd.gov

The Committee will review and discuss a workplan and timeline to procure services and initiate a management audit.

D. Employee Recruitment Rate

J. Chiladakis/4750

jchiladakis@baaqmd.gov

The Committee will review and discuss a report on the expected Fiscal Year Ending (FYE) 2022 employee recruitment rate.

END OF REGULAR AGENDA

CLOSED SESSION

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

Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO
John Chiladakis, Acting, Chief Administrative Officer
Terri Levels, People and Engagement Officer

Employee Organizations: Bay Area Air Quality Management District Employees' Association, Management, and Confidential Employee Groups

OPEN SESSION

8. PUBLIC COMMENT ON NON-AGENDA MATTERS

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

9. COMMITTEE MEMBER COMMENTS

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

10. TIME AND PLACE OF NEXT MEETING

Wednesday, July 21, 2021, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

11. ADJOURNMENT

The Committee meeting shall be adjourned by the Committee Co-Chair.

CONTACT:

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

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MAY 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Administration Committee	Wednesday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	19	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	28	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20

JUNE 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	2	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	3	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Meeting	Wednesday	16	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	16	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	21	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	24	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Approval of the Minutes of April 21, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Administration Committee (Committee) meeting of April 21, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of April 21, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Committee Meeting of April 21, 2021

AGENDA 2A – ATTACHMENT

Draft Minutes – Administration Committee Meeting of April 21, 2021

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

DRAFT MINUTES

Summary of Board of Directors
Administration Committee Meeting
Wednesday, April 21, 2021

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the Committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Administration Committee (Committee) Co-Chairperson, Cindy Chavez, called the meeting to order at 9:30 a.m.

Present: Co-Chairperson Cindy Chavez; Vice Chairperson Karen Mitchoff; and Directors Margaret Abe-Koga, John Bauters, Rich Constantine, Tyrone Jue, Katie Rice, Mark Ross, and Brad Wagenknecht.

Absent: Co-Chairperson Carole Groom; and Director Erin Hannigan.

Also Present: None.

CONSENT CALENDAR (ITEMS 2 – 3)

2. APPROVAL OF THE MINUTES OF MARCH 17, 2021

The Committee will consider approving the attached draft minutes of the Administration Committee meeting of March 17, 2021.

3. HEARING BOARD QUARTERLY REPORT: JANUARY 2021 – MARCH 2021

The Committee will receive the Hearing Board Quarterly Report for the period of January 2021 through March 2021.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Wagenknecht made a motion, seconded by Director Constantine **approve** the Minutes of March 17, 2021; and the motion carried by the following vote of the Committee:

AYES: Bauters, Chavez, Constantine, Jue, Mitchoff, Ross, Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Groom, Hannigan, Rice.

REGULAR AGENDA (ITEMS 4-9)

4. AIR DISTRICT FINANCIAL AUDIT REPORT FOR FISCAL YEAR ENDING (FYE) 2020

The Committee received the guest presentation from Joseph Moussa of Simpson & Simpson, LLP, the independent auditor who completed the Financial Audit Report of the Air District's Financial Statements for the Fiscal Year Ending 2020.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

None; receive and file.

5. THIRD QUARTER FINANCIAL REPORT – FYE 2021

Stephanie Osaze, Finance Manager, gave the staff presentation *Third Quarter Financial Report FYE 2021*, including: outcome; outline; requested action; third quarter results FYE 2021; revenue and expenditure comparison (prior vs current years); General Fund expenditures; investments; fund balance and outstanding liabilities; purchasing reporting requirements; FYE 2021 vendor payments; and feedback requested/prompt.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

None; receive and file.

6. CONTINUED DISCUSSION OF PROPOSED BUDGET FOR FYE 2022 AND CONSIDERATION TO RECOMMEND ADOPTION

Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *Continued Discussion of Proposed Budget for FY 2021-2022*, including: outcome; outline; requested action; financial history - actual reserves and policy trends, General Fund revenue and expenditure trends, staffing trends, cost recovery trends, and fees and cost recovery overview; cost recovery in Health & Safety Code §42311; cost recovery and fee determination process; possible path to 100% cost recovery; current FY Budget overview; FY 2021-2022 Proposed Budget overview; breakdown of FYE 2022 General Fund revenues and expenditures; breakdown of \$10.5 million budget increase; new staffing requests (General Fund and grant funded); staffing augmentation from Engineering, Technology Implementation Office, Compliance & Enforcement, Finance, Community Engagement, Rules, Strategic Incentives, and Meteorology and Measurement Divisions; capital budget detail; funding of retirement liabilities; community benefit funding; reserve designations; FY 2021-2022 Proposed Budget summary; next steps; and feedback requested/prompt.

NOTED PRESENT: Directors Abe-Koga and Rice were noted present at 10:23 a.m.

Public Comments

Todd Osterberg, Chevron; Jed Holtzman, 350 Bay Area; and Bob Brown, Western States Petroleum Association.

Committee Comments

The Committee and staff discussed the number of current vacant positions within the Compliance & Enforcement Division; the possible reclassification of various positions; the current number of full-time equivalent Air District employees; anticipated fee increases per year that will be required to reach 100% cost recovery in six years; to what degree increasing costs would offset the cost of the new positions and what industries are funding the fee that pay for these staff increases; vacancy rates by division; whether any of the staffing augmentation requests resulted from a management audit; the concern that 100% cost recovery should be achieved before the projected six years; concerns from industry about the Air District's Regulation 12-15 data reporting practices; staffing needs in the Rules Division and how Human Resources is recruiting and retaining the necessary talent that is needed; the concern that all of the Air District's reserves are already designated; the request that more funds be allocated to the Community Benefits Program; and the justification for requesting 26 new employees and concerns about the ability to retain those positions in the long term.

Committee Action

Director Wagenknecht made a motion, seconded by Vice Chair Mitchoff, to recommend the Board:

1. Conduct Public Hearings on the Fiscal Year Ending 2022 Proposed Budget on May 5 and June 16, 2021 (*original recommendation*);
2. Adopt the Fiscal Year Ending 2022 Proposed Budget (*original recommendation*);
3. Consider a path achieving 100% cost recovery within three years, rather than in the six proposed by Air District staff (*new recommendation made on April 21*);
4. Ensure that the Air District is hiring employees with the appropriate expectations and number of hours, especially within the Air District’s Compliance & Enforcement Division (*new recommendation made on April 21*);
5. Is prompted by Air District staff to consider certain reserves designations (*new recommendation made on April 21*); and
6. Ask Air District staff to develop a Request for Proposals or Request for Qualifications regarding a management audit partner for the next Fiscal Year and brought back to the Committee and then to the Board (*new recommendation made on April 21*).

The motion carried by the following vote of the Committee:

AYES: Abe-Koga, Chavez, Constantine, Jue, Mitchoff, Rice, Ross, Wagenknecht.
NOES: None.
ABSTAIN: Bauters.
ABSENT: Groom, Hannigan.

7. SUMMARY OF 2020-2021 SPARE THE AIR WINTER CAMPAIGN

Kristine Roselius, Communications Director, gave the staff presentation *Summary of the 2020-2021 Spare the Air Winter Campaign*, including: outcome; outline; requested action; Winter PM_{2.5}; PM_{2.5} trends; creative development; advertising; media and social media; door-to-door outreach; survey results; enforcement data; new Woodsmoke Reduction Program; and feedback requested/prompt.

Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed the reasons for variations in Winter Spare the Air violations over the years; how Winter Spare the Air exemptions are determined; the level of Winter Spare the Air outreach that is carried out in disadvantaged communities; and insight gained from this last Winter Spare the Air campaign.

Committee Action

None; receive and file.

8. BOARD GOVERNANCE – NEXT STEPS

The Committee discussed the topic of governance of the Board of Directors. Rather than forming an Ad Hoc Board Governance Committee, Chair Chavez proposed adding additional meetings for this Committee to discuss Board governance challenges. She listed concerns such as: composition of the Board membership and the inclusion of members of the public, reduction of the size of the Board, whether certain disadvantaged communities be prioritized to receive funding benefits, additional Board compensation for multiple meetings per day, and whether to incentivize active transportation methods for Board members who do not use a gas-powered vehicle to attend Board meetings. Chair Chavez said that once Committee members finalize a list of Board governance concerns, she, Co-Chair Groom, and Board Vice Chair Mitchoff will prioritize those concerns in a workplan.

Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed whether to form an Ad Hoc Board Governance Committee, versus holding additional meetings for this Committee to discuss Board governance challenges.

Committee Action

None; receive and file.

9. DISCUSSION ON ADMINISTRATION COMMITTEE WORKPLAN FOR 2021

The Committee received an oral presentation from Jack Broadbent, Executive Officer/Air Pollution Control Officer, on the Proposed 2021 Administration Committee Workplan. Mr. Broadbent highlighted Bay Area Regional Collaboration updates, ongoing Employee Association negotiations, and the June Board meeting schedule.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

None; receive and file.

10. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Jed Holtzman, 350 Bay Area; and Shanthi Gonzales.

11. COMMITTEE MEMBERS' COMMENTS

None.

12. TIME AND PLACE OF NEXT MEETING

Wednesday, May 19, 2021, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

13. ADJOURNMENT

The meeting adjourned at 11:48 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Bay Area Regional Collaborative (BARC) Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Bay Area Regional Collaborative (BARC) consists of Board/Commission representatives of the four regional agencies and provides a forum for discussing issues of regional importance.

DISCUSSION

At the upcoming Administration Committee meeting, the BARC Director, Allison Brooks, will provide an update on the activities of the BARC.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marjorie Villanueva

Reviewed by: Vanessa Johnson

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Community Monitoring Funding and Expenditures Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District Board of Directors' Chairperson Cindy Chavez and Secretary John Bauters, in a March 1, 2021, memo addressed to the Administration Committee, requested that Air District staff respond to community stakeholder requests for additional information about "the revenues and expenditures related to local environmental monitoring programs and investments made by the Air District via a spreadsheet, or other suitable document for the public."

More specifically, the memo states that information should include:

- The sources of revenue, public and private, that the Air District received and used for community monitoring and affiliated work;
- Any restrictions, limitations or other requirements placed on those funds, or their subparts, that guide, require, or otherwise direct the Air District in the expenditure of those funds;
- Information that identifies whether the funding source is ongoing or one-time in nature;
- A breakdown of fund expenditure by county, accompanied by baseline population details about the communities served;
- The type of expenditure that was made in each county, including but not limited to capital investments, staff time, contract services, or operations & supplies, that illustrate how the investments were expended; and
- Any additional information staff deems necessary and appropriate to providing a holistic picture as to how district revenues are expended for the community's benefit.

The purpose of this memo is to provide information requested regarding revenue sources, funding restrictions and limitations, and Air District expenditures on community monitoring. Staff understands "community monitoring" to mean community-scale, local monitoring efforts related to the implementation of Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017) and the Air District's Community Monitoring Program, established in late 2016.

More broadly, community members have requested that Air District staff, the Board of Directors, and its various Committees provide increased transparency in Air District expenditures in specific communities and across all Air District program areas, including AB 617 implementation and community monitoring. Staff developed this response for information on community monitoring in the context of the broader *Transparent & Equitable Funding* effort.

DISCUSSION

Community monitoring in the San Francisco Bay Area Air Basin is currently being implemented through the framework of AB 617. AB 617 requires local air districts to increase their focus on local air pollution in overburdened communities, rather than on traditional regionwide attainment of state and federal air pollution standards. Communities overburdened by air pollution are largely the same communities that have been historically overburdened by industrial water, soil, and air pollution. These same communities have been subjected to discriminatory federal, state, and local policies such as redlining, urban renewal, highway construction and local zoning codes that allow polluting industries to locate in, or alongside, residential neighborhoods, schools, and other sensitive land uses. As a result, these communities have experienced disinvestment, limited access to health services and healthy food, low quality education, and few local parks and open spaces. They are also most often low-income, communities of color.

Previous scientific work has shown that traditional, regional monitoring for determining compliance with regional air quality standards can miss localized hot spots of disproportionate air pollution exposure. One purpose of community monitoring is to identify these localized hot spots and to help determine what changes are needed to eliminate them.

Community Monitoring Funding Sources

There are three sources of funding provided to the Air District specifically for community air monitoring: 1) the Community Air Protection Program (CAPP) AB 617 implementation grants, 2) the Air District’s AB 617 Community Health Impact Fee and Regulation 3 and 3) Schedule X: Major Stationary Source Community Air Monitoring Fee.

Table 1. Community Monitoring Funding Source and Average Annual Revenue

Community Monitoring Funding Source	Estimated Average Annual Revenue
CARB CAPP Implementation Grants	\$9 million
AB 617 Community Health Impact Fee	\$1 million
Schedule X: Community Air Monitoring Fee	\$1 million
Total	\$11 million

Community Air Protection Program Implementation Grants

Community Air Protection Program implementation grants are provided by the state to local air districts to cover the costs of developing and implementing community emission reduction and/or monitoring plans, i.e., to implement AB 617. The first four grants were approved in California's state budget bills passed in 2017, 2018, 2019 and 2020. The California Air Resources Board (CARB) distributes and administers the CAPP grants.

The Air District has received three CAPP grants since the adoption of AB 617, the fourth grant has been approved by the state legislature but has yet to be distributed by CARB. The initial CAPP grant was expended in June 2019. The second grant was expended in December 2020. The third grant is covering current AB 617 implementation costs and is projected to cover costs through the end of the 2022 fiscal year. A fourth year of funding was approved by the state legislature but has not yet been distributed by CARB. The current Governor's budget proposal proposes an additional \$50 million statewide for this program; that funding has yet to be approved by the legislature.

- 17CAPP: \$4.8 million (expended June 2019)
- 18CAPP: \$10 million (expended December 2020)
- 19CAPP: \$9 million (currently spending)
- 20CAPP: \$9 million (total to Air District estimated, pending distribution)

Funding Restrictions

The CARB CAPP grants are intended to support local air districts' implementation of AB 617 only. In other words, funding can be used for actions that enable air districts to establish steering committees, and to develop and implement emissions reduction and/or monitoring programs. Funds can cover staffing, outreach, the development of emission/exposure reduction strategies, and enforcement costs, as well costs to deploy air monitoring, reporting emissions, and implementing new requirements regarding best available retrofit control technologies. The Air District has also used these funds to provide grants to community-based organizations to help prepare communities for development of emission reduction or monitoring plans.

AB 617 Community Health Impact Fee

To augment AB 617 implementation costs, on June 3, 2020 the Air District Board of Directors adopted an AB 617 Community Health Impact Fee, which went into effect on July 1, 2020. The fee applies to Title V facilities owners only. The fee brings in approximately \$1,000,000 per year to cover AB 617 related work, including community air monitoring.

Funding Restrictions

In 2010, Proposition 26 limited how government organizations, like the Air District, can assess and use fees. Specifically, fees can only be assessed to cover the costs associated with regulating the entities paying the fee. Some costs of the AB 617 program are attributable to the emissions of permitted sources. For example, community monitoring is designed to evaluate the impact of all the sources in the Bay Area, including permitted, fee-paying sources. Stationary sources can be large contributors to emissions in some communities (Richmond-North Richmond-San Pablo is one example), and therefore the development of community emissions reductions plans for such communities is a necessary expense associated with regulating these sources. Other communities, such as West Oakland and San Jose, are overwhelmingly impacted by mobile sources and therefore, Air District cannot reasonably assess fees on stationary sources to recover costs for developing emission reduction plans in such communities.

Schedule X: Major Stationary Source Community Air Monitoring Fee

In May of 2016, the Air District adopted amendments to the Air District's Regulation 3: Fees. The 2016 amendments included a new Schedule X: Major Stationary Source Community Air Monitoring Fee. The fee covers costs associated with the Air District's Community Air Monitoring Program. The goal of the Community Air Monitoring Program is to establish air monitoring stations in areas where major stationary sources may contribute to impacts in local communities not fully represented by the Air District's current air monitoring network. Data from new monitoring locations would be used to compare air quality in potentially impacted communities with air quality measurements at other Air District sites.

For each major stationary source emitting 35 tons per year or more of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide and/or PM₁₀ within the vicinity of an Air District proposed community air monitoring location, a fee is charged based on tons of pollutants emitted per year. Fees are assessed based on emissions data reported for the most recent 12-month period prior to billing. The fee amount is \$60.61 per ton of each pollutant emitted over 35 tons per year. The first communities to have air monitoring stations will be in the vicinity of the five petroleum refineries in Richmond, Martinez, Rodeo, Crockett and Benicia. The specific primary stationary source contributors (shown in bold below), in addition to other significant facilities in the area that are subject to the Schedule X fee include:

- **Benicia: Valero Benicia Refinery**
- **Richmond/San Pablo: Chevron Richmond Refinery**, Levin Richmond, Chemtrade West US LLC, and West Contra Costa County Landfill
- **Martinez: Former Shell Martinez Refinery/Current PBF Energy, NJ and Eco Services; Former Tesoro Avon Refinery/Current Marathon Refinery**, Martinez Cogen, Plains Products Terminals LLC, Air Products and Chemical, and Central Contra Costa County Sanitary
- **Crockett/Rodeo: Phillips 66 Rodeo Refinery**, Phillips 66 Carbon Plant, Air Liquide, and Crockett Cogeneration

Funding Restrictions

Funds generated from the Schedule X fee can only cover costs associated with the evaluation of existing monitors and planning, siting, and designing new monitors for the Community Monitoring Program. Specifically, Schedule X fee can cover labor, professional services, capital costs and all indirect costs associated with any new monitor installed under the Community Air Monitoring Program, as designated by the Air District’s cost recovery policy.

Community Monitoring Expenditures

Since the inception of the Community Monitoring and AB 617 programs, the Air District has spent an estimated \$5.9 million on community monitoring. This estimate is based on labor charges of all Air District staff working on the Community Monitoring Program and Air District monitoring staff implementing AB 617, as well as all contracts for monitoring-related equipment and professional services billed toward AB 617 and Community Monitoring accounts from November 2016 through February 2021.

A significant portion of the funds spent on community monitoring, 55 percent or over \$3.2 million, is associated with hyper-local air monitoring project conducted under an Air District contract with Aclima. In this work, Aclima is making air quality measurements along every publicly accessible roadway in all Bay Area counties, covering 5,000 square miles. The results will be displayed on maps showing estimated annual average concentrations of criteria pollutants and greenhouse gases at a highly localized scale. This information will allow the Air District and communities to make general comparisons about air quality in different locations around the Bay Area and may also help identify areas with persistently higher or lower air pollution.

Table 2. Community Monitoring Expenditures, November 2016 – February 2021

Expenditure Type	Total Community Monitoring Expenditure	Percent of Total Monitoring Expenditures¹
Capital Costs (equipment)	\$ 1.0 million	17%
Professional Services	\$ 3.4 million	57%
Staff Time	\$ 1.5 million	25%
Total Community Monitoring	\$ 5.9 million	100%

1. Percentages may not add to 100 due to rounding.

Community Monitoring Expenditures by County

Community monitoring expenditures, as well as all other Air District expenditures, are typically not tracked by county. Most Air District expenditures, including for community monitoring related to AB 617 and the Community Monitoring Program, are currently tracked at the regional level. However, in July of 2020 the Air District adopted new billing codes to track expenditures in West Oakland and Richmond-North Richmond-San Pablo. Additionally, the hyper-local mobile monitoring work, contracted to Aclima, was billed by county, enabling staff to demonstrate some monitoring costs by county. Data that is available is summarized in Table 3. *The data in Table 3 represents only the best information we have; data is not a complete picture of total community monitoring expenditures by county.*

Table 3. Community Monitoring Expenditures by County¹

County	Monitoring Expenditures	Percent of Total Community Monitoring Expenditures
Alameda	\$ 440,000	7%
Labor	N/Aa	
Professional Services	440,000	
Contra Costa	\$ 621,548	10%
Labor	181,298	
Professional Services	440,000	
Marin/Sonoma	\$ 640,000	11%
Labor	N/A	
Professional Services	640,000	
Napa/Solano	\$ 640,000	11%
Labor	N/A	
Professional Services	640,000	
San Francisco	\$ 40,000	1%
Labor	N/A	
Professional Services	40,000	
San Mateo	\$ 280,000	5%
Labor	N/A	
Professional Services	280,000	
Santa Clara	\$ 760,000	13%
Labor	N/A	
Professional Services	760,000	
Total	3,421,298	58%

¹Because the Aclima project is focused on making measurements on all publicly accessible roadways in the Bay Area, the Aclima costs (nearly all costs in this table) for each county are related to the number and length of the roads in the county.

Transparent & Equitable Funding Project: Improving Location Specific Data

As part of Air District’s effort to demonstrate funding distribution to all communities via the *Transparent & Equitable Funding Project*, staff is collecting additional data to demonstrate, where possible, Air District expenditures by location. This effort would include all expenditures across all programs, not only community monitoring, i.e., the Community Monitoring Program and AB 617 implementation. The initial analysis will be for the most recent complete calendar or fiscal year. Funding distribution data would be shared via tables, narratives, and maps. Since the analysis will be retrospective, it will only include contracts, grants, supplies, and professional services, not labor costs. Currently, labor costs remain tracked only for AB 617-related work in West Oakland and Richmond-North Richmond-San Pablo and the Aclima work.

Moving forward, staff is working to improve location specific data. For example, all expenditures, including equipment, professional services, and labor utilizing Schedule X Community Monitoring fees will be trackable by community location, i.e., Benicia, Crockett, Martinez, Richmond/San Pablo, and Rodeo. Other programs will be reviewed to determine if location data can be better tracked. Future analysis of funding distributions will include location specific data for the Community Monitoring Program and other location data where we are able to improve location data in specific programs.

More detailed information on the *Transparent & Equitable Funding Project* has been shared with this committee in an April 2021 report to this committee, and will be covered briefly in the May 19, 2021 staff presentation.

County Demographic Data

County-level demographic data for the San Francisco Bay Area is provided in Table 4 below. Data for Solano and Sonoma Counties is based on county-wide populations. The legal boundary of the Bay Area Air Quality Management District includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara Counties, but only southwestern Solano County and southern Sonoma County.

Table 4. SF Bay Area County Demographic Data, 2019

	Total Population	White*	Black/ African American*	American Indian, Alaska Native*	Asian*	Native Hawaiian, Pacific Islander*	Two or More Races*	Hispanic or Latino (of any race)
Alameda	1,656,754	31.4%	10.3%	0.3%	29.9%	0.8%	4.5%	22.4%
Contra Costa	1,142,251	43.8%	8.4%	0.2%	16.5%	0.5%	4.7%	25.6%
Marin	259,943	71.2%	2.1%	0.2%	5.8%	0.1%	3.8%	16.0%
Napa	139,623	52.4%	2.0%	0.3%	8.0%	0.2%	2.6%	34.1%
San Francisco	874,961	40.5%	5.0%	0.2%	34.1%	0.3%	4.2%	15.2%
San Mateo	767,423	39.2%	2.2%	0.2%	28.3%	1.3%	4.0%	24.4%
Santa Clara	1,927,470	31.5%	2.3%	0.2%	36.3%	0.3%	3.6%	25.5%
Solano	441,829	38.0%	13.5%	0.3%	15.0%	0.9%	5.5%	26.5%
Sonoma	499,772	63.2%	1.5%	0.5%	4.0%	0.3%	3.3%	26.7%

Source: 2019 U.S. Census Bureau American Community Survey, 5-year estimates data profile

*Not Hispanic or Latino

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Christy Riviere

Reviewed by: Ila Perkins, Tim Williams, Greg Nudd, and Veronica Eady

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Direction on Community Tour Protocol

RECOMMENDED ACTION

The Air District requests direction from the Administration Committee on a protocol for Air District led Community Tours.

BACKGROUND

Community tours are a valuable way to increase understanding of communities most directly impacted by multiple sources of toxics and pollution. Tours often include visits to polluting industry, such as oil refineries, ports, recycling facilities, cement plants, rail yards and other sources of pollution and the residential communities near the pollution sources. During tours, Air District staff, board members and stakeholders meet local leaders and advocates, hear personal stories from the people living in the communities and about how pollution is impacting the health of their families and neighbors. Tours often include visits to local assets that make communities a great place to live as well as an introduction to local advocacy and community organizing efforts to improve air quality.

DISCUSSION

Community tours are an important way to improve understanding of environmental justice communities in the Bay Area and the lived experiences of residents who live those communities. Staff support community tours as a tool for internal capacity building and recognize a need for developing an internal protocol. The Administrative Committee can benefit from the development of a comprehensive protocol for community tours by weighing in on elements of the protocol, such as Board member inclusion, communication and outreach, support to community leaders and more.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kristen Law
Reviewed by: Veronica Eady

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Community Benefit Fund

RECOMMENDED ACTION

The Committee will consider recommending a modification to the Proposed Fiscal Year Ending (FYE) 2022 budget Reserves Designations to increase the Community Benefit designation.

DISCUSSION

At the May 5, 2021, Board of Directors hearing on the proposed FYE 2022 budget, the Board expressed a desire to consider increasing the Community Benefit reserves designation from \$1M to \$3M. Staff will present a modified proposed reserves designation for consideration.

Staff will work with the Community Equity, Health and Justice Committee to develop and implement a budget for the Community Benefit Fund.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Cost Recovery

RECOMMENDED ACTION

The Committee will consider next steps to reach full Cost Recovery.

DISCUSSION

At the May 5, 2021, meeting of the Board of Directors, the Board expressed a desire to further consider the path to full Cost Recovery and the possibility of a shortened time frame to meet this goal.

Staff will also suggest next steps that will review options for the Air District to reach full Cost Recovery.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Review Workplan to Initiate Management Audit

RECOMMENDED ACTION

The Committee will consider recommending approval of the proposed Workplan and scope of work to procure services for a management audit.

BACKGROUND

While considering the Fiscal Year Ending (FYE) 2022 budget, the Board directed staff to prepare a plan for review by the Committee to procure services for a management audit.

DISCUSSION

As part of its meeting, the Committee will review and discuss the proposed workplan and scope of work for a management audit.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons Cindy Chavez and Carole Groom and Members
of the Administration Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2021

Re: Employee Recruitment Rate

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

At the May 5, 2021, meeting of the Board of Directors, the Board expressed a desire to receive a report on the expected Fiscal Year Ending (FYE) 2022 employee recruitment rate.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis